

**Statement of Work FY21**

This Statement of Work FY21 (this "SOW"), effective the 1<sup>st</sup> day of July, 2020, is made between THE UNIVERSITY OF CONNECTICUT ("University"), Connecticut's land grant university, whose statutory authority is set forth in Chapter 185b of the Connecticut General Statutes, and THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED ("Foundation"), a Connecticut nonstock corporation that is exempt from taxation under 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The University and the Foundation have entered into a Second Amended and Restated Master Agreement dated July 1, 2020 (the "Agreement") under which the Foundation has responsibility for fundraising efforts for the benefit of the University, management of endowment and other funds designated to benefit the University and for performing alumni relations activities in support of the University.

The Agreement stipulates that the University and Foundation will from time to time, but in no event less frequently than once every five (5) years, enter into statements of work which outline the specific fundraising, investment management and alumni relations activities goals and objectives that the University and Foundation have agreed upon and the consideration to be provided to the Foundation each fiscal year. This SOW covers the period July 1, 2020 through June 30, 2021 ("Period").

**1. Payments**

The University agreed to provide certain in-kind consideration to the Foundation for its services under the terms of the Agreement. In addition to agreeing to provide such in-kind consideration, the University further agrees to provide the following consideration to the Foundation for the Period:

- a) **Service Fee:** The University will pay a guaranteed amount to the Foundation of Twelve Million One Hundred Fifty Thousand Two Hundred and One Dollars (\$12,150,201) during the Period for development and alumni activities and related services, which payment will be made quarterly in advance in equal installments during the Period. Of this total amount, the University and the Foundation agree that a minimum amount of \$2,835,201 will be devoted specifically to alumni relations activities and services.
- b) **Other Fees:** The University agrees that Foundation operations will also be funded by an advancement fee (formerly referred to as an "endowment administrative fee"), and a gift fee on contributions and earnings on non-endowed Foundation assets.
  - 1) The Foundation will assess and retain an advancement fee, as reasonably determined by the Foundation, on all endowment assets (University and Foundation assets) invested by the Foundation. The Foundation's advancement fee is calculated annually on quarterly ("Calculation Date") and presently equals one and three-quarter percent (1.75%) of the rolling prior twelve (12) quarter average unitized market value of the long-term pooled investment portfolio multiplied by the number of units held by each endowed fund. The Foundation, from time to time, may change the advancement fee and will notify the University, in writing, of any changes to the administrative fee made during the Period. The advancement fee owing to the Foundation will be transferred to Foundation operating funds in four equal installments as of the first day of each quarter following the Calculation Date (April 1<sup>st</sup>, July 1<sup>st</sup>, October 1<sup>st</sup>, and January 1<sup>st</sup>).
  - 2) The Foundation will assess and retain gift fees on all non-endowed gifts deposited in the Foundation, as reasonably determined by the Foundation. The Foundation's gift fee for non-endowed gifts is presently five percent (5%) of the value of the gift as of the date of receipt. Twenty-five percent (25%) of any non-endowed gift fee (or 1.25%) may be transferred to Foundation operating accounts supporting the school, college or unit supported by the fund to which the original gift was designated. The remaining seventy-five

percent (75%) of any non-endowed gift fees (3.75%) is retained by the Foundation to support its operations. The Foundation, from time to time, may change the gift fees and will notify the University, in writing, of any changes to the gift fees made during the Period.

- 3) The Foundation will retain all investment earnings on non-endowed Foundation assets.

## **2. Foundation Mission**

The Foundation is an independent, not-for-profit, tax-exempt organization operating exclusively to promote the educational, scientific, cultural, research and recreational objectives of the University of Connecticut (inclusive of the University's Health Center). This is accomplished by providing quality programs and services for its alumni and supporters, and by serving as the primary fundraising vehicle for the University. The Foundation solicits, administers, and invests private funds for the sole benefit of the University and its mission of pursuing excellence in teaching, research, and public service.

