

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

February 7-9, 1990

Office of the Board of Regents

220 Morrill Hall

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Minutes of the Board of Regents' Meeting
and Regents' Committee Meetings

February 7-9, 1990

CONTENTS

	<u>PAGE</u>
I. Committee Meetings	
A. Audit Committee - February 7, 1990-----	217
B. Physical Planning & Operations Committee - February 8, 1990-----	221
C. Finance & Legislative Committee - February 8, 1990-----	226
D. Faculty, Staff & Student Affairs Committee - February 8, 1990-----	230
E. Educational Planning & Policy Committee - February 8, 1990-----	233
F. Committee of the Whole - February 8, 1990-----	235
G. Committee of the Whole - February 9, 1990-----	238
II. Board of Regents' Meeting - February 9, 1990	
A. Approval of Minutes -----	242
B. Report of the President -----	242
1) Monthly Report	
C. Report of the Chair -----	243
1) Retreat	
2) Meetings held with Civil Service Committee and State University Board	
3) Legislative Support Activities	
4) Regent Sahlstrom's trip to Lincoln University	
D. Gifts -----	243
E. Contracts and Grants/Applications and Awards -----	243
F. Report of the Committee of the Whole February 8, 1990	
1) Report on Intercollegiate Athletics-----	243
G. Report of the Committee of the Whole February 9, 1990	
1) Approval of Summary of Expenditures-----	244
2) 1990-91 McKnight-Land Grant Professors-----	244
3) Report to Legislature on Academia in Review-----	244
4) Initiative in Undergraduate Education Discussion----	244
5) Tuition Task Force Report-----	244
H. Report of the Educational Planning & Policy Committee	

	1) Approval - Senior Vice President's Monthly Report--	244
	2) M.S. in Management of Technology-----	244
	3) Ph.D. in Biomedical Science-----	244
	4) College of Home Economics Report-----	244
L	Report of the Faculty, Staff & Student Affairs Committee	
	1) Approval - Senior Vice President's Monthly Report--	245
	2) Approval - Civil Service Class Changes-----	245
	3) Student Employment Rules for Coordinate Campuses-----	245
	4) Supplemental Retirement Benefits for Pre-1963 Retirees-----	245
J	Report of the Physical Planning & Operations Committee	
	1) Approval - Senior Vice President's Monthly Report--	245
	2) Approval - Purchase of Goods/Services Over \$250,000-----	246
	3) Approval - Projects Already Submitted for Information-----	246
	a Pleasant Street West Side, Arlington to Island Landscaping, Twin Cities Campus	
	b. Rebuild Stadium Drive, Duluth Campus	
	c. Purchase of Koch Farm at Lamberton, Southwest Experiment Station	
	d. Sale of 25.25 Acres on Lake Vermilion (Salt Spring Lands)	
	e. Sale of 2605-2615 East Seventh Street (Parcel B, Alworth Property)	
	f. Sale of 25% Interest in 96.6 Acres (Kemp Trust Property)	
	4) Approval - Projects Approved in Capital Request & Funded by Legislative Appropriation-----	247
	a Scott Hall Building Code Upgrading, Twin Cities Campus	
	5) Approval - Authority to Negotiate Sale of Land-----	247
	a Sale of Banfill's Island, Anoka County	
	b. Sale of 50% interest in 10 acres (Kemp Trust Property)	
	6) Approval - Authority to Negotiate Purchase of Land in Itasca County-----	247
	7) Approval - Lease Extension of Land to the City of Falcon Heights-----	248
	8) Projects Reviewed for Information-----	248
	a Westbrook Hall Improved Access Project, Twin Cities Campus	
	b. Sale of Sargent Trust Property, Itasca County	
	9) Landscape Improvement Projects Review - Delayed	
K	Report of the Finance & Legislative Committee	
	1) Approval - Senior Vice President's Monthly Report--	249
	2) Approval - Relationships of the University of Minnesota to its Foundation Policy-----	249

	3) University Grove-----	258
	4) Modifications to the Reserve Spending Plan delayed-----	258
	5) Quarterly Management Report delayed-----	258
L.	Report of the Audit Committee	
	1) Approval - Compliance Officer's Quarterly Report---	258
	2) Approval - Director of Audits' Quarterly Report-----	258
	3) External Auditor's Management Letter Review-----	258
	4) Administrative Response to Management Letter-----	258
M.	Old Business	
	1) Public Forum Follow Up-----	258
N.	New Business	
	1) Campus Demonstrations-----	258

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

February 7, 1990

A meeting of the Audit Committee of the Board of Regents was held on Wednesday, February 7, 1990 at 2:00 p.m. in Room 300, Morrill Hall.

Regents present: Regent Craig, presiding; Regents Keffeler, and Kuderer.

Staff present: Senior Vice President Donhowe, Associate Executive Director Janzen, Controller Campbell, Director of Audits Patrick Spellacy and Director of Accounting, Records and Services Don Larson.

Others present: Steve Laible, Peat Marwick Main & Co.

COMPLIANCE OFFICER'S QUARTERLY REPORT

The committee reviewed a summary of the University's departmental compliance with audit recommendations issued between July 1, 1988 and June 30, 1989. It was noted that compared to the last report, overall compliance remained at 88%. It was further noted that the Duluth Cashier's Office, University Hospital and Clinic, and the Bursar's Office increased compliance by at least 10%. Areas that need to be observed were reported to be those where the essential recommendations are not completely implemented and the nine significant recommendations that were not implemented. In addition, two departments had not submitted their progress to date.

Mr. Spellacy and Ms. Medearis were commended for the increase in overall compliance from last year's report.

After some discussion, the committee voted unanimously to recommend approval of the Compliance Officer's Quarterly Report.

DIRECTOR OF AUDITS' QUARTERLY REPORT

Patrick Spellacy, Director of Audits presented the Quarterly Report. Included in his report was information pertaining to audits issued since the October Report; audits in process and next audits scheduled.

Mr. Spellacy also presented an update on several other items which included a special request audit in the Hubert H. Humphrey Institute of Public Affairs; the final audit report from the federal office of Health and Human Services; and a follow-up audit which has been scheduled for Physical Plant by the Legislative Auditor.

The committee voted unanimously to recommend approval of the Director of Audits' Quarterly Report.

EXTERNAL AUDITOR'S REPORT

Mr. Steve Laible, partner in the firm of Peat Marwick Main & Co. presented the Management letter of that firm for the year ended June 30, 1989. Mr. Laible indicated that comments contained in the letter were placed in three categories to indicate relative importance: essential, significant and useful.

In the essential category, Mr. Laible reported on the University's accounting systems indicating that this item has appeared in previous management letters and is still an item of significance. He stated that continued commitment of resources and administrative energy to the process of implementing an improved accounting and financial management system is encouraged.