## **3. Fundraising and Alumni Engagement Goals and Benchmarks**

In consideration of the compensation provided to Foundation by the University under the terms of the Agreement and this SOW, the Foundation, consistent with its mission, agrees as follows:

The Foundation will continue its efforts to increase total private gift revenue toward an annual target of ninety million dollars (\$90M) in new gifts and commitments for the University (inclusive of support for the UConn Health Center), in the Period, such amount to be calculated in accordance with the Foundation's reasonably established gift counting policy, as amended from time to time. The parties acknowledge and understand that achieving this target may be significantly negatively impacted by the COVID-19 pandemic and its global economic impact. The Foundation will use its best efforts to reach the fundraising target by implementing annual strategies that will include:

### **a) Increase donor engagement**

- 1) Utilize the University President, Provost, Deans and Program Directors in strategic donor outreach at the six-figure level and above.
- 2) Engage the UConn Board of Trustees, UConn Foundation Board of Directors, and the UConn Health Center Board of Directors cultivation, solicitation, and stewardship of major and principal gift prospects.
- 3) Continue to focus on building customized engagement strategies for principal gift donors and prospects, understanding this group will have a disproportionate impact on the ability to reach and exceed goals.
- 4) Increase contact and deepen engagement of donors and prospects at the \$50K+ rated level through more efficient deployment of appropriate numbers of full-time frontline fundraisers, effectively utilizing prospect research and screening data to drive activity.
- 5) Facilitate stronger collaboration in donor strategy working across the Foundation and the University, using prospect management meetings to review and discuss the status of top donor strategies and package comprehensive proposals. Engage Deans and directors in strategy discussions and direct implementation of fundraising. Increase engagement of University President and Provost with key University stakeholders.
- 6) Continue to focus on increasing overall alumni and donor count using business intelligence.
- 7) Build on ongoing planning activities (e.g., constituent data analysis, staffing analysis, and technology enhancements) for a significant and concerted fundraising effort for the benefit of the University ("Campaign"). Work with the Foundation's chosen campaign consultant, the Deans, and appropriate University administration to build campaign themes, organize them around University priorities, and deliver a compelling campaign case statement. It is understood and agreed by the parties that the decision to pursue a Campaign, the amount of funds to be raised, priorities to be funded, and timing of such Campaign, is to be mutually agreed upon by the parties in consideration of relevant operational and economic factors including, without limitation, the COVID-19 pandemic and its global economic impact.

b) Increase alumni engagement

- 1) Strengthen lifelong bonds between all members of the UConn family by inspiring pride and providing quality programs and services which enhance the engagement of the diverse University community.
- 2) Develop metrics for use in tracking success of alumni programs, defining strategic areas of focus, and conducting personal visits.
- 3) Engage University alumni and Huskies everywhere by tailoring efforts to their geographic location, University experience, and life stage.
- 4) Cultivate students as future alumni with an enduring commitment to the UConn network and the University.
- 5) Execute outreach and engagement strategies to promote the value of philanthropy and increase constituent giving.
- 6) Develop an exemplary alumni organization respected for its energy, expertise, effectiveness, and innovation.

c) Align fundraising with University priorities

- 1) Continue to focus fundraising activities around supporting need-based financial aid for University students. Use reasonable efforts to raise gifts and commitments for student support, including, but not limited to, scholarships, assistantships, fellowships, awards, and prizes, that equal not less than fifteen percent (15%) of the total amount of all gifts and commitments raised during the Period. As part of these efforts, establish a plan with the President to reach his stated goal to fully fund in-state students eligible for the University's Connecticut Commitment program. This will include efforts to fund scholarships for those who are recognized as Promise Scholars from Hartford, New Haven or other Promise programs that may be established, including Bridgeport and Waterbury, and that such funds will be counted toward the goal established for the Connecticut Commitment Program, if the scholar would have otherwise been eligible for the Connecticut Commitment.
- 2) Expand comprehensive grateful patient program through work with identified physician champions and patient rounding with nurse managers.
- 3) Maintain an emphasis on endowment fundraising to provide sustaining support of the University.
- 4) Support University, as well as School and College, fundraising priorities.