Regent Keffeler asked about the progress on implementation of the new financial management system and Carol Campbell gave a brief update. Ms. Campbell reported that the project is currently without a director as the newly-appointed director resigned to assume another position. She stated that this will have a definite impact on the proposed timeframe of the project.

Regent Keffeler also stated that she would like an external view on the progress of implementing the project. Ms. Campbell responded that she has asked that consultants from Deloitte Touche complete an assessment and report back as soon as possible. Mr. Spellacy also reported that his department is continually monitoring the project.

Relating to significant comments, two areas were noted: monitoring department expenditures and investment accounting and reporting. With regard to department expenditures, a recommendation was made to assign the responsibility for monitoring unrestricted departmental expenditures to Accounting Records and Services. It was noted that this recommendation was proposed for consideration as part of a new system design and not the current system.

With regard to Investment Accounting and Reporting, it was reported that difficulties in completing necessary year end tasks in an accurate and timely manner were noted and that the addition of an extra accounting person in the investment accounting area was recommended.

Several useful comments were listed in the letter which pertained to inventory, loan fund, student loan balances at UMD, lease accounting and carrying basis of donated equipment. Mr. Laible stated that in most cases, the issues involved refinements in accounting procedures and that in discussion with administrative staff, concurrence on the facts and a response for planned action was obtained.


Committee members also asked for Mr. Laible's view on the development of a program of management audits similar to the financial audits. He stated that one could do comparative reviews as to how other public or private universities did certain things. This might be of some benefit, except each institution has its own set of priorities, and therefore does things in different ways.

ADMINISTRATIVE RESPONSE TO MANAGEMENT LETTER

Carol Campbell, Controller, reviewed the administrative response to the management letter indicating that Administration concurs with the essential and significant comments in the Essential and Significant areas and is taking an appropriate look at the comments in the Useful area.

The committee then met privately with Mr. Laible to request his comments on any possible management issues.

The meeting adjourned at 3:30 p.m.


Barbara Muesing
Executive Director and
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning & Operations Committee

February 8, 1990

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, February 8, 1990 at 4:15 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Sahlstrom, presiding; Regents Casey, Kuderer, M. Page, Roe and Schertler.

Staff present: Senior Vice President Donhowe; Vice Presidents Allen and Donohue; Associate Executive Director Janzen; Associate Vice President Hewitt.

Student Representatives present: Randy Benson and Randy Peterson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for February 1990. Senior Vice President Donhowe called particular attention to three items included in the report which were: 1) a change order for the elimination of transformers using PCB's; 2) a contract change with Piper, Jaffray & Hopwood; and 3) a change relating to the building of silos for coal on the St. Paul Campus.

PURCHASE OF GOODS/SERVICES OVER \$250,000

The committee voted unanimously to recommend approval of a resolution authorizing the appropriate staff to award pending purchases/contracts over \$250,000 identified in the docket material.

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Pleasant Street West Side, Arlington to Island Landscaping, Twin Cities Campus
Estimated cost of the project: \$126,000
Funding: Physical Plant Operations, General Operations and Maintenance Appropriation
Estimated completion: July 1990
- b. Rebuild Stadium Drive, Duluth Campus
Estimated cost of the project: \$253,000
Funding: 1988 General Operations and Maintenance Appropriation for Repair and Replacement, Duluth Campus
Estimated completion: September 1990
- c. Purchase of Koch Farm at Lamberton, Southwest Experiment Station
Estimated cost of the property: \$206,375
- d. Sale of 25.25 Acres on Lake Vermilion (Salt Spring Lands) to Dean Olson for not less than \$77,500.
- e. Sale of 2605-2615 East Seventh Street (Parcel B, Alworth Property) to Hobart Finn, Duluth for the sum of \$125,500.
- f. Sale of 25% Interest in 96.6 Acres (Kemp Trust Property) to Minnesota, Mining and Manufacturing, Cottage Grove for not less than the appraisal average of \$69,375.

The committee also considered for action a resolution that was previously submitted for information which would authorize the extension for 15 years of a lease with the City of Falcon Heights for its use of 14.7 acres of land at the Southeast quadrant of the intersection of Cleveland and Roselawn Avenues.

Regent Kuderer indicated that he would not vote for approval of this resolution for several reasons: 1) cost - he stated that the cost of keeping this property as a capital asset while receiving only \$1 per year on the lease is not in the best interests of the University; 2) he stated that this property was listed on an inventory of surplus property which is intended for sale and retention of this land is contrary to the policy adopted by the Board pertaining to surplus property; and 3) the precedent that this action would create, will the University give this type of arrangement to others?

In the committee discussion, it was noted that this land is used for a park by the City of Falcon Heights and that University people utilize the park. Some committee members indicated that continuation of this lease would enable the University to remain a good neighbor to the City. Vice President Gene Allen indicated that it would be beneficial to the University if the land, which is near University research land, were to remain undeveloped. The committee voted by a majority of 5 to 1 to approve the resolution. Regent Kuderer voted against the resolution.

PROJECTS APPROVED IN THE CAPITAL REQUEST AND FUNDED BY LEGISLATIVE APPROPRIATION

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Scott Hall Building Code Upgrading, Twin Cities Campus
Estimated cost of the project: \$972,000
Funding: 1989 Legislative Appropriation
for Fire & Life Safety Projects
Estimated completion: March 1991

AUTHORITY TO NEGOTIATE SALE OF LAND

The committee voted unanimously to recommend approval that the appropriate administrative officers are authorized to negotiate the sale of the two parcels of land listed below:

- a. Sale of Banfill's Island, Anoka County, to the Izaak Walton League (27.1 acres situated in the Mississippi River)
- b. Sale of 50% interest in 10 acres (Kemp Trust Property) Cottage Grove, to Kipper and Ross.

It was noted that at the conclusion of negotiations, the terms of the sales would be submitted to the Board of Regents for approval.

AUTHORITY TO NEGOTIATE PURCHASE OF LAND IN ITASCA COUNTY, NORTH CENTRAL EXPERIMENT STATION

The committee voted unanimously to recommend approval of a resolution authorizing the administration to negotiate the purchase of approximately 50 acres of land situated in Itasca County for the Aspen/Larch Project. It was reported that the property is required for relocation of breeding material from an arboretum in Appleton, Wisconsin, in conjunction with the transfer of tree improvement activities from the Institute of Paper Chemistry to the University of Minnesota. It was further reported that the Blandin Foundation will provide the funds for the purchase of this property. Associate Vice President Hewitt noted that this item will be brought back to the committee for final action on the purchase.

PROJECTS PRESENTED FOR INFORMATION

The committee reviewed for information the following projects:

Wesbrook Hall Improved Access Twin Cities Campus

This project involves front entry remodeling for Wesbrook Hall including new ramp, steps, power assist entry doors, a four stop hydraulic elevator, remodeling of two toilet rooms, accessible phone and drinking fountain, and some new signage. Some interior remodeling is also included. Estimated cost of the project was reported to be \$441,000 with funding provided from a 1988 Central Reserves allocation and from 1989 Bonds/Reserves Approved Spending Plan. Completion was estimated for October 1990.

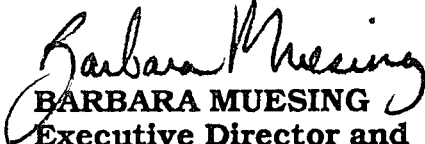
**SALE OF SARGENT TRUST PROPERTY
ITASCA COUNTY**

It was reported that this property was received as a gift from the Sargent Land Company in September 1989 and that proceeds from the sale of the property are dedicated to mineral and geological engineering education. It was further noted that no University use of the property exists at the present time and none is anticipated in the future.

**LANDSCAPE PROJECTS
TWIN CITIES/MINNEAPOLIS CAMPUS**

This item was delayed due to time constraints.

The meeting adjourned at 5:30 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Legislative Committee

February 8, 1990

A meeting of the Finance & Legislative Committee of the Board of Regents was held on Thursday, February 8, 1990 at 1:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Schertler, presiding; Regents Anderson, Grahek, Keffeler, M. Page and Sahlstrom.

Staff present: Chancellor Sargeant; Senior Vice President Donhowe; Vice President Donohue; Associate Executive Director Janzen; Controller Campbell; Director of Asset Management Paschke.

Student Representatives present: Kent Janssen and Larry Gunderson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President for Finance Monthly Report for February 1990.

RELATIONSHIP OF THE UNIVERSITY TO ITS FOUNDATIONS

The committee voted unanimously to recommend approval of the policy "Relationships of the University of Minnesota to Its Foundations" and the "Guidelines and Procedures for Foundations Operating on Behalf of the University."

Regent Schertler requested that as agreements are written for the various foundations covered by the policy, the Administration bring those agreements back to the committee for appropriate review. In addition, she requested that the Administration pursue a possible agreement between the

University Foundation and the Minnesota Alumni Association, outlining the interaction and respective roles of the two organizations.

UNIVERSITY GROVE

Roger Paschke, Director of Asset Management, reviewed the issues relating to the University Grove, as they relate to the Permanent University Fund and the available options for residents proposed by Administration. The proposed options before the Committee for approval included the following:

- All residents may retain existing lease through original 60-year term at no increase in cost or additional financial burden.
- After 60-year term, residents may elect to renew lease for 20 years. Rates on all renewals will remain at \$100 per year.
- Residents may negotiate purchase of lots for \$13,000 through 12/31/90, with 36 months for payment at no interest.
- Residents may alternatively arrange separate appraisal to determine lot price.
- Lots may be purchased without refinancing debt.
- Debt may be refinanced on a present value basis with reduced closing costs.
- Faculty mortgage program is available for current faculty.
- Residents may sign a revised lease for purpose of borrowing from external lenders for mortgages and home equity and improvement loans.

Three individuals spoke to the committee:

- Regents' Professor Emeritus John Turner, Chair of the Ad Hoc Grove Committee, spoke regarding the flow of information to residents of the Grove indicating that the University's final proposal was not fully communicated to Grove residents in enough time to prepare for this meeting.

- Professor Robert Hudec and Mr. David Kirkman, legal counsel for a group of Grove residents, spoke on their behalf in opposition to the proposed action. They indicated that the group would request the committee 1) to reject the Administration's proposed recommendation, 2) to instruct Administration to prepare a revised lease that would meet mortgage company standards to solve the PUF problem, and 3) to prepare a document that would outline the Grove's relationship to the University in writing.
- Professor Russell Hobbie spoke in support of the options proposed by Administration. He stated that the University's role in the Grove has been changing over the years, and that the time had come for this proposal which provides opportunity for changed ownership.

General Counsel Donohue then advised the committee with respect to the law and the committee's legal obligation with respect to it. He stated that the University had obtained an outside opinion on the matter and it is their opinion that "the Administration's proposal, as it is currently structured, does not contain any element that is prohibited by law or contractual obligation of the University."

A lengthy discussion ensued regarding the issues involved. Regent Keffeler then moved the Administration's recommendation. The motion was seconded by Regent Mary Page. The committee again engaged in a lengthy discussion with committee members expressing views for both sides of the issue and with Regents Anderson and Schertler stating that they were not ready to take action on the item at this time. After some time, Regent Page stated that she would withdraw her second to the motion if more time was needed to clarify the issues. Regent Sahlstrom, after receiving assurance from Senior Vice President Donhowe that a) on the advice of counsel, the University can have a lease that is marketable, and b) financial terms will not be materially adverse to the current leaseholders, seconded the motion made by Regent Keffeler. Regent Keffeler called for a vote on the motion. Regent Anderson stated that he felt voting on the matter would be a mistake at this time and requested that the committee wait one month to take action. After consulting with Vice President Donohue, Regent Keffeler agreed to include a stipulation to the motion indicating that the University will come up with a lease that will not materially disadvantage the leaseholders. Regent Sahlstrom seconded the stipulation.

After further discussion, Regent Grahek moved to table action on the item until the March meeting. The motion was seconded and the committee voted by a majority of 4 to 2 to table the discussion and action on the University Grove until the March meeting. Regents Keffeler and Page voted against the motion to table.


MODIFICATION OF RESERVE SPENDING PLAN

This item was delayed due to time constraints.

QUARTERLY MANAGEMENT REPORT

This item was delayed due to time constraints.

The meeting adjourned at 4:00 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

February 8, 1990

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, February 8, 1990, at 4:10 p.m. in Room 300, Morrill Hall.

Regents present: Regent Anderson, presiding; Regents Craig, Grahek, Keffeler, A. Page and Rosha.

Staff present: Chancellor Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice President Barbatsis; Executive Director Muesing; Assistant Vice President Carrier.

Student Representatives present: Rick Hoffman and Michael Holland.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Kuhi presented the Senior Vice President's Monthly Report to the committee for approval.

Following a brief discussion, the committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report.

Senior Vice President Kuhi presented the appointment of Anne Hopkins as Professor and Vice Provost, Political Science and Arts, Sciences and Engineering, effective May 16, 1990, to the committee for approval.

The committee voted unanimously to recommend approval of the appointment of Dr. Hopkins.

CIVIL SERVICE CLASS CHANGES

Roger Forrester, Director of the University Personnel Department, presented the following Civil Service class changes to the committee for approval:

1. New Class No. 8544, Production Coordinator, University Press, C23G (\$1726-2772) - for 1990; C22 (\$1679-2694) - for 1989; target grade for 1991 - C24.
2. Pay range change of Class No. 1191V, Manager, General Services, Morris, from A12Y (\$2051-3376) to A14 (\$2126-3489), effective January 1, 1989.
3. Change in V Class from Class No. 5369 to Class No. 5369V, Senior Research Shop Foreman and from Class No. 5370 to Class No. 5370V, Principal Research Shop Foreman.