d) Enhance external and internal communications

- 1) Help educate the University community about the important role of cultivating and stewarding private support.
- 2) Continue to develop fundraising focused material related to strategic priorities of the University.
- 3) Align event marketing strategy with alumni goals to increase participation and attendance.
- 4) Coordinate communications to alumni, donors and friends with the University.
- 5) Work with UConn Nation Proud (a separate 501(c)(4) organization established by University volunteers to promote the impact the University of Connecticut and its students, faculty, staff and organizations have on the well-being of the residents, culture and economy of the state of Connecticut) to educate the general-public, including lawmakers and community leaders, regarding the important roles of the UConn Foundation and University.

e) Increase operational efficiencies

- 1) Strengthen stewardship for donors at various levels, including \$1K or more annual donors, as well as lifetime donors of \$100K or more.
- 2) Increase regional development program outreach to strengthen engagement and support from alumni and other constituents nationally.
- 3) Optimize staffing and increase investment in staff training to develop high performing Foundation operation.

4) Align our endowed faculty minimum gift guidelines with national peers and best practices.

**4. Investment Benchmarks**

The Foundation in its discretion will establish appropriate investment benchmarks for assets invested for the benefit of the University, both those owned by the Foundation and those owned by the University. The Foundation will provide to the University's President and Executive Vice President for Administration and Chief Financial Officer a summary report of its investment risk and return benchmarks during the Period. The Foundation will use reasonable efforts to maintain the following benchmarks during the Period:

- a) The target return on Foundation investments will be five- and three-quarter percent (5.75%) plus inflation.
- b) Volatility is expected to be consistent with the risk associated with exceeding the return of the portfolio benchmark noted above, calculated as the weighted average performance of the asset class benchmarks defined in the Foundation's Investment Policy Statement.
- c) Risk is expected to be measured by the annualized standard deviation of returns over a market cycle of seven to ten years.

**5. State Contract Requirements**

The state contracting requirements set forth in Section 10 of the Agreement are incorporated herein by reference, to the extent necessary.

**6. Amendment**

This SOW may be modified or amended in whole or in part by mutual written agreement signed by duly authorized representatives of each of the parties.

**7. Governing Law**

This SOW is governed by the laws of the State of Connecticut. If there shall be any inconsistency between the provisions of this SOW and the Agreement, the provisions of the Agreement shall control.

**FOR THE UNIVERSITY OF CONNECTICUT**


Thomas Katsouleas  
Thomas Katsouleas (Jul 16, 2020 14:58 EDT)  
Thomas C. Katsouleas, Ph.D.  
President, University of Connecticut

Jul 16, 2020  
Date

Scott A. Jordan  
Scott A. Jordan (Jul 8, 2020 14:22 EDT)  
Scott A. Jordan  
Executive Vice President for Administration and  
Chief Financial Officer, University of Connecticut

Jul 8, 2020  
Date

**FOR THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED**

  
John Malfettone (Jun 30, 2020 16:17 EDT)  
John P. Malfettone  
Chair, The University of Connecticut  
Foundation, Incorporated

Jun 30, 2020


Date

  
Scott Roberts (Jun 30, 2020 17:32 EDT)  
Scott M. Roberts  
President, The University of Connecticut  
Foundation, Incorporated

Jun 30, 2020

Date

**APPROVED AS TO FORM**

Joseph Rubin,  Digitally signed by Joseph  
Rubin, Asst. Dep. A.G.  
Asst. Dep. A.G. Date: 2020.07.27 13:40:40  
-04'00'  
Associate Attorney General,  
Connecticut State Attorney General's Office

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Date