The committee voted unanimously to recommend approval of the Civil Service class changes.

STUDENT EMPLOYMENT RULES

Vice President Barbatsis presented the proposed Student Employment Rules for the Crookston, Duluth, Morris and Waseca Campuses to the committee for information.

Gary McGrath, Vice Chancellor for Student Affairs on the Morris Campus, reviewed the proposed Student Employment Rules for the Morris Campus, noting that student employment at UMM is considered financial aid. He stated that during Fall, Winter and Spring Quarters students are limited to a maximum of 10 hours per week because off-campus employment opportunities in Morris are very limited. A concern was raised relative to the fact that student employment is not considered financial aid on all of the University campuses, and a discussion ensued regarding whether or not there should be uniformity among the campuses.

Following the discussion, Vice President Barbatsis stated that he will provide the committee with a summary of the differences in the proposed Student Employment Rules among the campuses and the rationale for those differences when this item is presented for approval at the March meeting.


**SUPPLEMENTAL RETIREMENT BENEFITS
FOR PRE-1963 RETIREES**

Senior Vice President Donhowe reviewed a proposal to increase the retirement benefits under the University's Supplemental Benefits Plan effective January 1, 1990. He discussed the rationale for and costs associated with the proposed increase and stated that the Administration believes the recommendation is equitable and prudent.

Mr. Donhowe stated that all pre-1963 participants in the University's Retirement Plan who retired June 30, 1988 or before would be eligible for the increase, in addition to the surviving spouses where the retiree elected the survivorship option. He noted that Vice Presidents who qualified for special benefits are excluded.

This item will be presented for approval at the March meeting.

The meeting adjourned at 4:35 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

February 8, 1990

A meeting of the Educational Planning & Policy Committee of the Board of Regents was held on Thursday, February 8, 1990, at 1:50 p.m. in Room 300, Morrill Hall.

Regents present: Regent Roe, presiding; Regents Casey, Craig, Kuderer, A. Page and Rosha.

Staff present: Chancellor Frederick; Senior Vice President Kuhi; Vice Presidents Allen, Barbatsis and Perlmutter; Executive Director Muesing.

Student Representatives present: David Minkkinen and Sarah Schloegel.

Regent Roe noted that this was Student Representative David Minkkinen's last meeting. Members of the committee commended Mr. Minkkinen for his service as a Student Representative.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Kuhi presented the Senior Vice President's Monthly Report to the committee for approval. The Report contained University of Minnesota program-related items and Higher Education Coordinating Board items, including updates on the Rochester area graduate programs and MSPAN II. Dr. Kuhi noted that he is scheduled to present an update to the Higher Education Coordinating Board on the status of Academic Priorities.

Following a brief discussion regarding the University's programs in Rochester, the committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report.

M.S. IN MANAGEMENT OF TECHNOLOGY

Senior Vice President Kuhi and Robert Holt, Dean of the Graduate School, reviewed a proposal to establish a Master of Science degree in Management of Technology.

The proposal will be presented to the committee for approval at the March meeting.

Ph.D. IN BIOMEDICAL SCIENCE

Senior Vice President Kuhi and Robert Holt, Dean of the Graduate School, reviewed a proposal to establish a Ph.D. in Biomedical Science.

The proposal will be presented to the committee for approval at the March meeting.


REPORT ON THE COLLEGE OF HOME ECONOMICS

Mary Heltsley, Dean of the College of Home Economics, presented a report on the College. She discussed the College's administrative structure and its faculty, noting that the College carries out the land grant mission of the University through its teaching, research and Extension faculty members. Dr. Heltsley also reviewed the composition of the student body and discussed the recruiting activities conducted by the College.

Dr. Heltsley reviewed the programmatic and research goals and services of the College's six units, and discussed issues of concern relating to each unit.

A discussion followed Dr. Heltsley's presentation. The issue of changing the name of the College was raised, and Dr. Heltsley stated that the current name poses a problem in terms of recruiting and seeking grants. She indicated that the majority of faculty and students would prefer the name "College of Human Ecology".

The meeting adjourned at 3:00 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

February 8, 1990

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, February 8, 1990, at 10:35 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Casey, presiding; Regents Anderson, Craig, Grahek, Keffeler, Kuderer, A. Page, M. Page, Roe, Rosha, Sahlstrom and Schertler.

Staff present: President Hasselmo; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Allen, Barbatsis, Donohue and Perlmutter; Executive Director Muesing; Associate Executive Director Janzen.

Student Representative present: Rick Hoffman.

Regent Casey introduced Rick Hoffman, the Morris Campus Student Representative, who was taking the place of Randy Peterson, Chair of the Student Representatives.

REPORT ON INTERCOLLEGIATE ATHLETICS

President Hasselmo led a discussion regarding intercollegiate athletics at the University of Minnesota. He commented on actions which have been implemented in the Departments of Intercollegiate Athletics since November of 1988 and proposed future actions. Dr. Hasselmo also discussed a reform agenda for intercollegiate athletics which has been developed by the Big Ten Presidents, including reduction of time demands on student athletes, reduction of costs and the strengthening of academics.

President Hasselmo indicated that he and Regent Casey have appointed a committee to review the steps that have been taken to strengthen the mission, policy and management of intercollegiate athletics on the Twin Cities Campus and the progress made toward implementing such steps. The committee will be co-chaired by

Regent Alan Page and Professor Jack Merwin and will consist of Regent Wendell Anderson, Regent M. Elizabeth Craig, Regents' Professor Ellen Berscheid, Professor Michael Steffes and two students yet to be named. He stated that Professor Jo-Ida Hansen, Dean Robert Stein and Athletic Directors Bay and Voelz will serve as resource people for the committee and Associate Executive Director Ken Janzen will provide staff support.

Professor Jack Merwin, Chair of the Assembly Committee on Intercollegiate Athletics (ACIA), discussed the composition and role of the committee. He reported that the ACIA's position on funding of intercollegiate athletics is that the University should build a base of 0100 funds for athletics or provide state support for non-revenue sports so that the revenue sports are not required to provide that support. He also noted that the ACIA recommended that the University's representatives vote in favor of the reforms presented at the recent NCAA convention.

Chris Voelz, Director of Women's Intercollegiate Athletics, presented an overview of the organization, administration and budget of her Department. She discussed her personal commitment to academics and commented on the support services available to women athletes, including the establishment of a support group for injured athletes. Ms. Voelz expressed several concerns, including the fact that the NCAA reform package does not refer to women athletes.


Rick Bay, Director of Men's Intercollegiate Athletics, presented an overview of the status of his Department and future goals. He reported on initiatives that have been taken to achieve the Department's goals to win with integrity and achieve academic success at least comparable to the student body. He stated that coaches have been informed that academic success of their teams is an important consideration in their overall job evaluation. He indicated that summer session financial aid will now be available only to those athletes who have demonstrated a reasonable work ethic during the regular academic year, and expressed support for the Big Ten Presidents' proposal to reduce time demands on student athletes. Mr. Bay discussed the Department's rule compliance program, drug testing and education program and in-service training sessions offered to Department staff.

A brief discussion followed the presentations, including the issue of how the Departments are funded. In response to a question, Mr. Bay reported that there is nothing new to report with respect to the NCAA investigation.

Following the discussion, Regent Casey expressed appreciation to everyone who participated in the presentation. He noted that presentation to the Committee of the Whole of the interim report of

the committee co-chaired by Regent Page and Professor Merwin is tentatively scheduled for May, 1990.

The meeting adjourned at 11:55 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1989-90

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

February 9, 1990

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, February 9, 1990, at 8:35 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Casey, presiding; Regents Anderson, Craig, Grahek, Keffeler, Kuderer, A. Page, M. Page, Roe, Rosha, Sahlstrom and Schertler.

Staff present: President Hasselmo; Chancellors Frederick, Ianni and Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Allen, Barbatsis, Donohue, Heydinger and Perlmutter; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Cross, Foster, Lupton and Robb; Assistant Vice Presidents Ellinger and Kvavik.

Student Representative present: Randy Peterson.

SUMMARY OF EXPENDITURES

The committee voted unanimously to recommend approval of the Summary of Expenditures for the Board of Regents' Office and the Office of the President for the period July 1, 1989 to December 31, 1989.

**ACADEMIA IN REVIEW PRESENTATION -
REPORT TO THE LEGISLATURE**

Robert Holt, Dean of the Graduate School, encouraged the Regents to attend the Academia in Review presentation scheduled for Wednesday, February 21, 1990 in Coffman Union, at which time University faculty and students will report on programmatic initiatives which have been undertaken with the support of the Legislature. This presentation will be made before the Higher Education Division of the House and Senate Appropriations Committee meeting in joint session.

RECOGNITION OF 1990-91 McKNIGHT LAND GRANT PROFESSORS

Robert Holt, Dean of the Graduate School, commented briefly on the McKnight Land Grant Professorship Program, and introduced the following 1990 McKnight Land Grant Professors:

Bridgette Barry - Department of Biochemistry
R. Lawrence Edwards - Department of Geology & Geophysics
Yuichi Kubota - School of Physics & Astronomy
Karen A. Mesce - Department of Entomology
Mary Porter - Department of Cell Biology & Neuroanatomy
Gloria Raheja - Department of Anthropology
Scott Rychnovsky - Department of Chemistry

Regent Casey commended the 1990 McKnight Land Grant Professors on being selected to participate in this exciting faculty development program.

INITIATIVE FOR EXCELLENCE IN UNDERGRADUATE EDUCATION - ADMISSIONS

President Hasselmo continued the discussion of the Initiative for Excellence in Undergraduate Education, focusing on issues related to admission to the University.

Senior Vice President Kuhl addressed the following questions:

- Who should the University's students be and why?
- How does the University attract students and make it possible for them to attend and graduate?

He noted that a common denominator in both questions is how the University handles admissions and through the use of visual aids, he reviewed admissions principles and the University's responsibilities in the area of admissions.

Russell Hobbie, Associate Dean of the Institute of Technology, reviewed the proposal for a common entry point to the University and compared the current application procedures with the procedures students will have to follow after the proposal is implemented.

Elaine May, Associate Dean of the College of Liberal Arts, used visual aids to discuss the following issues related to preparation requirements:

- What are the preparation requirements?

- Why does the University have preparation requirements?

- To what extent do students now fulfill the 1991 preparation requirements?

- What impact will the preparation requirements have on the University's goals for diversity?

- How will students who are admitted without the required preparation satisfy the requirements after they enter the University?

President Hasselmo reviewed the University's action agenda on women, minorities and the disabled in science and engineering, noting that this is an important component of the Initiative for Excellence in Undergraduate Education with respect to admissions. He discussed the efforts that will be made to meet the University's goal to significantly increase the number of women, minorities and disabled persons that graduate with degrees in science and engineering, especially those with graduate degrees who intend to pursue faculty careers. He stated that the Board will be kept informed as this effort progresses.

A lengthy discussion ensued and several Regents expressed concerns, particularly with respect to the need to improve advising and counseling and communication with high school counselors. Concerns were also raised regarding the need to involve the coordinate campuses in the admissions process. In response to some of the concerns, Provost Kuhl stated that the plan includes a proposal to strengthen advising by adding a number of people and the addition of a University-oriented training program for current advisors. Student Representative Randy Peterson spoke in support of the admissions initiatives and expressed appreciation to President Hasselmo.

Following the discussion, Regent Casey thanked everyone for their participation in the presentation and noted that this item will be discussed further at the April meeting.

TUITION POLICY

President Hasselmo led a discussion regarding the February, 1990 Report of the Tuition Study Group and presented the Administration's recommended resolution to the committee for information. He stated that the resolution establishes a strategy for proceeding regarding tuition and Regents will be involved in the gradual implementation of the recommendations as part of the budget process.

Nick LaFontaine, Chair of the Tuition Study Group, used visual aids to review the Study Group's recommendations, including a recommendation that each campus set a single undergraduate tuition rate.

A discussion followed the presentation. Student Representative Randy Peterson expressed support for the recommendations and stated that although some students will be required to pay higher tuition rates under the proposal, they will benefit from the increased access to services and classes which will result. For discussion purposes as the Board proceeds to review and approve the proposed Tuition Policy, Regent Schertler reintroduced the following resolution which she originally introduced at the Committee of the Whole meeting on July 14, 1989:

WHEREAS, tuition has outpaced inflation for the past 10 years; and

WHEREAS, financial aids of all types have not kept pace with the tuition increases; and

WHEREAS, tuition at the University of Minnesota is now prohibitive;

BE IT RESOLVED:


1. That the University of Minnesota seek separate funding from the Legislature for professional and graduate programs at the University;

2. That the legislative mandate of 33 1/2 percent of instructional costs of undergraduate programs be applied collegiate unit by collegiate unit and not only in the aggregate as outlined in the proposed budget;

3. That uncoupling take place on the Twin Cities Campus in terms of the downsizing enrollment caps to our tuition charges.

Following the discussion, Regent Casey noted that this item will be discussed further at the March meeting, at which time the committee will be asked to approve the proposed Tuition Policy.

The meeting adjourned at 10:35 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

February 9, 1990

A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 9, 1990, at 10:50 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Casey, Craig, Grahek, Keffeler, Kuderer, A. Page, M. Page, Roe, Rosha, Sahlstrom and Schertler. President Hasselmo presided.

Staff present: Chancellors Frederick and Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Allen, Donohue, Heydinger, and Perlmutter; Executive Director Muesing, Associate Executive Director Janzen; Associate Vice Presidents Foster and Hewitt.

APPROVAL OF MINUTES

The Board of Regents voted unanimously to approve the minutes of the following meetings:

Open Forum - January 11, 1990
Committee of the Whole - January 11, 1990
Committee of the Whole - January 12, 1990
Board of Regents - January 12, 1990

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report to the Board. Included in his report were items pertaining to Africana History Month activities, Initiative for Excellence in Undergraduate Education, Tuition Policy, Intercollegiate Athletics, the appointment of the Vice Provost for Arts, Sciences, and Engineering, his recent trip to Indonesia and Thailand, the NASULGC Conference on Supercomputing, and the NSF Conference on Women, Minorities, and the Disabled in Science. A copy of the President's Report is on file in the Regents' Office.

REPORT OF THE CHAIR

Chair Casey reported on the recent retreat of the Board of Regents, meetings with the Civil Service Committee and State University Board and legislative support activities being hosted by Regents. Regent Sahlstrom reported briefly on his recent trip to Lincoln University to attend a conference of the Board for International Food and Agriculture Development.

GIFTS

Mr. Robert Hanle, Assistant Director of the University Foundation, presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation and the Minnesota Medical Foundation. The Board of Regents voted unanimously to approve the gifts including an amendment. Documentation is filed supplement to the minutes, No. 22,200.

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

Senior Vice President Kuhl submitted for approval the contracts and grants/applications and awards.

The Board of Regents voted unanimously to approve the contracts and grants/applications and awards.

Documentation is filed supplement to the minutes, No. 22,201.

REPORT OF THE COMMITTEE OF THE WHOLE February 8, 1990

Regent Casey, Chair of the committee, reported that the committee received an indepth presentation on Intercollegiate Athletics including reports from President Hasselmo on the Big Ten Presidents' athletic agenda, the University's Athletic Directors on their departmental missions, and the Chair of the ACIA on faculty efforts to implement reform.

REPORT OF THE COMMITTEE OF THE WHOLE
February 9, 1990

Regent Casey, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following action:

- a) Approval of resolution re Summary of Expenditures, as follows:

RESOLVED, that the Summary of Expenditures for the Board of Regents' Office and the Office of the President for the period July 1, 1989 to December 31, 1989, is hereby approved.

The Board of Regents voted unanimously to approve the recommendation of the Committee of the Whole.

Chair Casey reported that the committee also recognized the 1990-91 McKnight-Land Grant Professors; reviewed information pertaining to a report to the legislature on Academia in Review; continued the discussion of the Initiative in Undergraduate Education; and received a report from the Tuition Task Force along with a review of the administration's recommended resolution on tuition.

**REPORT OF THE EDUCATIONAL PLANNING AND POLICY
COMMITTEE**

Regent Roe, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following action:

- a) Approval of the Senior Vice President's Monthly Report. Documentation is filed supplement to the minutes, No. 22,202.

The Board of Regents voted unanimously to approve the recommendation of the Educational Planning and Policy Committee.

Chair Roe reported that the committee also reviewed two proposed degree programs: 1) M.S. in Management of Technology and 2) Ph.D. in Biomedical Science. In addition, he reported that the committee received a report on the College of Home Economics.

REPORT OF THE FACULTY, STAFF AND STUDENT AFFAIRS COMMITTEE

Regent Anderson, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of a resolution re Senior Vice President's Monthly Report, as follows:

RESOLVED, that on the recommendation of the Vice President for Academic Affairs, the personnel actions affecting Academic and Professional and Administrative faculty and staff members as listed in the Vice President's Monthly Report be approved. Documentation is filed supplement to the minutes, No. 22,203.

- b) Approval of Civil Service Class Changes as presented to the committee and filed supplement to the minutes, 22,204.

The Board of Regents voted unanimously to approve the recommendations of the Faculty, Staff and Student Affairs Committee.

Regent Anderson reported that the committee also reviewed Student Employment Rules documents for the campuses of Crookston, Duluth, Morris, and Waseca. In addition, he reported that the committee reviewed information relating to supplemental retirement benefits for pre-1963 retirees.

REPORT OF THE PHYSICAL PLANNING AND OPERATIONS COMMITTEE

Regent Sahlstrom, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Monthly Report of the Senior Vice President for Finance, which included Purchasing, Project Status Report, and Miscellaneous - Physical Planning and Operations. Documentation is filed supplement to the minutes, No. 22,205.

- b) Approval of resolution re Purchase of Goods/Services over \$250,000 as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchases/contracts over \$250,000.

Documentation is filed supplement to the minutes, No. 22,206.

- c) Approval of a resolution regarding projects already submitted for information, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Pleasant Street West Side, Arlington to Island Landscaping, Twin Cities Campus
Estimated cost of the project: \$126,000
Funding: Physical Plant Operations, General Operations and Maintenance Appropriation
Estimated completion: July 1990
- b. Rebuild Stadium Drive, Duluth Campus
Estimated cost of the project: \$253,000
Funding: 1988 General Operations and Maintenance Appropriation for Repair and Replacement, Duluth Campus
Estimated completion: September 1990
- c. Purchase of Koch Farm at Lamberton, Southwest Experiment Station
Estimated cost of the property: \$206,375
- d. Sale of 25.25 Acres on Lake Vermilion (Salt Spring Lands) to Dean Olson for not less than \$77,500.

- e. Sale of 2605-2615 East Seventh Street (Parcel B, Alworth Property) to Hobart Finn, Duluth for the sum of \$125,500.
 - f. Sale of 25% Interest in 96.6 Acres (Kemp Trust Property) to Minnesota, Mining and Manufacturing, Cottage Grove for not less than the appraisal average of \$69,375.
- d) Approval of the following projects approved in the Capital Request and Funded by Legislative Appropriation as follows:
- a. Scott Hall Building Code Upgrading, Twin Cities Campus
Estimated cost of the project: \$972,000
Funding: 1989 Legislative Appropriation for Fire & Life Safety Projects
Estimated completion: March 1991
- e) Approval of resolution re Authority to Negotiate Sale of Land, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to negotiate the sale of the two parcels of land listed below:

- a. Sale of Banfill's Island, Anoka County, to the Izaak Walton League
 - b. Sale of 50% interest in 10 acres (Kemp Trust Property) Cottage Grove, to Kipper and Ross.
- f) Approval of resolution re Authority to Negotiate Purchase of Land in Itasca County, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to negotiate the purchase of approximately 50 acres of land situated in the West One-Half of the NW1/4 of Section 11, Township 54 North, Range 25 West, Itasca County, Minnesota.

The Board of Regents voted unanimously to approve the recommendations of the Physical Planning and Operations Committee.

Chair Sahlstrom reported that the committee voted by majority to approve the following project previously submitted for information:

- a Lease Extension (15 years) of 14.7 Acres to the City of Falcon Heights for rent of \$1.00 per year.

Regent Kuderer reiterated his comments from the committee meeting that he would not vote in favor of this motion for the following reasons: 1) cost of keeping the property as a capital asset is not in the best interests of the University; 2) the property has already been listed on the inventory of surplus property to be disposed of; and 3) it would set a precedent for other property issues.

After some discussion, the Board of Regents voted by a majority of 11 to 1 to approve the recommendation of the Physical Planning & Operations Committee. Regent Kuderer voted against the motion.

Regent Sahlstrom reported that the committee also reviewed the following projects for information:

- a Wesbrook Hall Improved Access Project, Twin Cities Campus
- b Sale of Sargent Trust Property, Itasca County

In addition, Regent Sahlstrom reported that the presentation on Landscape Improvement Projects proposed for the Twin Cities/Minneapolis Campus was delayed due to time constraints.

REPORT OF THE FINANCE AND LEGISLATIVE COMMITTEE

Regent Schertler, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Monthly Report of the Senior Vice President for Finance, which included Investments, Accounts Receivable, Central Reserves, Debt Management, and Miscellaneous - Finance and Legislative. Documentation is filed supplement to the minutes, No. 22,207.
- b) Approval of policy re Relationships of the University of Minnesota to its Foundations, as follows:

**RELATIONSHIPS OF THE UNIVERSITY
OF MINNESOTA TO ITS FOUNDATIONS**

PURPOSE

Private support for public higher education is an accepted and firmly established practice throughout the nation. Foundations¹ are established to enhance this practice, to enable institutions to accomplish more than public funding allows. Their private, independent nature also provides the university with the added advantages of dedicated donor services and management flexibility.

The University of Minnesota benefits from the activities of many foundations. The relationship with some foundations is very close and the foundations have, as their primary mission, support of the University of Minnesota and its programs. These foundations, including, as of the implementation of this policy, University of Minnesota Foundation, Minnesota Medical Foundation, Minnesota Landscape Arboretum Foundation and 4-H Foundation are accorded the status of "Recognized Foundations" as defined in the policy.

Other foundations may provide substantial support to the University and its programs while their main focus and mission are of regional or national scope or centered upon specific research or service goals. These foundations may provide support to several recipients in addition to the University of Minnesota. Generally, the mutual expectations of these foundations and the University are defined in the gift, grant or award document. To the extent that such expectations or other reciprocal arrangements, such as use of University space or services are not

¹Charitable organizations of various legal types and descriptions. These various entities are referred to as "foundations" throughout this policy.

clearly defined, a separate written agreement should be established in order to clarify the obligations of the University and the foundation.

Aware of the value of its own long-standing foundations to the well-being of the University, yet conscious of its responsibility to assure the proper relationships with them, the Board of Regents establishes this policy with the following objectives:

- Preserve and enhance the operation of foundations appropriately recognized by the University of Minnesota.
- Support the fund raising activities of such foundations, and promote a positive relationship with their staff and volunteer members.
- Assure that the University and its foundations operate effectively and responsibly, consistent with the reasonable expectations of both public and private interests on behalf of the University.

BOARD OF REGENTS POLICY

To accomplish these objectives the Board of Regents affirms the work and conduct of those University-related foundations whose practices have consistently embodied a common set of operational and financial standards for University recognition.

The president of the University of Minnesota may afford recognition to a foundation that satisfies certain basic criteria, specified below. However, because it is desirable to have University-related gift solicitation and donor relations efforts concentrated in a limited number of organizations, a prospective foundation will be recognized only if it is determined that its proposed functions cannot be adequately met by the University or existing recognized foundations.

In principle the Board of Regents recognizes that it cannot, and should not, have direct control over foundations that enhance and support the University's mission. These foundations exist to serve the University, but are governed separately.

However, this relationship also requires that the Board of Regents protect the integrity and name of

the University and its programs, and assure that foundations acting on its behalf exemplify the standards it has come to expect from its own recognized foundations.

STANDARDS OF UNIVERSITY RECOGNITION

"Recognized" foundations should satisfy the following characteristics:

- Are created and operated primarily in support of the University's interests, and their work is compatible with the institution's purposes.
- Have as their primary purpose to secure, manage, and invest private support for the benefit of the University.
- Provide private support for a significant segment of the operations or programs of the University.
- Operate as private legal entities, separate from the University.
- Use sound fiscal and auditing procedures.
- Obtain and maintain status as tax-exempt, charitable organizations under State and Federal income tax laws, to ensure that gifts and bequests received may qualify as deductible, charitable contributions for the donor.

In return, foundations acting on behalf of the University may be granted various privileges, which may include:

- Use of the name and seal of the University, provided that University delegations of authority and policies are observed.
- Use of University space, equipment, and staff in the performance of the foundation's activities.
- The University may urge, suggest or recommend contributions to the recognized foundations in support of University activities.

Except as specifically provided in written agreement with the University, prospective foundations or non profit tax exempt organizations unable or unwilling to embody these standards should not expect the recognition and privileges accorded those foundations that satisfy University standards. Specifically, foundations not recognized by the University:

- May not occupy University facilities or property reserved for non-public uses.
- May not use any University asset, credit, goodwill, or the name of the University.
- May not be recommended for contributions.
- May not use or assume benefit of the University's tax-exempt status under State or Federal laws.

**GUIDELINES AND PROCEDURES
FOR FOUNDATIONS OPERATING ON
BEHALF OF THE UNIVERSITY**

**ESTABLISHING AND MAINTAINING
RELATIONSHIPS**

1. A recognized foundation's enabling documents (e.g. articles of incorporation, bylaws, constitution) and any amendments are to be filed with and reviewed by the University president or his/her designee. These documents must include a clause requiring that in the event of its dissolution, the foundation's assets and records will be distributed to the Regents of the University of Minnesota, provided the Regents remain a qualified charitable organization under relevant State and Federal income tax laws.
2. The President or his/her designee must be an ex-officio voting or non-voting member of a recognized foundation's governing board and of any executive or similar committee empowered to act for the governing board.

3. Officers and staff members of a recognized foundation should be bonded as appropriate in amounts to be determined by the foundation's governing board. General liability and directors' and officers' liability insurance should be obtained in amounts determined by the governing board to be reasonable and appropriate.

OPERATING PROCEDURES FOR RECOGNIZED FOUNDATIONS

To protect and preserve their mutual integrity, the University and its recognized foundations should follow sound and appropriate operating procedures, to include the following:

General Procedures

1. From time to time the University may request the assistance of a recognized foundation in providing services to other support groups such as cash management, stewardship, accounting, gift and tax reporting or fund raising activities. Such assistance would be provided at the option of the foundations.
2. In general, consulting fees, loans, or perquisites may be paid to a University employee, director, officer, or staff member only with the written approval of the appropriate University official. Payments to the University President must be approved by the Regents and similar payments to a foundation trustee or director approved by its board.
3. Transactions involving the foundation and the personal or business affairs of a trustee, director, officer, or staff member should be approved in advance by the foundation's governing board. In addition, trustees, directors, officers, and staff members of a recognized foundation disqualify themselves from making, participating or influencing a decision in which they have or would have a financial interest.

4. No director, trustee, officer, or staff member of a recognized foundation accept from any source any gift or gratuity that is offered, or reasonably appears to be offered, because of the position held with the foundation; nor should an offer of a gift or gratuity be extended by such an individual on a similar basis. This does not include informational material, such as books, reports, calendars, or other unsolicited promotional material; nor modest entertainment, such as a meal or refreshment in connection with meetings, conferences, or public ceremonies, or home hospitality.
5. No substantial part of the activities of a recognized foundation should consist of disseminating propaganda, attempting to influence legislation, or participating or intervening in any political campaign on behalf of a candidate for public office.

Communication Procedures

1. Foundations recognized by the University make it clear to prospective donors that:
 - The foundation is a separate, legal and tax entity organized for the purpose of encouraging voluntary, private gifts, trusts, and bequests for the benefit of the University.
 - Responsibility for governance of the foundation, including investment of gifts and endowments, resides in the foundation's board.
 - Checks for charitable gifts to any of the University's participating academic and support programs should be made payable to the foundation.
 - Gifts made for a designated purpose will be dedicated in their entirety to that purpose unless it is specifically stated that an administrative charge will be applied.

2. In accepting gifts of all kinds, recognized foundations:
 - Advise donors that any restrictive terms and conditions they attach to gifts for the University are subject to University approval.
 - Ensure that gifts are reported to and approved for acceptance by the University president and/or Board of Regents in accordance with pertinent University policies and delegations of authority.
 - Coordinate their funding goals programs, and campaigns with the University.
 - Gifts, grants or contracts that include a financial or contractual obligation binding upon the University must have prior concurrence in writing from the Provost and/or appropriate Vice President or their designee.

Financial Procedures

1. Foundations hold and invest endowments and funds functioning as endowments on a long-term basis. For this purpose they should ensure that appropriate standards such as the following are applied:
 - In general, foundation investment procedures should be conducted in accordance with prudent, sound practices to ensure that gift assets are protected and enhanced, that a reasonable return is achieved, and with due regard for the fiduciary responsibilities of the foundation's governing board. The investments must be consistent with the terms of the gift instrument.
 - Income from investments, net of administrative fees, should be administered in accordance with pertinent foundation board policies, and,

where appropriate, transferred to the University and expended from the designated University department or program accounts.

- In general all funds received or allocated by the foundation for University support must be transferred to an expended from University designated program accounts. However, it is recognized there may be exceptions to this procedure, such as authorized expense accounts of University senior administrative officials, scholarships, honoraria, awards, appropriately documented reimbursements, and other special University-related projects.
 - With such distribution, appropriate notification should be given to the University administrator(s) or department(s) particularly if necessary to insure that University reporting obligations can be satisfied.
2. Consistent with good stewardship, University principals into whose department or program the foundation funds are transferred, are responsible both to account for them in accordance with University policies, and to apprise the foundation and/or the donor(s) on a timely basis about the benefits of the funds.
 3. Foundations should carry out financial commitments and expenditures consistent with pertinent policies, plans, and budget approved by the foundation's governing board and consistent with the University's mission.
 4. For purposes of good accounting, gifts and funds payable to the University of Minnesota and Board of Regents or to any other University entity should not be deposited with the foundation. an exception to this procedure occurs for University support groups that have authorized designated foundations accounts.
 5. Foundation and University procedures should provide for occasions when gifts intended for

the University or foundation are erroneously made payable to the other entity. Such errors of commission should be documented, if possible, to allow the University to issue a check to the foundation or vice versa.

6. Foundations should maintain books in accordance with generally accepted accounting principles, and should be audited annually by a firm of Certified Public Accountants. Copies of the audited financial statement and a current list of foundation officers, directors or trustees, should be made available to the University president.
7. Because private funds are raised to support public projects there are occasions when it is appropriate for foundations to permit authorized University officials or their designees to inspect the pertinent foundation books and records that do not violate rights to privacy and confidential donor information.

Affirming Relationships

The University of Minnesota, its President and Board of Regents, affirm and encourage the work and conduct of its foundations and their volunteer boards. When members of the University community learn that concerned citizens are contemplating the creation of organizations or foundations in support of University of Minnesota programs, the prospective organizers should be urged to seek the assistance of the University, or University of Minnesota Foundation to ensure the appropriateness of their relationship with the University of Minnesota and the potential for utilizing existing foundations to achieve their objectives. In the event existing foundations cannot provide the necessary services, the new organization should seek University recognition and its related privileges by exemplifying the standards and guidelines set forth above.

The Board of Regents voted unanimously to approve the recommendations of the Finance and Legislative Committee.

Chair Schertler reported that the committee also engaged in an extensive discussion relating to the Administration's recommendation and review of the University Grove and the Permanent University Fund issues. She stated that proposed action on the item was tabled until the March meeting.

Regent Schertler reported that the items pertaining to the proposed modifications to the Reserve Spending Plan and the review of the Quarterly Management Report were delayed due to time constraints.

REPORT OF THE AUDIT COMMITTEE

Regent Craig, Chair of the Audit Committee, reported that the Committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Compliance Officer's Quarterly Report as presented to the committee.
- b) Approval of the Director of Audits' Quarterly Report as presented to the committee.

The Board of Regents voted unanimously to approve the recommendations of the Audit Committee.

Chair Craig reported that the committee also reviewed the External Auditor's Management Letter for the year ended June 30, 1989 and the Administrative response to the Management Letter. In addition, she reported that the committee met privately with the external auditing firm to request comments on any possible management issues.

OLD BUSINESS


Regent Schertler thanked Chair Casey and staff on the follow up that has been done following last month's public Forum.

NEW BUSINESS

President Hasselmo spoke briefly regarding demonstrations on campus that had occurred recently. He stated that one of the issues is the University's Sexual Violence Program and he stated that the Office of the Vice President for Student Affairs is addressing the issues which are of concern. Another issue generating some protest activity related to the University's contract with the Department of Defense and

President Hasselmo stated that the matter has been carefully reviewed and the University is in complete compliance with Regents' policy.

The meeting adjourned at 11:50 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary