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**American Association of Collegiate Registrars and Admissions Officers  
Minutes of the Meeting of the Board of Directors**

October 8-9, 2011

Portland, OR

**Board Members in Attendance:** Bruce Cunningham, Luisa Havens, Betty Huff, Tracey Jamison, Nora McLaughlin, Nancy Krogh, Brad Myers, Jeff von Munkwitz-Smith, Robert Watkins

**Staff Members in Attendance:** Jerry Sullivan, Matthew Ogle

**Call to Order**

President McLaughlin called the meeting to order at 9:52 a.m. Pacific Time.

**Approval of Agenda**

MOTION 2011.10.01 – It was duly moved and seconded to approve the agenda. APPROVED

**Approval of Minutes**

MOTION 2011.10.02 – It was duly moved and seconded to approve minutes of the September 14, 2011 Board Meeting. APPROVED

**Reports of Standing Committees**

Finance and Investments Committee

Vice President Krogh asked for questions regarding the August financial reports which she distributed to the Board prior to the meeting. There were no questions. She briefly reviewed the preliminary end of fiscal year 2010-2011 financial reports with the Board. She reminded them that there are transactions outstanding and that the documents were not final.

MOTION 2011.10.03—It was duly moved and seconded to approve option two in the asset allocation proposal reviewed by the Board on October 7, 2011. APPROVED

MOTION 2011.10.04—It was duly moved and seconded to approve a change to section 7.6.1 of the investment policy to accommodate the new asset allocation strategy. APPROVED

Governance Committee

MOTION 2011.10.05—It was duly moved and seconded to accept the revised committee charters for each of the five Board committees. APPROVED

MOTION 2011.10.06—It was duly moved and seconded to approve the proposed Record Retention Policy.

MOTION 2011.10.07—It was duly moved and seconded to table motion 2011.10.06 pending further changes to the document. APPROVED

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MOTION 2011.10.08—It was duly moved and seconded that the AACRAO Bylaws revisions be accepted and be presented to the membership for approval at the Business Session of the April 2012 Annual Meeting. APPROVED

The Governance Committee is building a transition plan for the bylaw revisions if accepted by the membership. The committee noted the importance of an effective communication strategy so that members know how the bylaws revisions would be implemented if they are approved. President-Elect von Munkwitz-Smith asked that notes and suggestions be submitted through him to the Governance Committee no later than October 21. A note about the Board's intent to move the bylaws revisions forward for vote at the Annual Meeting should be sent to the membership as soon as possible to give them sufficient time to consider the proposed changes. The Board agreed to invite the Parliamentarian to the February Board meeting for a discussion about how to manage this agenda item during the Business Meeting.

The Governance Committee is beginning to discuss new member orientation for the coming year. Vice President Havens suggested that new Board members be matched up with a current Board mentor.

#### Compensation Committee

Vice President Cunningham reviewed the executive director search communication plan for the AACRAO membership.

#### Strategic Planning and Program Review Committee

Vice President Myers led a review of the draft Strategic Plan. He reported that any further comments should be submitted to the committee through him by October 14. The committee will bring an update for discussion at the Board November conference call.

He informed the Board that the committee will run a pilot of its program review process using e-learning (webinars and online course offerings).

The committee believes it is time to perform the next member satisfaction survey. Comments and suggestions should be sent to the committee through Vice President Myers.

#### Ad Hoc Committee on Awards

Past President Huff updated the Board on the progress of the ad hoc awards committee and she asked the Board for responses and recommendations to be considered in the final draft. The Board discussed the awards. The committee will continue to review the award descriptions.

### **Reports of Officers**

#### Vice President for Leadership and Management Development

Vice President Cunningham reminded Board members to fill out their evaluation forms as they visit state and regional meetings. He noted the information gathered from these reports is valuable and will be shared with state and regional officers at the leadership meeting.

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#### Vice President for Finance

Vice President Krogh informed the Board that the staff is preparing to begin the budget preparation process for fiscal year 2012-2013.

#### Vice President for Records and Academic Services

Vice President Myers reported to the Board on recent Reg 101 planning activities. Six members, Janie Barnett, and Linda Smith met at the AACRAO Office to review both online and in-person versions of Reg 101. The group came up with the framework of a program that will be either Reg 102 or Reg 201 and hopes to have a pilot version ready for a workshop at the Philadelphia Annual Meeting.

#### Vice President for Access and Equity

Vice President Havens reported that the LBGT proposal she shared with the Board is still under discussion and she hopes to have a recommendation to bring to the Board's November meeting.

#### President Elect

MOTION 2011.10.09—It was duly moved and seconded that James Miller, University of San Francisco, and Ann Gillen, University of the Pacific be confirmed as Co-Chairs of Volunteers for the 2013 Annual Meeting in San Francisco. APPROVED

#### President

President McLaughlin reminded the Board to plan to arrive for the Leadership meeting in time to be ready to start work at the hotel at 4pm on Thursday, December 1.

#### **Executive Director**

Executive Director Sullivan reviewed highlights of his written report. There were questions regarding the Experient contract and the investigation of the size of cities AACRAO uses to stage meetings. He reported that SEM registration numbers are currently above registrations in recent years.

#### **Unfinished Business**

The list of action items was reviewed and updated.

#### **New Business**

MOTION 2011.10.10—It was duly moved and seconded to establish a task force to develop a structure for the programs of the Association to ensure continued success and to allow for future growth. The chair will appoint an ad hoc Board committee to develop the charge for the task force and recommend membership of the task force. APPROVED

President McLaughlin asked the Board to consider possible candidates for this task force.

MOTION 2011.10.11—It was duly moved and seconded that the Board move into Executive Session. APPROVED

The Board suspended the executive session at 5:00 p.m. and reconvened in executive session at 8:35 a.m. on October 9, 2011

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**Adjournment**

MOTION 2011.10.12 – It was duly moved and seconded that the Board of Directors meeting be adjourned. APPROVED

The Board of Directors meeting adjourned at 10:15 a.m. Pacific Time.

**Attachments**

Board of Directors Meeting Minutes, September 14, 2011

August 2011 Financial Dashboard

August 2011 Executive Director Financial Report

Asset Allocation Proposal

Investment Policy Updated October 8, 2011

Audit Committee Charter

Compensation Committee Charter

Finance and Investments Committee Charter

Governance Committee Charter

Strategic Planning/Program Review and Development Committee Charter

Bylaw revisions

AACRAO Strategic Plan Draft

Executive Director Report

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**American Association of Collegiate Registrars and Admissions Officers**  
**Minutes of the Meeting of the Board of Directors**  
September 14, 2011  
Conference Call

**Board Members in Attendance:** Jim Bouse, Bruce Cunningham, Luisa Havens, Betty Huff, Tracey Jamison, Nora McLaughlin, Nancy Krogh, Brad Myers, Jeff von Munkwitz-Smith, Robert Watkins

**Staff Members in Attendance:** Matthew Ogle

**Call to Order**

President McLaughlin called the meeting to order at 3:01 p.m. Eastern Time.

**Approval of Agenda**

MOTION 2011.09.01 – It was duly moved and seconded to approve the agenda. APPROVED

**Approval of Minutes**

MOTION 2011.09.02 – It was duly moved and seconded to approve minutes of the August 17, 2011 Board Meeting with one change. APPROVED

**Reports of Standing Committees**

Finance and Investments Committee

Vice President Nancy Krogh introduced two investment strategy proposals, both of which have the goal of increasing AACRAO's ability to limit downside risk in its investments. She reviewed proposal provided to the Finance Committee by Arun Sardana, AACRAO's investment advisor. Mr. Sardana will join the Board meeting in October, and the Board members were asked to review the information in order to ask any additional questions of Mr. Sardana. The Finance committee intends to make a recommendation at the October Board meeting.

Vice President Krogh will bring preliminary fiscal year 2010-2011 financial reports to the October Board meeting.

Governance Committee

MOTION 2011.09.03—It was duly moved and seconded that the proposed bylaws revisions be approved for submission to the membership. WITHDRAWN

The Board reviewed the bylaws recommendations and made suggestions. The Governance Committee agreed to incorporate these into the document for further review at the October Board meeting.

President-elect Jeff von Munkwitz-Smith brought the record retention policy to the Board. The Board discussed the recommended retention for email and agreed more information should be gathered. In addition, formatting changes for the policy were noted. The policy will be considered again at the October meeting.

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### Strategic Planning and Program Review Committee

Vice President Brad Myers submitted a written report stating that the committee's meeting minutes were available to Board members on the web. The report also stated that a revised draft of the strategic plan is currently under review and will be presented prior to the October Board meeting. The committee will plan to meet with the Finance Committee in October.

### Compensation Committee

Vice President Bruce Cunningham referred the Board to the leadership profile that was sent prior to the meeting. He informed the Board that the leadership profile and nomination process would be announced on Monday, September 19. He requested that any changes be submitted to the Compensation Committee prior to September 15.

MOTION 2011.09.04—It was duly moved and seconded that the Leadership Profile be accepted as submitted. APPROVED

## **Reports of Officers**

### Vice President for International Education

Vice President Robert Watkins reported that the Forum on Education Abroad had released a set of guidelines with input from AACRAO. The Board expressed some concern about the language used in the statement on the Forum's website and asked Vice President Watkins to discuss that with the Forum.

### Vice President for Admissions and Enrollment Management

Vice President Tracey Jamison notified the Board that she is pulling together a group to review how AACRAO is meeting the needs of admissions professionals. The group will meet on Thursday, December 1, prior to the Leadership and State and Regional meeting in Washington, D.C. Vice President Jamison and the full Board are aware that there is concern among some in the admissions field that it has been neglected. The group will review services, sessions at meetings, and anything else that AACRAO currently provides to ensure a high level of service to this community. She will plan to bring a draft agenda to the October Board meeting so that the Board can help brainstorm topics for the meeting.

### President

President McLaughlin reported that Executive Director Sullivan is making progress on a review of job descriptions and pay levels for the AACRAO staff. He will meet with Adnan Bokhari, AACRAO accountant, and Vice President Cunningham, chair of the Compensation Committee, to review the information and to make a recommendation to the Compensation Committee.

President McLaughlin reminded the Board that Vice President Cunningham, President-elect von Munkwitz-Smith, and she will be meeting with senior staff members at the AACRAO office regarding the Executive Director search.

She asked for agenda items for the October Board meeting to be submitted in the week following this meeting.

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**Unfinished Business**

The list of action items was reviewed and updated.

**Adjournment**

MOTION 2011.09.05 – It was duly moved and seconded that the Board of Directors meeting be adjourned. APPROVED

The Board of Directors meeting adjourned at 4:42 p.m. Eastern Time.

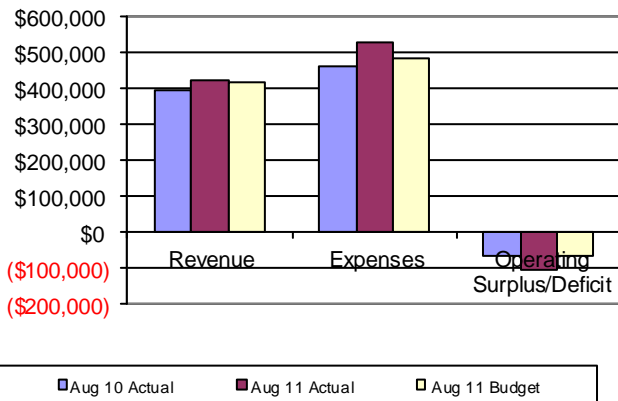
**Attachments**

Board of Directors Meeting Minutes, August 17, 2011

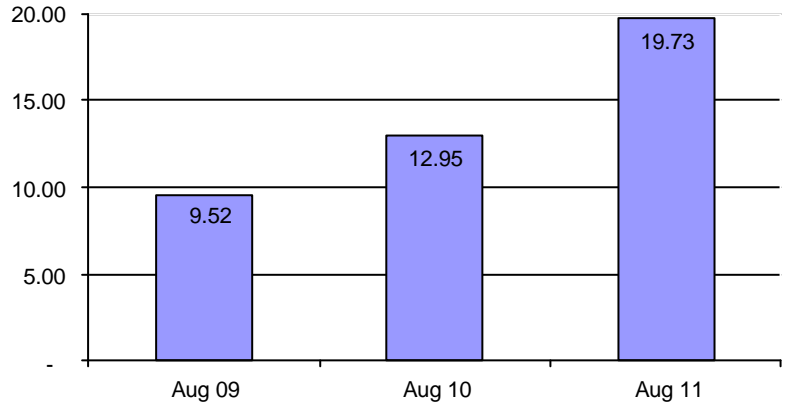
AACRAO Unified Portfolio Analysis

# AACRAO FINANCIAL DASHBOARD August 31, 2011

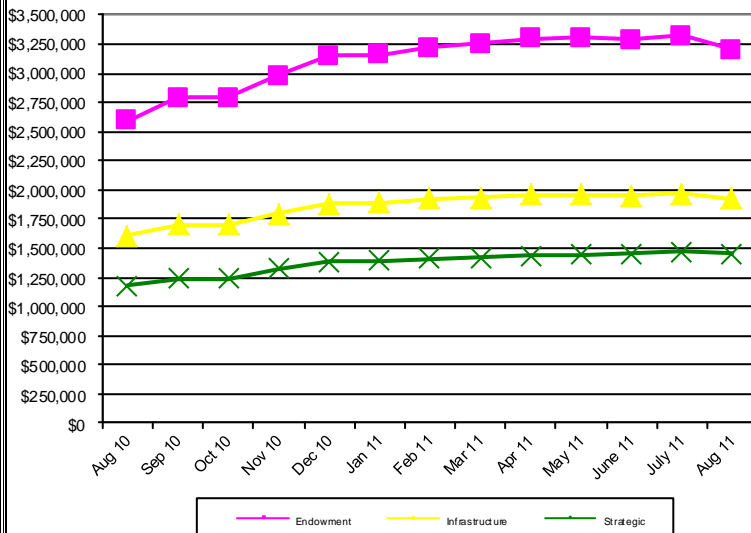
Revenue, Expenses & Operating Surplus/Deficit  
Aug 2010 Actual, Aug 2011 Actual and Budget



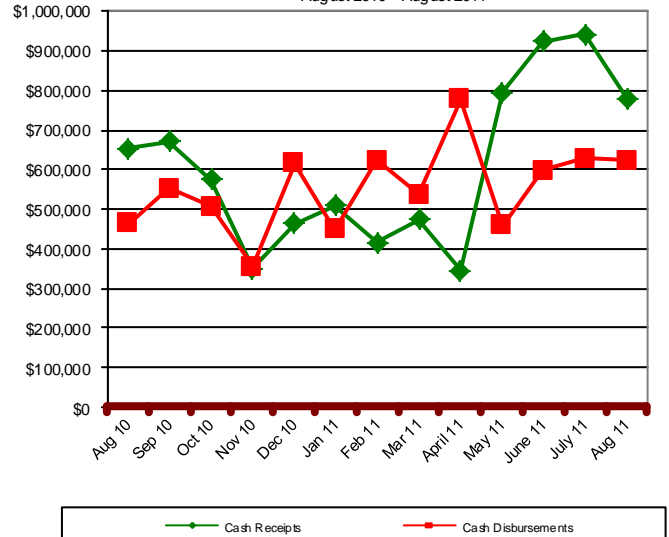
Modified Current Ratio Analysis  
(Cash & ST Investments/Accounts Payable)



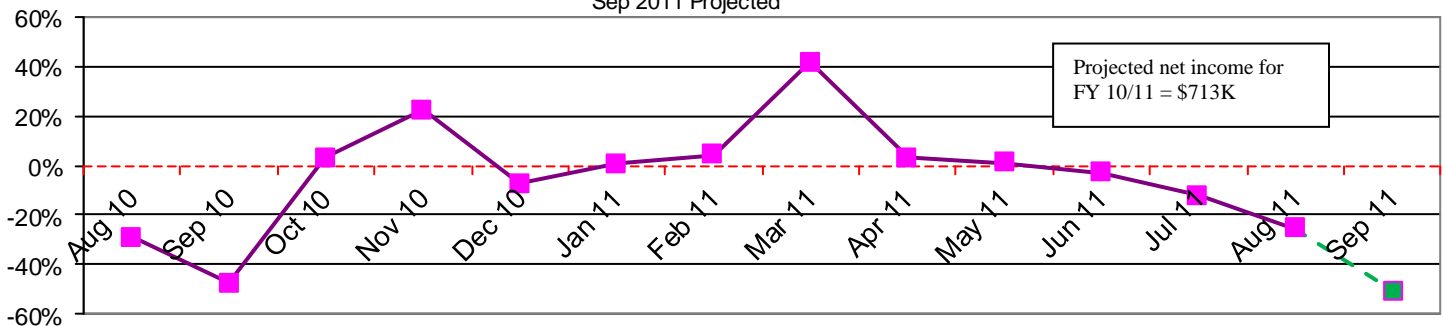
Long-Term Investments - FMV  
August 2010 - August 2011



Cash Receipts and Disbursements  
August 2010 - August 2011



Net Profitability  
(Net Revenue/Gross Revenue)  
Aug 2010 - Aug 2011 Actual  
Sep 2011 Projected



## SUMMARY

AACRAO's net operating results for August 2011 are showing a deficit of (\$108K), which is (\$41K) under the month's budget expectation and (\$42K) under results of the same period last year (month ended August 31, 2011).





# **AACRAO Monthly Financial Update**

**Highlights | Fiscal Year 2011 | August 2011**

Presented by: Jerry Sullivan and Nancy Krogh

## Overview

AACRAO's operating expenses for the month of August exceeded revenues by (\$107K), reducing the Y-T-D net operating surplus to \$912K for the eleven months ended August.

The Association's investments portfolio reported net loss of (\$241K) for the month, reducing the Y-T-D net return to \$230K for the eleven months ended August.

AACRAO's combined operating and investment activities resulted in net deficit of (\$349K) for the month, and net surplus of \$1.14M for the eleven months ended August.

## Financial Position

The following summarizes AACRAO's financial position as of:

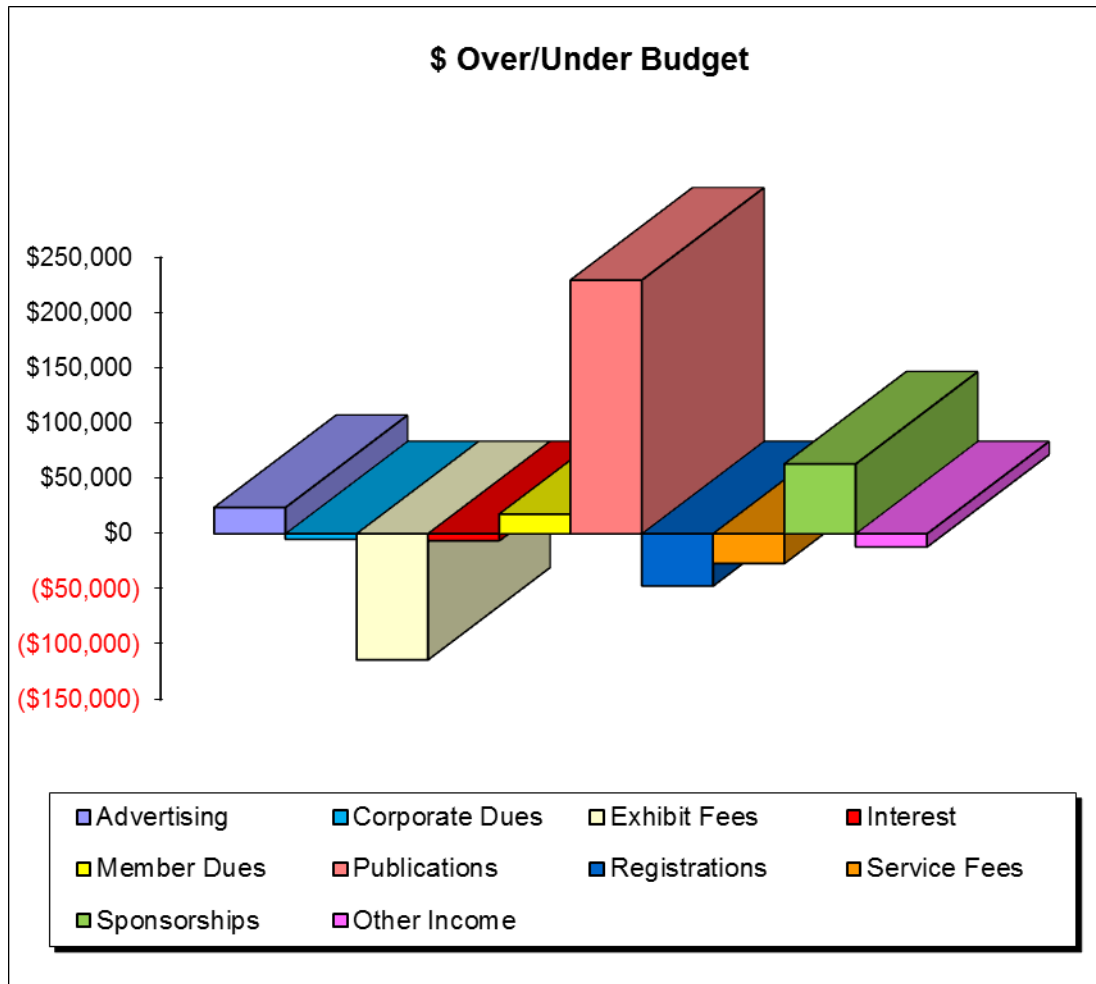
	<b>August 2011</b>	<b>July 2011</b>	<b>Change</b>
Cash	<b>\$1,746,827</b>	\$1,524,445	\$222,382
Investments – ST	<b>194,813</b>	254,811	(59,998)
Investments - LT	<b>6,572,774</b>	6,753,573	(180,799)
Accounts Receivable	<b>190,214</b>	240,659	(50,446)
Prepaid Expenses	<b>198,822</b>	159,432	39,390
<b>Total Assets</b>	<b>\$9,687,188</b>	\$9,696,944	<b>(\$9,756)</b>
Accounts Payable	<b>98,411</b>	147,854	(49,444)
Unearned Income	<b>2,267,643</b>	1,879,353	388,290
<b>Total Liabilities</b>	<b>\$2,787,256</b>	\$2,448,409	<b>\$338,846</b>
<b>Net Assets</b>	<b>\$6,899,933</b>	\$7,248,535	<b>(\$348,603)</b>

The increase in cash balance is mainly attributable to the influx of membership dues and SEM conference related receipts. During August, the 4<sup>th</sup> installment of \$60,000 was transferred from short term investments to the three long term funds (Endowment \$30K; Infrastructure \$15K; Strategic \$15K). Long-term investment funds experienced significant unrealized losses due to dismal market performance resulting in decline in overall value. The increase in unearned income is mainly related to membership dues and SEM conference related receipts.

As a result of the cross over between the dues year (July through June) and the fiscal year (October through September), three months of 2010/2011 dues were recognized in FY 2009/2010 and the other nine months are recognized in FY 2010/2011. For the 2010/2011 membership year, \$2,324,609 was collected for membership dues and \$110,887 for corporate dues. Dues notices for membership year 2011/2012 were sent on May 10, 2011. As of August 31, 2011, \$1.75M and \$90K has been collected for membership dues and corporate dues, respectively. The total amount collected from Institutional members for the current membership year is approximately \$126,000 more than the total amount collected during the same period last year (May - Aug 2010).

## Statement of Activities

**Revenue:** Revenue generated for the eleven months ended August totaled \$7.89M or 102% of the Y-T-D budget (2% above budget expectations). Four revenue generating activities exceeded their budget target while others are either at or fell below expectations. The following chart summarizes the variances between actual and budget amounts:



Materially Exceeded Budget (defined as: 1) > \$21K and 5%; or 2) > \$50K):

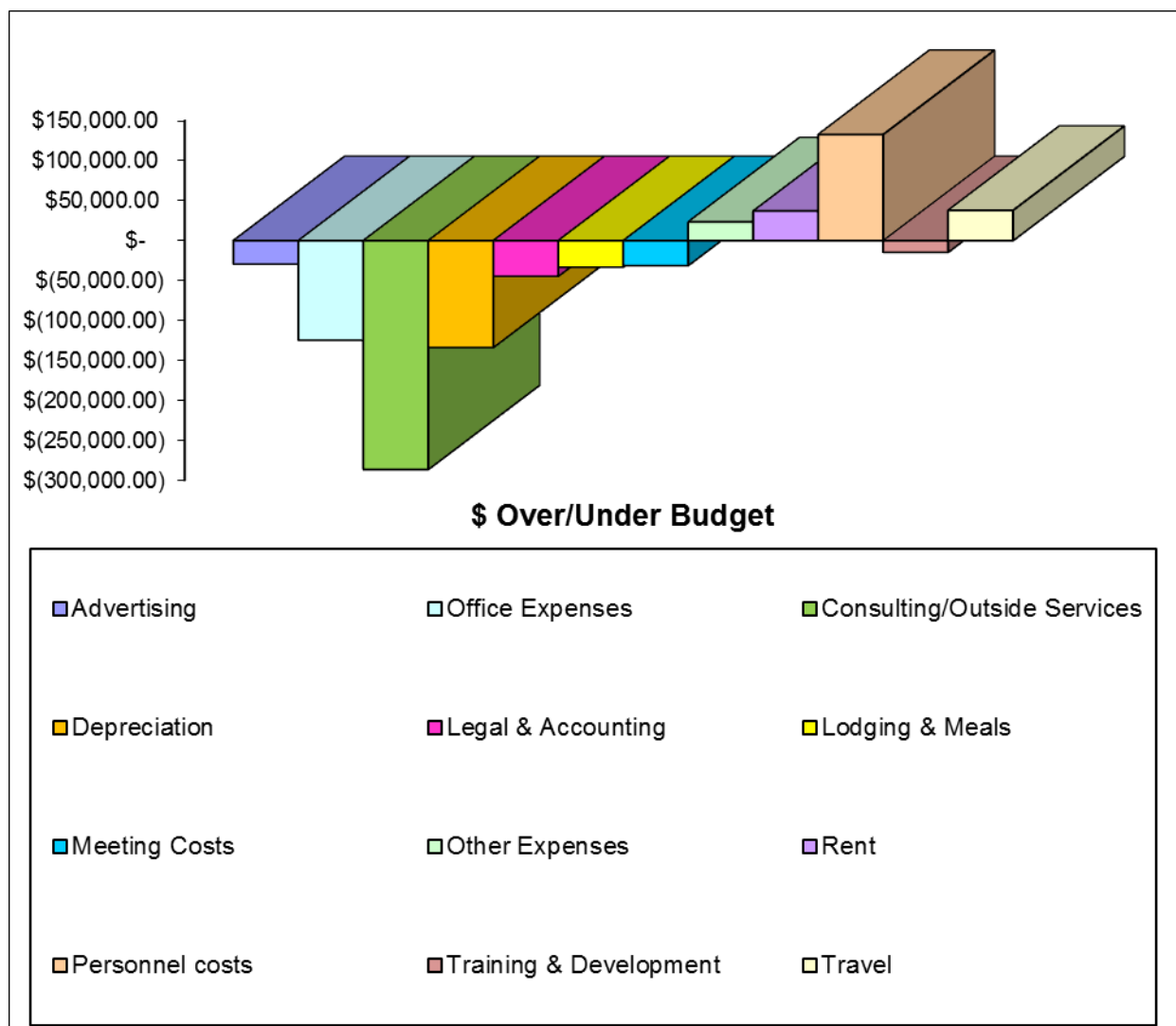
Advertising income: \$24K | 17%

Publication Sales: \$229K | 49%

Sponsorship revenue: \$63K | 24%

Revenue from JobsOnline continues to improve after couple of years of decline. The improvement is attributable to combination of demand and enhancements made to the program during the current fiscal year. General publication sales reported better than expected results by approximately \$153K, and EDGE subscriptions revenue exceeded budget expectations by \$87K, approximately, for the eleven months ended August, continuing the trend seen during the prior fiscal year. The better than expected results in Sponsorship revenues is primarily attributable to the 2011 Annual Meeting which exceeded its sponsorships target by \$44K. Also of note is the performance of the 2011 Tech conference sponsorships which exceeded budget by approximately \$22K.

**Expenses:** Expenses for the eleven months ended August totaled \$6.97M or 94% of the Y-T-D budget (6% below budget expectations). Ten expense line items exceeded their budget target, while others remained at or below budget. The following chart summarizes the variances between actual and budget amounts:



Materially Exceeded Budget (defined as: 1) > \$21K and 5%; or 2) > \$50K):

Personnel costs: \$133K | 6%

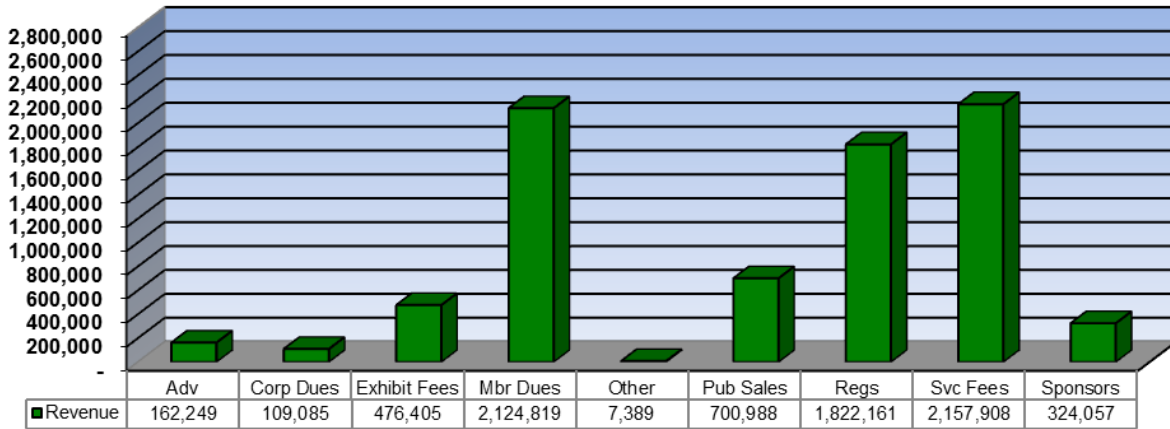
Rent: \$37K | 13%

Travel: \$38K | 18%

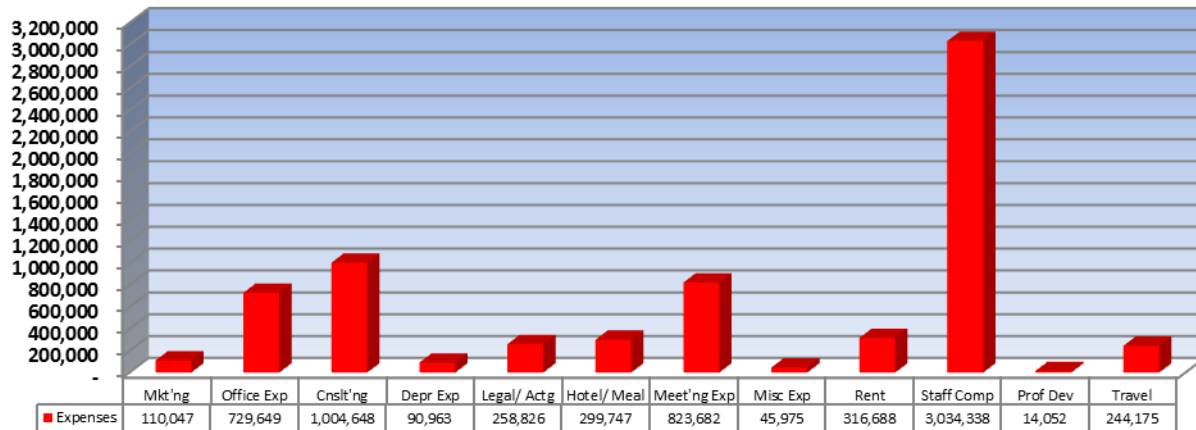
The excess in personnel costs relates to wages for hourly staff, underestimation of fringe benefit costs and increase in salaries (2.4%) approved subsequent to the adoption of the current year's budget. The excess in rent expense is partly related to the additional office space leased by AACRAO during the current fiscal year and partly due to increase in building operating expenses. AACRAO Consulting department's travel expenses exceeded Y-T-D budget by approximately \$32K, primarily contributing to the variance over Association-wide travel budget. It is noteworthy that the increase in expense is consistent with increase in AC revenues.

## AACRAO Revenue and Expense Analysis – Year-to-Date

### Actual Revenue



### Actual Expenses



## AACRAO Performance Analysis by Department

Year-to-date	IT	GA	AM	MS	RD	MTS	PB	GR
Revenue	-	2,238,793	1,346,791	173,249	-	1,200,032	675,958	-
Expenses	462,272	1,396,311	878,270	261,711	83,108	1,055,119	273,303	176,799
<b>Net Operating</b>	<b>(462,272)</b>	<b>842,482</b>	<b>468,521</b>	<b>(88,462)</b>	<b>(83,108)</b>	<b>144,913</b>	<b>402,655</b>	<b>(176,799)</b>

	CM	BD	AC	PC	IES	MK	TOTAL
Revenue	25,030	-	1,012,172	12,500	1,200,536	-	<b>7,885,061</b>
Expenses	313,140	365,890	708,408	4,000	987,614	6,845	<b>6,972,790</b>
<b>Net Operating</b>	<b>(288,110)</b>	<b>(365,890)</b>	<b>303,764</b>	<b>8,500</b>	<b>212,922</b>	<b>(6,845)</b>	<b>912,271</b>

*Gifts/Bequests*

-

*Investments*

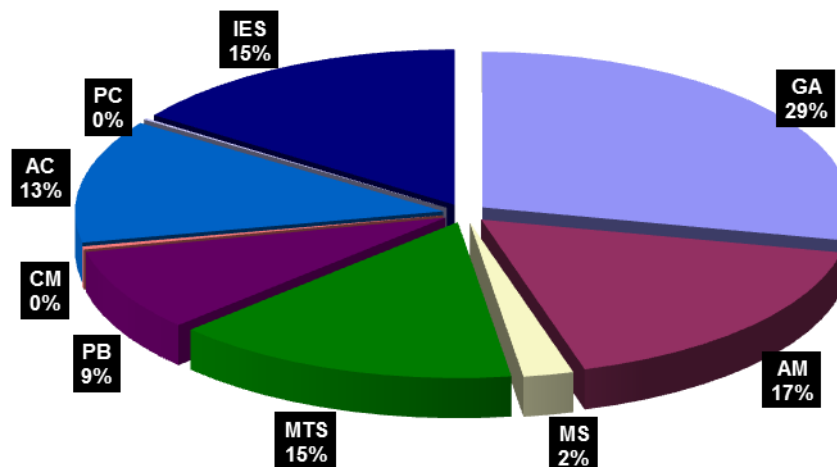
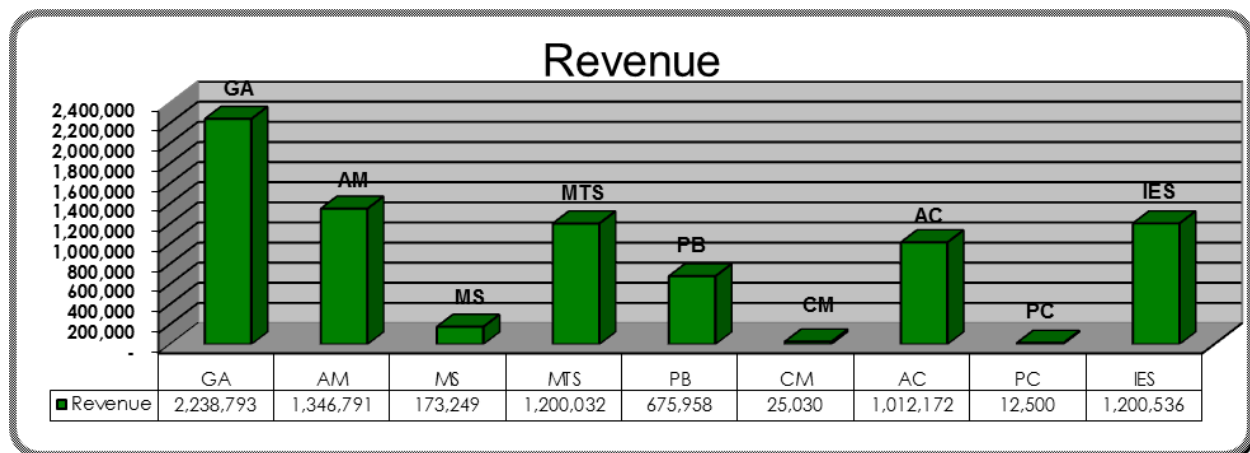
229,539

**Net surplus**

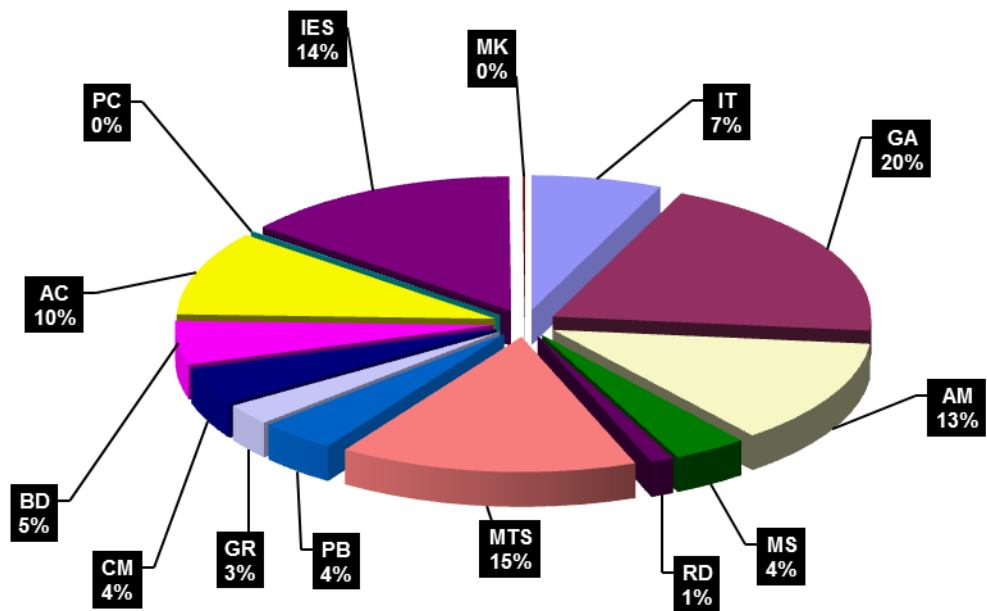
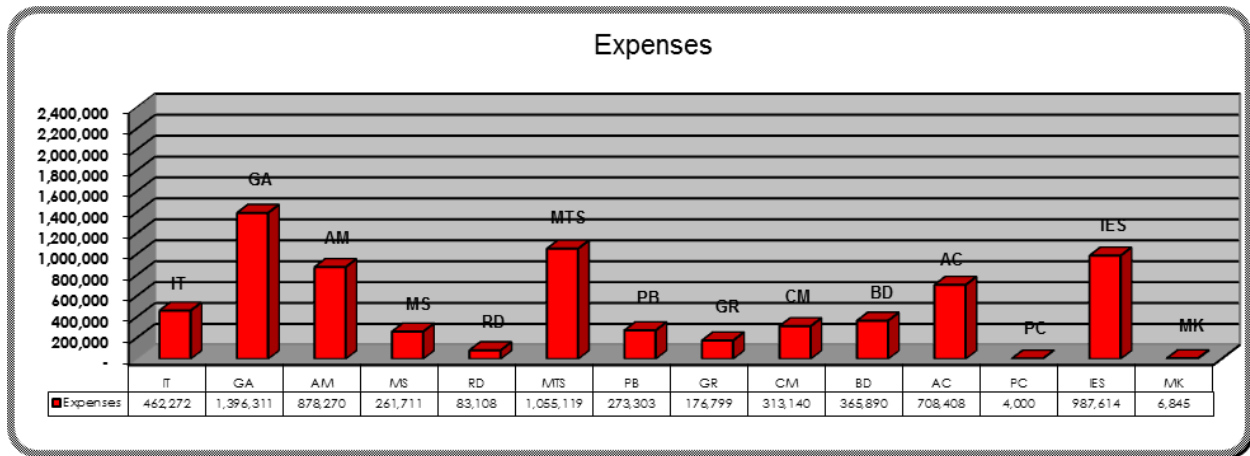
**1,141,810**

**IT:** Information Technology - **GA:** General and Administrative - **AM:** Annual Meeting - **MS:** Member Services - **RD:** Research - **MTS:** Meetings/Workshops - **PB:** Publications - **GR:** Government Relations - **CM:** Communications - **BD:** Governance - **AC:** AACRAO Consulting - **PC:** Projects Contracts - **IES:** Int'l Education Services - **MK:** Marketing

## Revenue



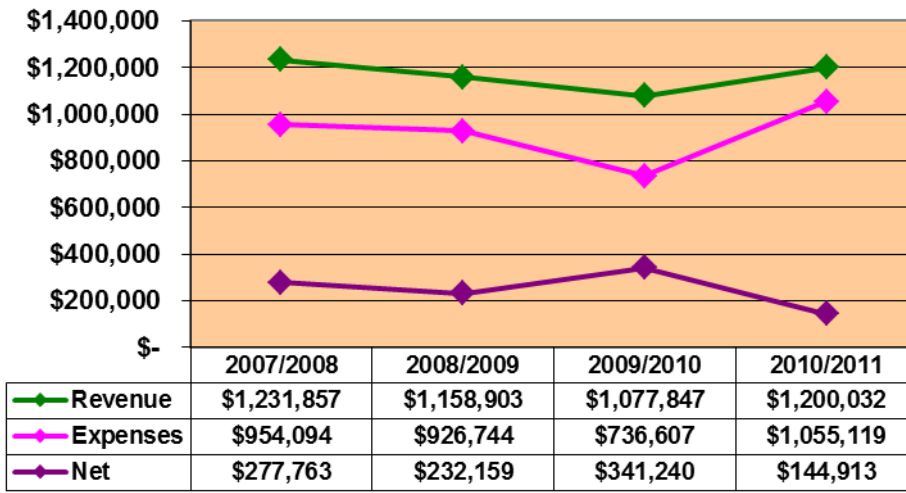
## Expenses



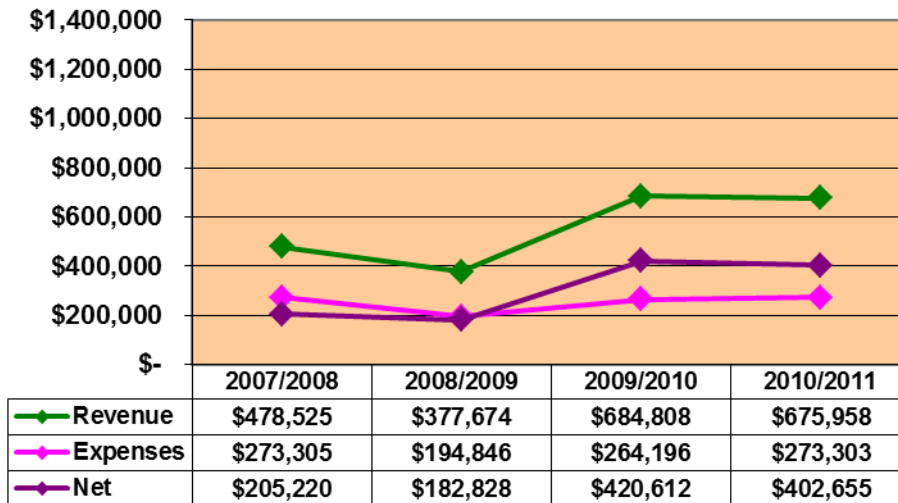
## AACRAO Business Lines – Comparative Data

The following charts compare year-to-date department activities over the past four years:

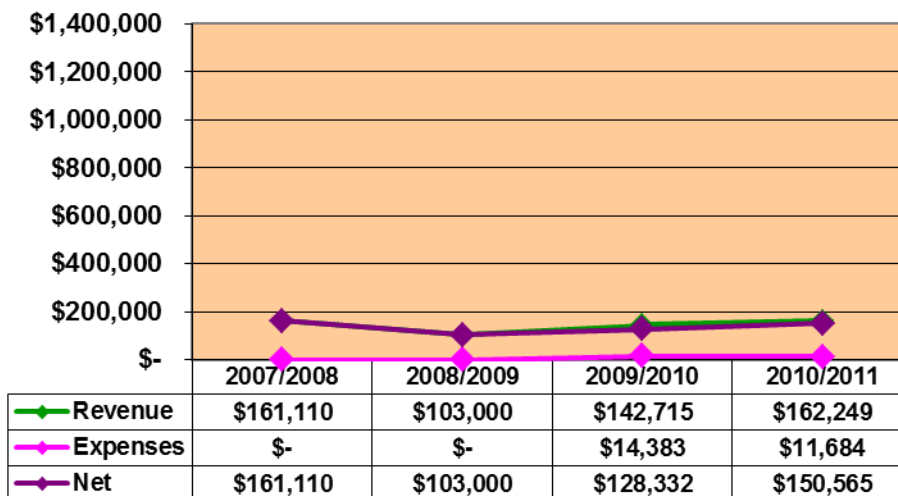
MTS



PUB



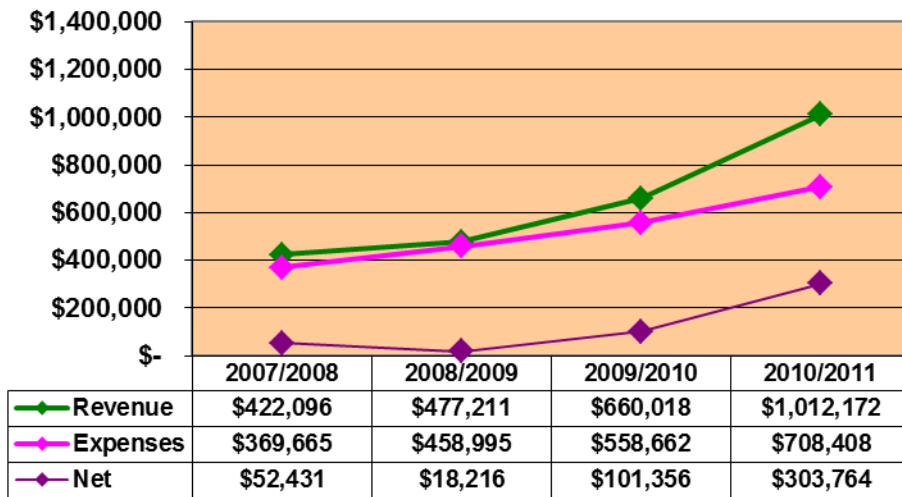
JOL



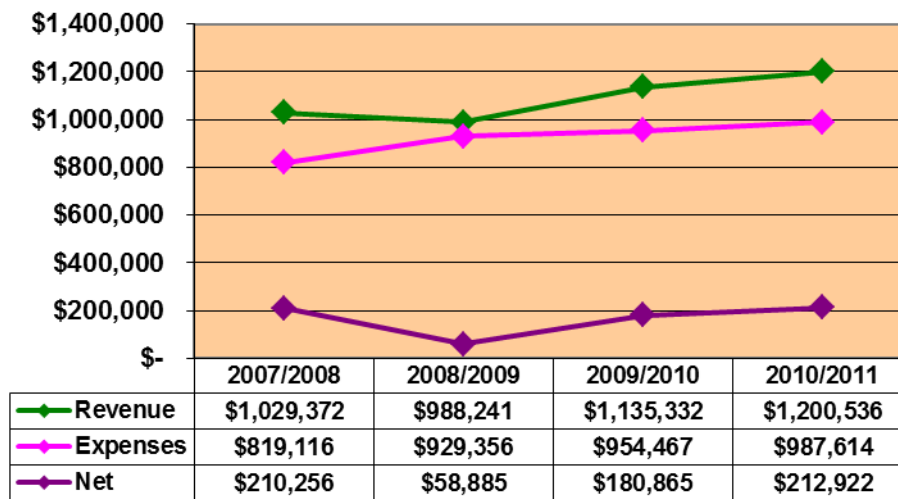


## AACRAO Business Lines – Comparative Data (continued)

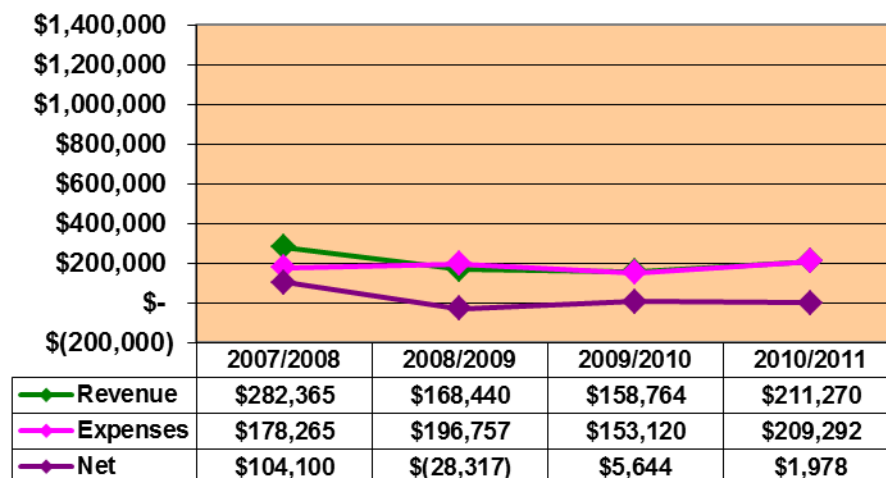
# A C



# I E S

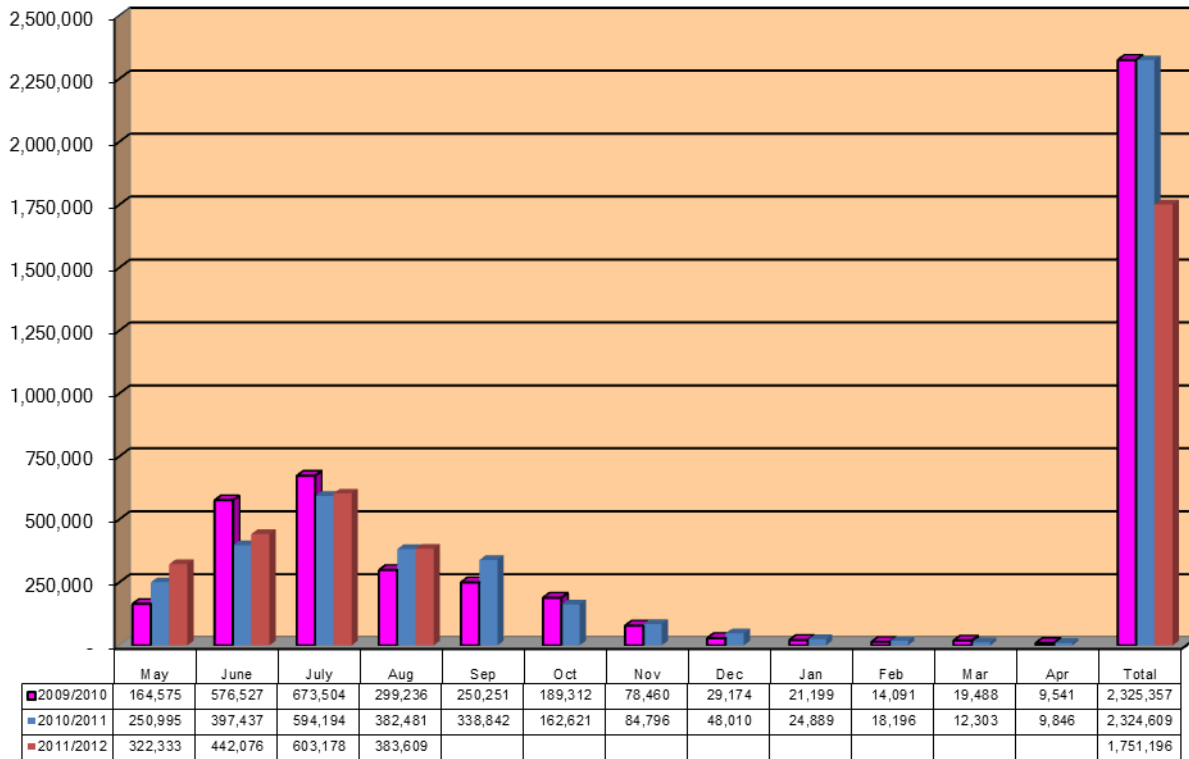


# T E C H

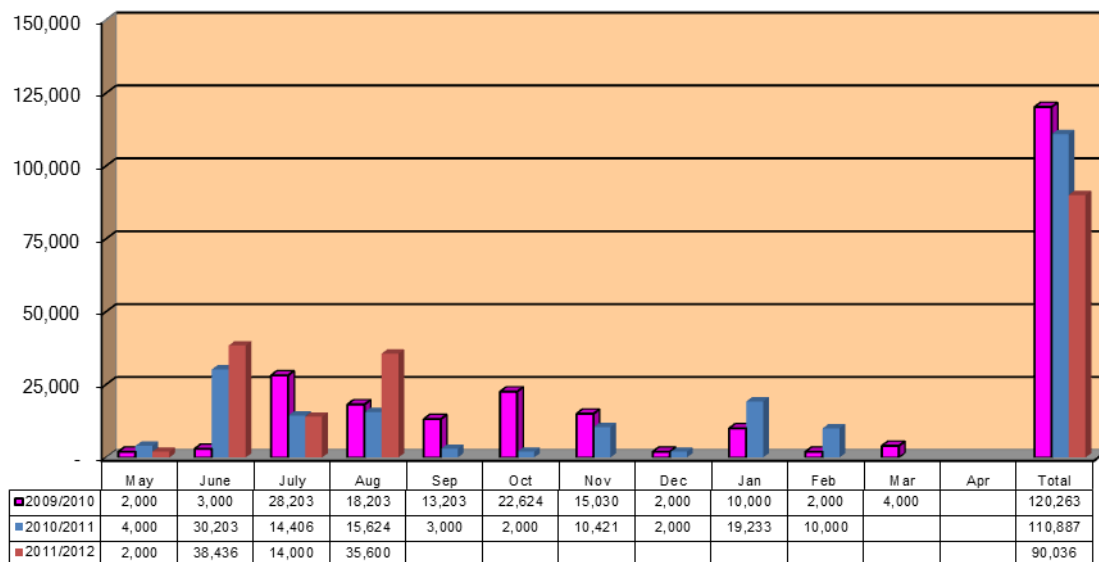


## Appendix

### Membership Dues: Cash Collections | Comparative Numbers



### Corporate Dues: Cash Collections | Comparative Numbers





## AACRAO Unified Portfolio Analysis

### **Asset Allocation Analysis & New Manager Recommendations**

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# AACRAO Unified Portfolio Asset Allocation Assumptions

When constructing a sample proposal for the AACRAO Unified Portfolio, we used the following assumptions derived from the current AACRAO Investment Policy Statement:

- Investment Objectives:
  - To achieve absolute positive return over a complete market cycle of rolling 3-5 year periods
  - To meet or exceed the performance of the respective blended benchmarks, net of all fees and expenses
- Investment Horizon for Portfolio Performance Measurement:
  - 3-5 Years

Downside risk management is critical. We believe in the law of irreplaceable capital - we strongly believe that if we can better control the downside, the portfolio is better positioned to achieve higher long-term values. **The fact that we focus on controlling the downside more than achieving great returns in rising markets, defines our philosophy.** We believe that focusing on downside risk management, even if the portfolio sacrifices some upside potential, will lead to higher long-term returns through the effects of compounding.

Recommendations for Consideration:

- Add equity managers Stadion and NorthCoast to diversify equity exposure while enhancing equity downside risk management.
- Add High Income Strategies to further diversify income streams within the portfolio. High Income Strategies include high dividend and interest investments such as Utilities, Preferred Stocks, Real Estate Investment Trusts (also known as REIT's and currently included in portfolio through Cohen and Steers International Realty Fund,) and Master Limited Partnerships (MLP's) with no unrelated business income tax (UBIT) impact.

Please Note:

- The returns displayed are gross of fees. Gross returns may be reduced by investment advisory fees and other expenses that may be incurred in the management of the portfolio.

# AACRAO Unified Portfolio Asset Allocation Analysis

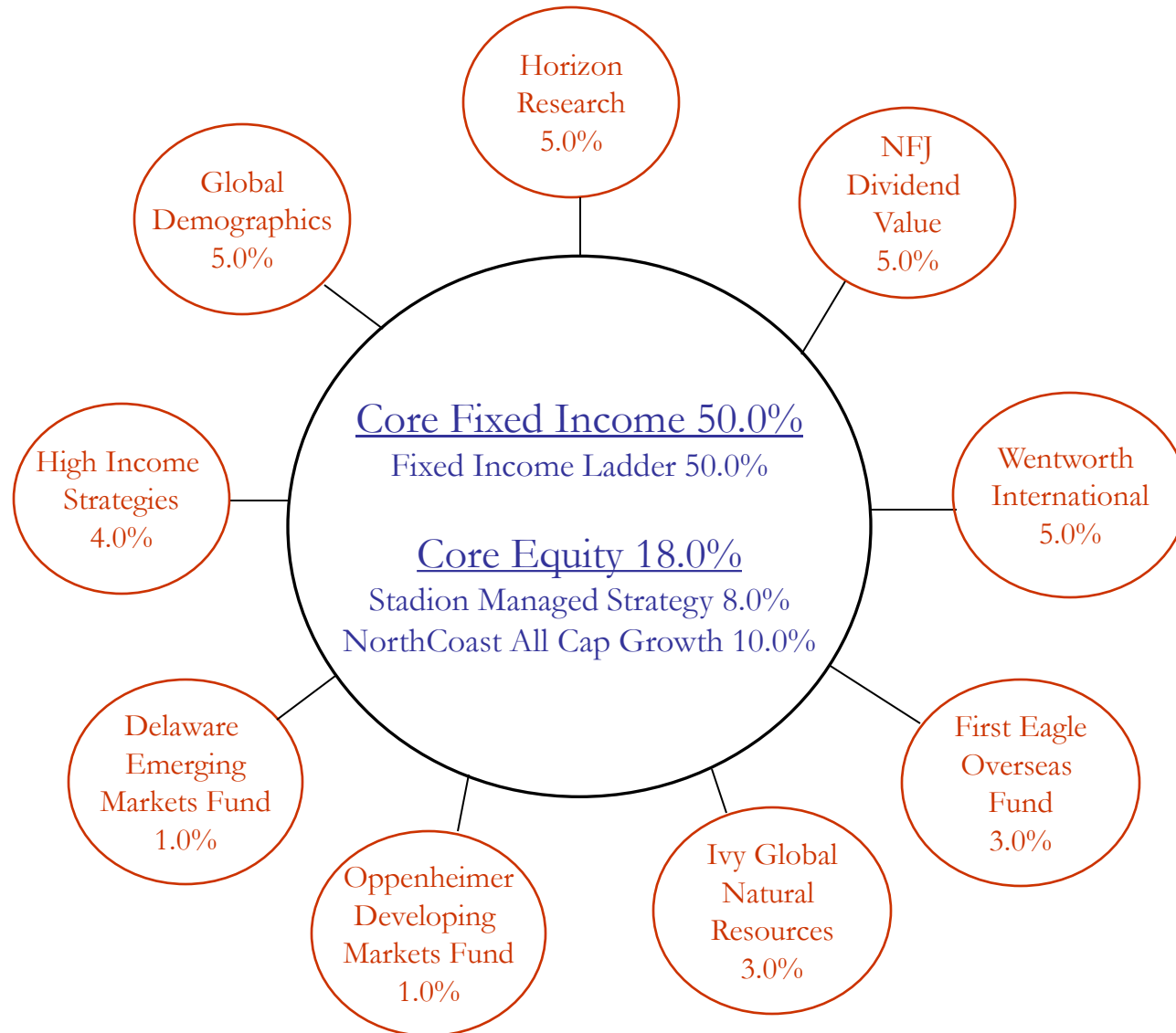
Asset Class / Investment Manager	Current Portfolio	Proposed 1	Proposed 2
<b><i>Fixed Income</i></b>	<b><i>55.0%</i></b>	<b><i>50.0%</i></b>	<b><i>40.0%</i></b>
Fixed Income Ladder	55.0%	50.0%	40.0%
<b><i>Equity</i></b>	<b><i>36.0%</i></b>	<b><i>46.0%</i></b>	<b><i>56.0%</i></b>
Stadion Managed Strategy (New Strategy)	0.0%	8.0%	10.0%
NorthCoast All Cap Growth (New Strategy)	0.0%	10.0%	13.0%
Horizon Research	8.0%	5.0%	5.0%
NFJ Dividend Value	5.5%	5.0%	5.0%
NFJ All Cap Value (Terminating Strategy)	2.0%	0.0%	0.0%
Liberty Street Horizon Fund (Terminating Strategy)	4.0%	0.0%	0.0%
First Eagle Overseas Fund	2.0%	3.0%	4.0%
Wentworth International	6.5%	5.0%	6.0%
Oppenheimer Developing Markets Fund	1.0%	1.0%	2.0%
RS Emerging Markets Fund	1.0%	1.0%	2.0%
Global Demographics	6.0%	5.0%	6.0%
High Income Strategies- Equity (New Strategy)	0.0%	3.0%	3.0%
<b><i>Alternative Strategies</i></b>	<b><i>9.0%</i></b>	<b><i>4.0%</i></b>	<b><i>4.0%</i></b>
Barclays I-Shares TIPS (Terminating Strategy)	1.0%	0.0%	0.0%
Cohen & Steers International Realty Fund (Include with High Income Strategies-Alternatives)	3.0%	1.0%	1.0%
Ivy Global Natural Resources Fund	5.0%	3.0%	3.0%
<b><i>Total</i></b>	<b><i>100.0%</i></b>	<b><i>100.0%</i></b>	<b><i>100.0%</i></b>

\*High Income Strategies are divided evenly between REIT's, MLPs, Preferred Stocks, and Utility Stocks.

New Strategies have been denoted in blue

# AACRAO Unified Portfolio Asset Allocation Analysis

## Core-Satellite Asset Allocation Breakdown



# AACRAO Unified Portfolio Asset Allocation Analysis

Asset Class	Investment Manager	Proposed 1	Proposed 2	Active Passive	Purpose
	Fixed Income	50.0%	40.0%		
Core	Fixed Income Ladder	50.0%	40.0%	Active	Income & Principal Preservation
Core	Equity	46.0%	56.0%		
	Stadion Managed Strategy	8.0%	10.0%	Active Passive	Downside Risk Control
	NorthCoast All Cap Growth	10.0%	13.0%	Active	
Satellite	Horizon Research	5.0%	5.0%	Active	Growth
	NFJ Dividend Value	5.0%	5.0%	Active	Growth
	First Eagle Overseas Fund	3.0%	4.0%	Active	Growth
	Wentworth International	5.0%	6.0%	Active	Growth
	Oppenheimer Developing Markets Fund	1.0%	2.0%	Active	Growth
	RS Emerging Markets Fund	1.0%	2.0%	Active	Growth
	Global Demographics	5.0%	6.0%	Active	Tactical Growth
	High Income Strategies- Equity*	3.0%	3.0%	Passive	Income
	Alternative Strategies	4.0%	4.0%		
	High Income Strategies- Alternatives**	1.0%	1.0%	Passive	Income
	Ivy Global Natural Resources Fund	3.0%	3.0%	Active	Inflation Hedge
	Total	100.0%	100.0%		

\*High Income Strategies- Equity is divided evenly between MLPs, Preferred Stocks, and Utility Stocks.

\*\*High Income Strategies- Alternatives to be composed of Cohen & Steers International Realty Fund which is owned in the current portfolio

# AACRAO Unified Portfolio Asset Allocation Analysis:

## **Fee Comparison**

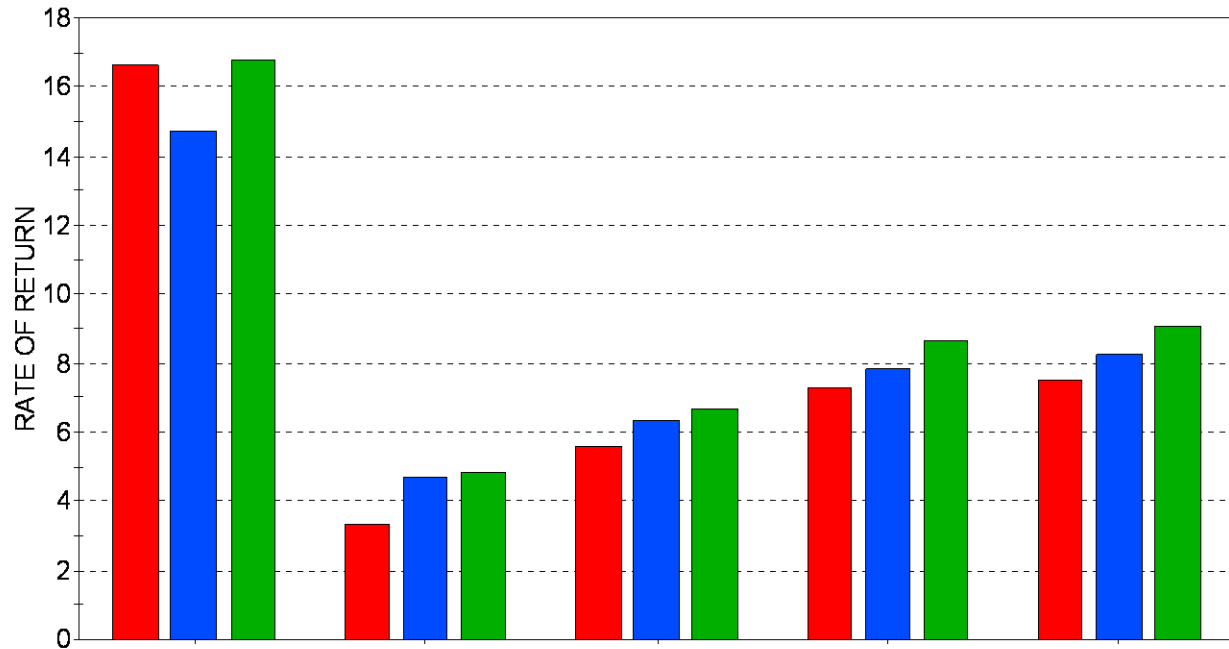
**(Initial Value: approximately \$6,700,000)**

- Current Portfolio
  - 55% Fixed Income, 36% Equity, 9% Alternative Strategies
  - Estimated Billed Fee (for budget purposes): \$44,857 or 0.67%
  - Estimated Internal Investment Cost\*: \$22,968 or 0.34%
  - **Total Estimated Fee: \$67,825 or 1.01%**
  
- Proposed Portfolio 1
  - 50% Fixed Income, 46% Equity, 4% Alternative Strategies
  - Estimated Billed Fee (for budget purposes): \$54,270 or 0.81%
  - Estimated Internal Investment Cost\*: \$15,611 or 0.23%
  - **Total Estimated Fee: \$69,881 or 1.04%**
  
- Proposed Portfolio 2
  - 40% Fixed Income, 56% Equity, 4% Alternative Strategies
  - Estimated Billed Fee (for budget purposes): \$58,323 or 0.87%
  - Estimated Internal Investment Cost\*: \$19,684 or 0.29%
  - **Total Estimated Fee: \$78,008 or 1.16%**

\* Estimated Internal Investment Costs include both mutual fund expense ratios and internal trading costs

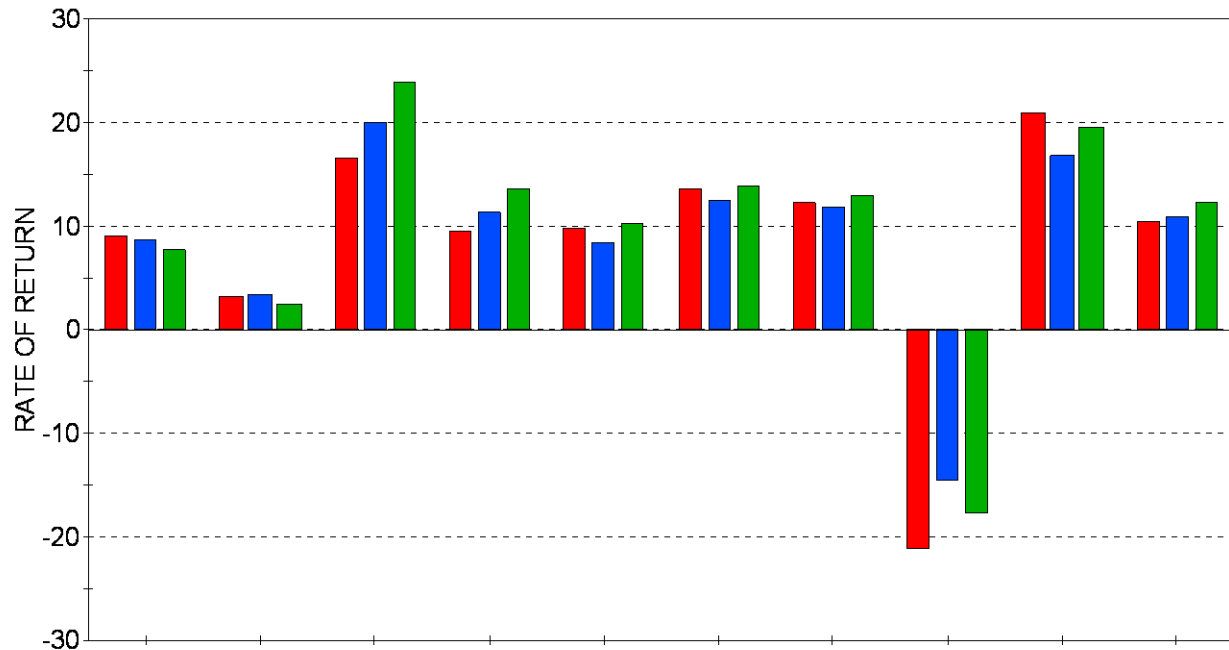


**AACRAO UNIFIED PORTFOLIO  
CURRENT VS. PROPOSED PORTFOLIO ANALYSIS  
TRAILING 1, 3, 5, 7, AND 10-YEAR PERFORMANCE  
AS OF JUNE 30, 2011**



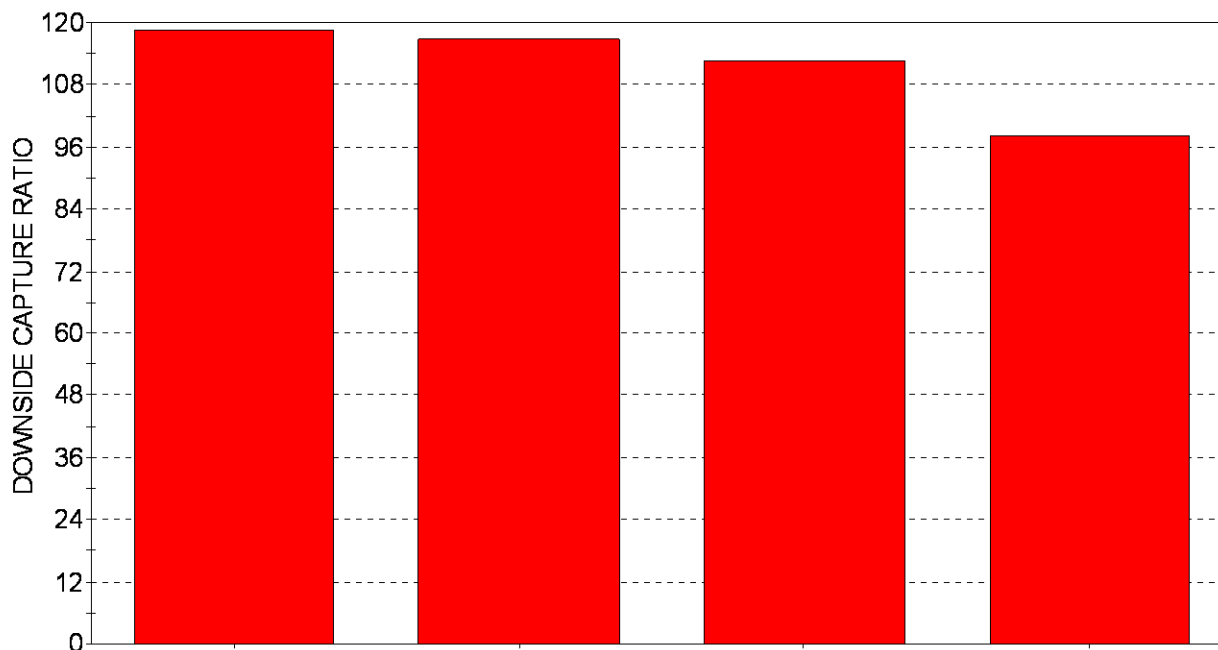
	1 Year	3 Years	5 Years	7 Years	10 Years
<span style="color: red;">■</span> AACRAO Unified Portfolio+	16.62	3.35	5.57	7.32	7.50
<span style="color: blue;">■</span> AACRAO Unified Proposed 1+	14.71	4.70	6.37	7.81	8.22
<span style="color: green;">■</span> AACRAO Unified Proposed 2+	16.78	4.81	6.69	8.63	9.04

**AACRAO UNIFIED PORTFOLIO  
CURRENT VS. PROPOSED PORTFOLIO ANALYSIS  
CALENDAR YEAR PERFORMANCE  
2001 - 2010**



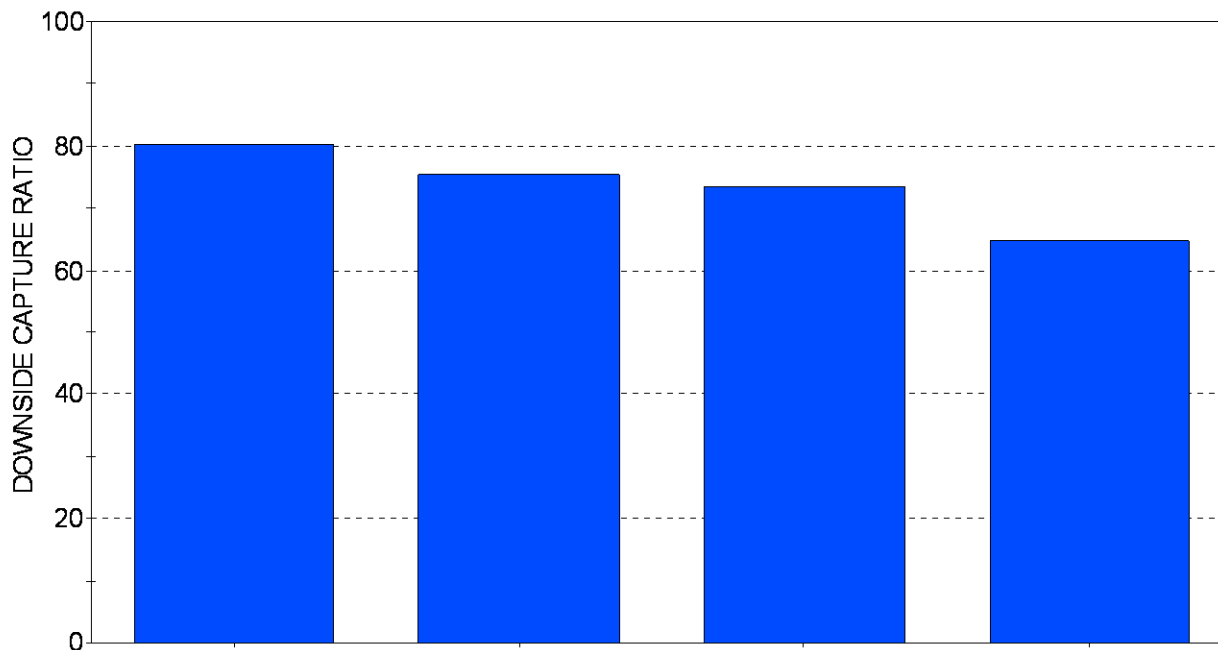
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<span style="color: red;">■</span> AACRAO Unified Portfolio+	9.02	3.29	16.70	9.61	9.85	13.68	12.32	-21.23	20.80	10.37
<span style="color: blue;">■</span> AACRAO Unified Proposed 1+	8.53	3.36	19.92	11.39	8.52	12.52	11.75	-14.62	16.93	10.94
<span style="color: green;">■</span> AACRAO Unified Proposed 2+	7.79	2.50	23.83	13.62	10.21	13.97	13.00	-17.71	19.59	12.32

**AACRAO UNIFIED PORTFOLIO  
DOWNSIDE CAPTURE RATIO VS. THE CURRENT PORTFOLIO BLENDED BENCHMARK  
PERIODS ENDING JUNE 30, 2011**



	3 Years	5 Years	7 Years	10 Years
<span style="color: red;">■</span> AACRAO Unified Portfolio+	118.68	116.88	112.67	98.14

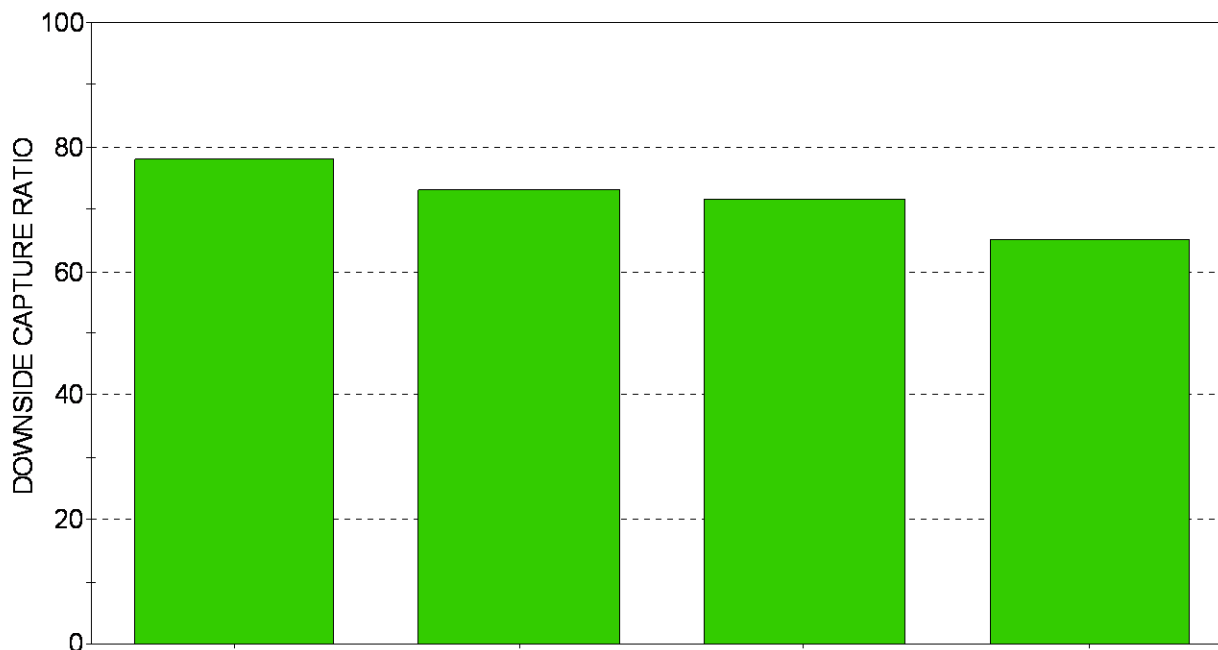
**AACRAO UNIFIED PORTFOLIO  
DOWNSIDE CAPTURE RATIO VS. THE PROPOSED PORTFOLIO 1 BLENDED BENCHMARK  
PERIODS ENDING JUNE 30, 2011**



	3 Years	5 Years	7 Years	10 Years
<span style="color: blue;">■</span> AACRAO Unified Proposed 1+	80.26	75.31	73.55	64.82

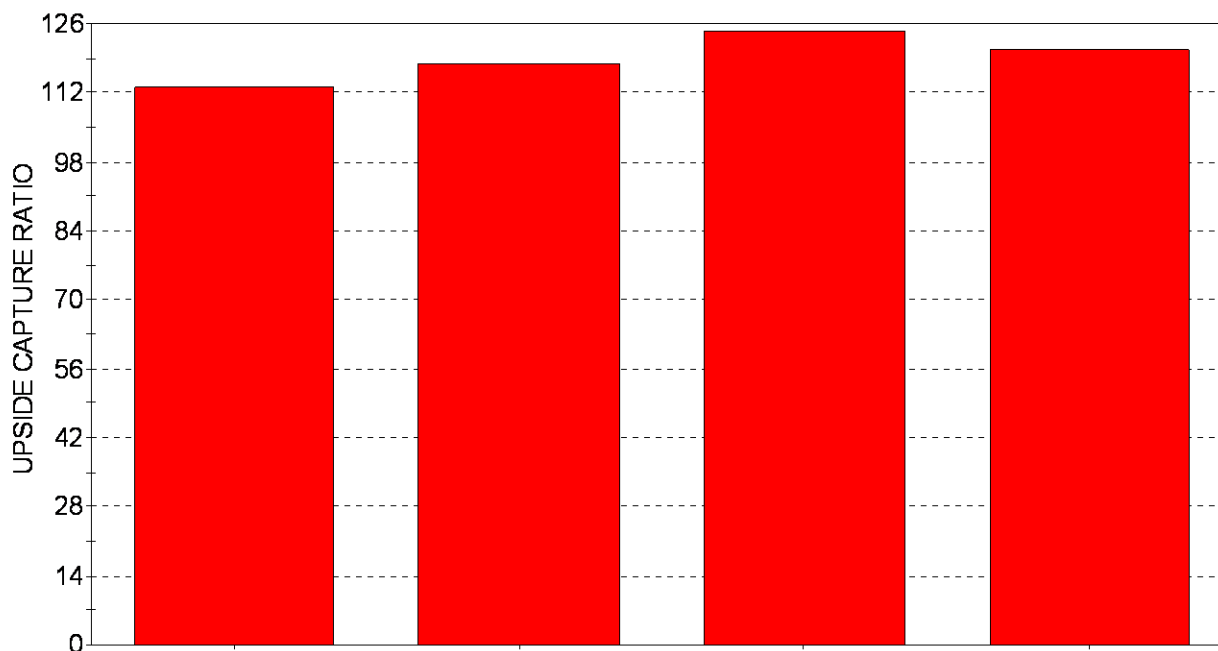
+ THIS INVESTMENT OR STRATEGY IS NOT AVAILABLE THROUGH UBS. SEE "IMPORTANT INFORMATION" SECTION FOR ADDITIONAL INFORMATION.

**AACRAO UNIFIED PORTFOLIO  
DOWNSIDE CAPTURE RATIO VS. THE PROPOSED PORTFOLIO 2 BLENDED BENCHMARK  
PERIODS ENDING JUNE 30, 2011**



	3 Years	5 Years	7 Years	10 Years
<span style="color: blue;">■</span> AACRAO Unified Proposed 2+	77.96	73.18	71.74	65.16

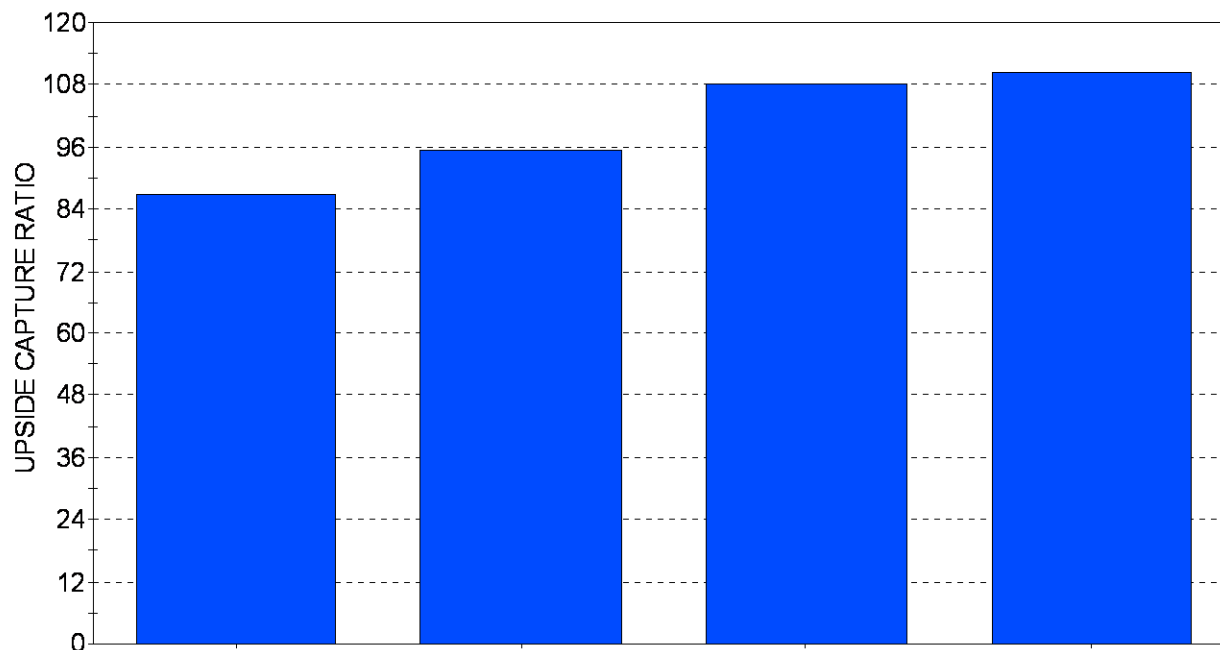
**AACRAO UNIFIED PORTFOLIO**  
**UPSIDE CAPTURE RATIO VS. THE CURRENT PORTFOLIO BLENDED BENCHMARK**  
**PERIODS ENDING JUNE 30, 2011**



	3 Years	5 Years	7 Years	10 Years
<span style="color: red;">■</span> AACRAO Unified Portfolio+	113.21	118.00	124.72	120.68

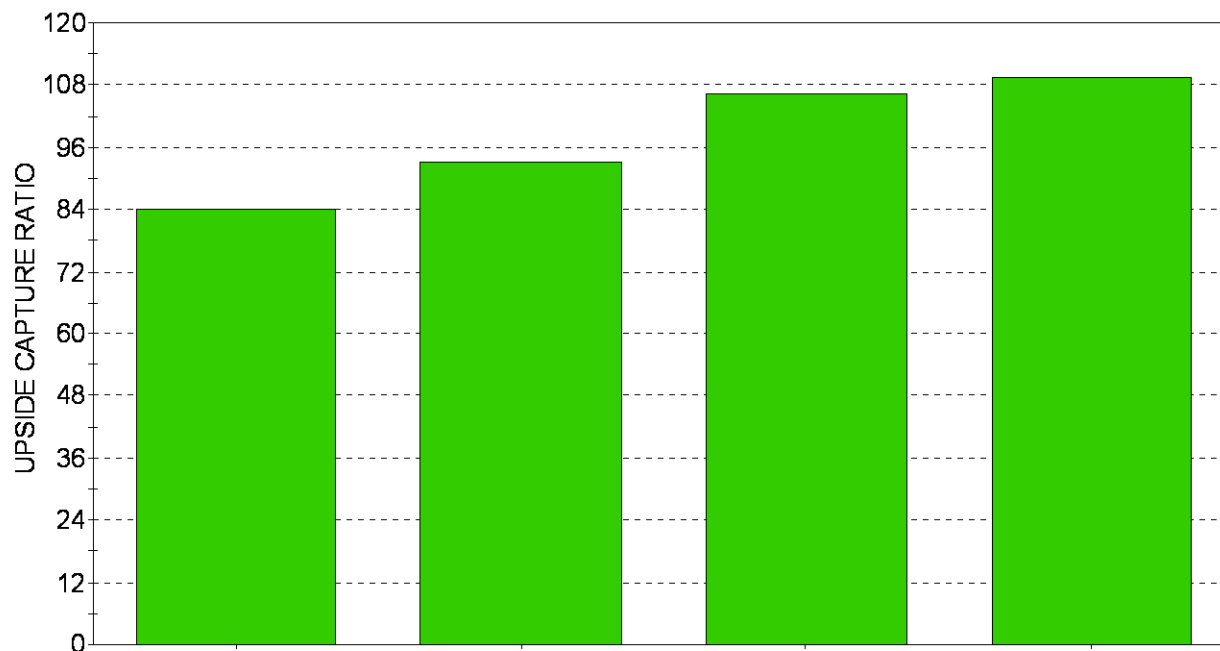
+ THIS INVESTMENT OR STRATEGY IS NOT AVAILABLE THROUGH UBS. SEE "IMPORTANT INFORMATION" SECTION FOR ADDITIONAL INFORMATION.

**AACRAO UNIFIED PORTFOLIO**  
**UPSIDE CAPTURE RATIO VS. THE PROPOSED PORTFOLIO 1 BLENDED BENCHMARK**  
**PERIODS ENDING JUNE 30, 2011**



	3 Years	5 Years	7 Years	10 Years
AACRAO Unified Proposed 1+	86.59	95.51	108.07	110.67

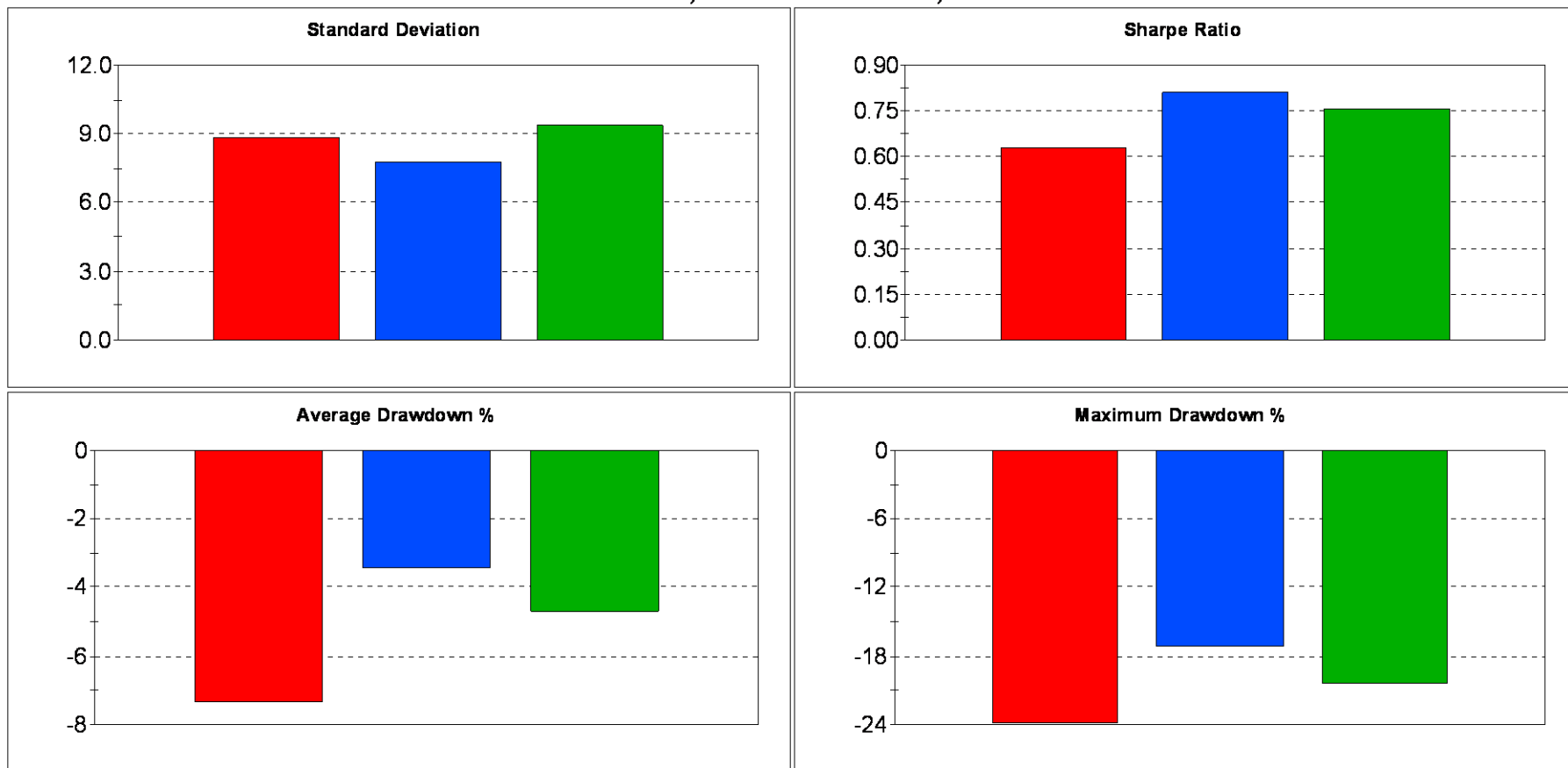
## AACRAO UNIFIED PORTFOLIO UPSIDE CAPTURE RATIO VS. THE PROPOSED PORTFOLIO 2 BLENDED BENCHMARK PERIODS ENDING JUNE 30, 2011



	3 Years	5 Years	7 Years	10 Years
AACRAO Unified Proposed 2+	84.03	93.08	106.45	109.53



## AACRAO UNIFIED PORTFOLIO CURRENT VS. PROPOSED PORTFOLIO ANALYSIS RISK ANALYSIS JUNE 30, 2001 TO JUNE 30, 2011

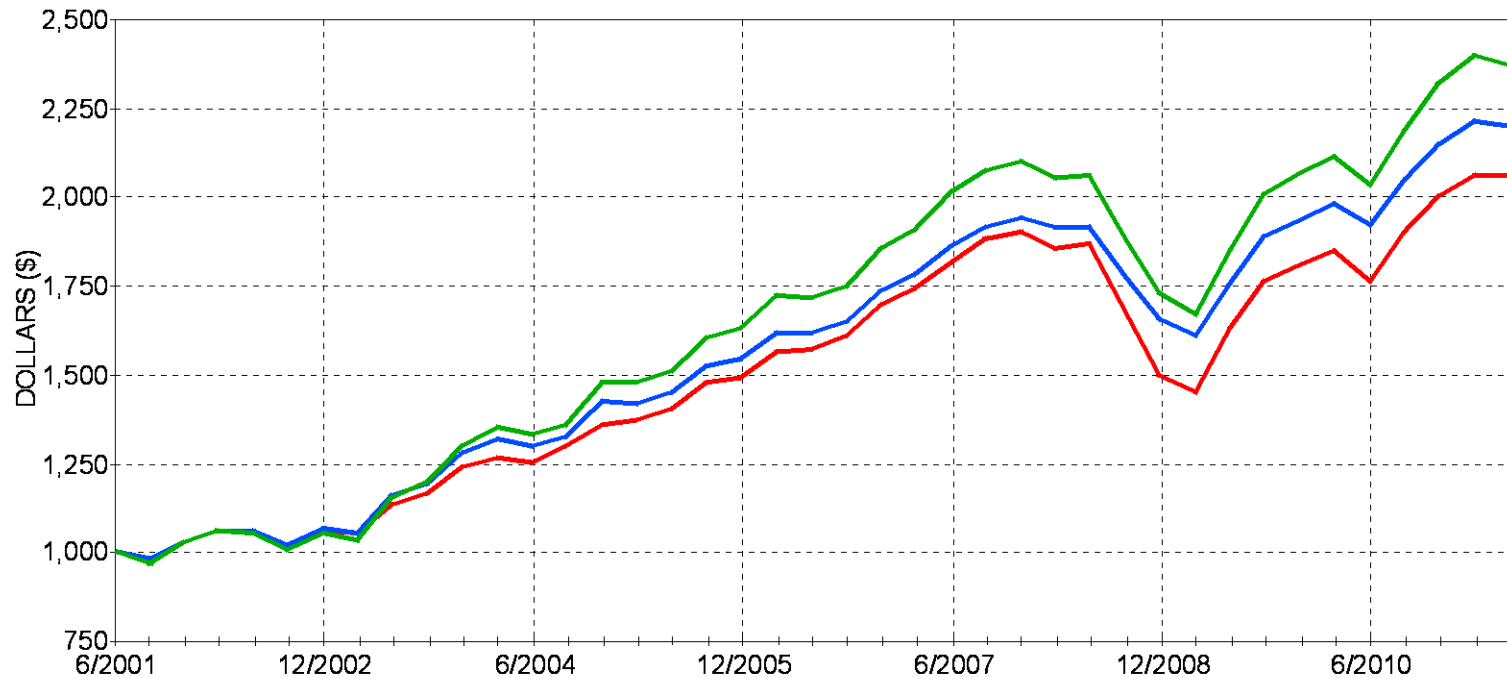


	Standard Deviation	Sharpe Ratio	Average Drawdown %	Maximum Drawdown %
■ AACRAO Unified Portfolio++	8.80	0.63	-7.32	-23.74
■ AACRAO Unified Proposed 1++	7.74	0.81	-3.42	-17.08
■ AACRAO Unified Proposed 2++	9.38	0.76	-4.69	-20.46

RISK BENCHMARK USED FOR THIS ANALYSIS: STANDARD & POOR'S 500

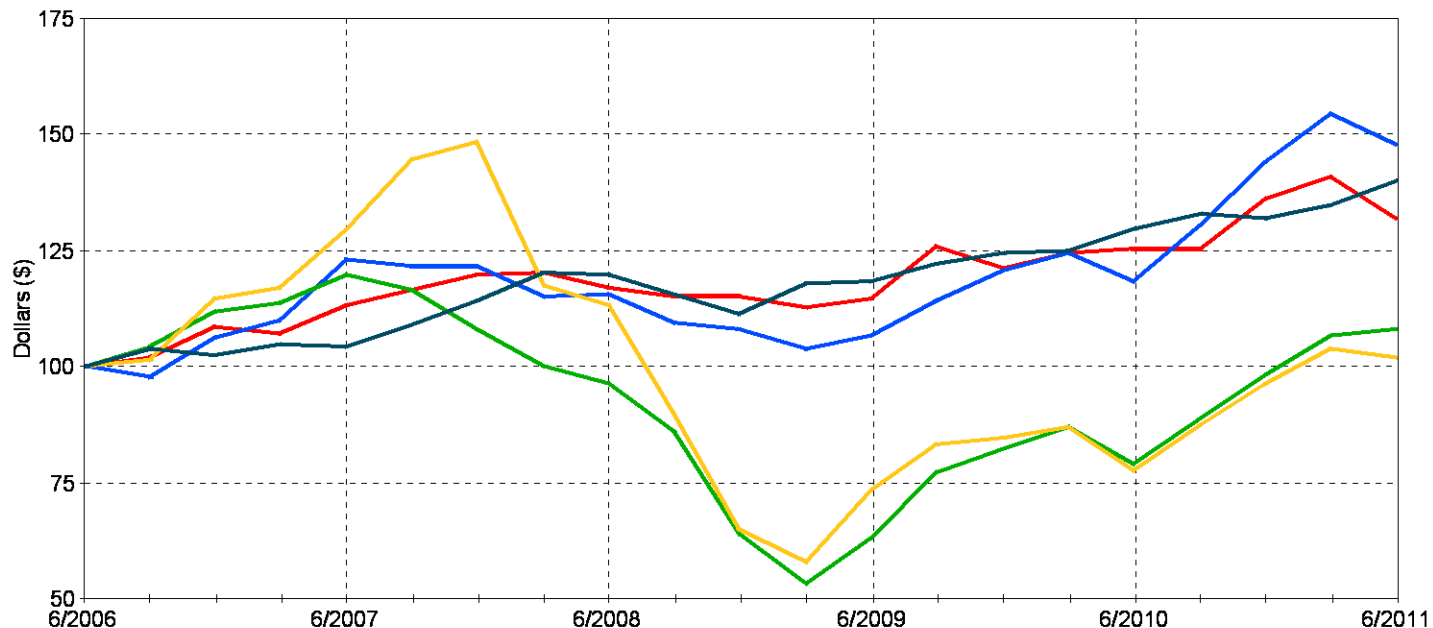
+ THIS INVESTMENT OR STRATEGY IS NOT AVAILABLE THROUGH UBS. SEE "IMPORTANT INFORMATION" SECTION FOR ADDITIONAL INFORMATION.

## AACRAO UNIFIED PORTFOLIO CURRENT VS. PROPOSED PORTFOLIO ANALYSIS GROWTH OF AN INVESTMENT JUNE 30, 2001 TO JUNE 30, 2011



	1 Year	3 Years	5 Years	7 Years	10 Years
AACRAO Unified Portfolio+	1,166	1,104	1,311	1,640	2,061
AACRAO Unified Proposed 1+	1,147	1,148	1,362	1,693	2,203
AACRAO Unified Proposed 2+	1,168	1,151	1,383	1,785	2,377

## AACRAO UNIFIED PORTFOLIO STADION & NORTHCOAST VS. MANAGERS RECOMMENDED FOR TERMINATION GROWTH OF A \$100 INVESTMENT JUNE 30, 2006 TO JUNE 30, 2011



	Year To Date	1 Year	3 Years	5 Years
Stadion Managed Strategy+	97	105	113	132
NorthCoast All Cap Growth*	103	125	128	148
NFJ All Cap Value+	110	137	112	108
Horizon Core Value*	105	131	90	102
Barclays US Treasury Inflation Notes	106	108	117	140

\* Manager Style Or Investment Strategy Reviewed By Ubs Fs. Please Read "important Information" Section. + This Investment Or Strategy Is Not Available Through Ubs. See "important Information" Section For Additional Information.

\*Please note that Horizon Core Value has been substituted for Liberty Street Horizon Fund in this illustration due to 5-Year performance being unavailable for Liberty Street Horizon Fund.

# Asset Allocation Analysis:

## Glossary of Terms

- **Downside Capture Ratio** – measures the portfolio's performance in down markets relative to the performance of the market (index) itself. The lower the Downside Capture Ratio, the better the portfolio protected capital during a market decline. A value of 90 suggests that a portfolio's losses were only 90% of the market's loss when the market was down.
- **Average Drawdown** - is defined as the average of all the drawdowns experienced over some timeframe. A drawdown is defined the percentage lost from a peak to a valley. Over time, portfolios may experience several peaks and valleys. This statistic is designed to show the average loss during a downturn.
- **Maximum Drawdown** - is the maximum drawdown % over some time frame. A drawdown is defined as the percentage lost from a peak to a valley. Over time, portfolios may experience several peaks and valleys. This statistic is designed to show the maximum loss during a single downturn.
- **Sharpe Ratio** - is a measure of risk-adjusted return. It divides excess return by risk. Excess return is defined as the annualized return of the portfolio minus the annualized return of the risk free rate. Risk is defined by standard deviation. A high value for the Sharpe Ratio is generally considered to be positive since either the excess return is rather large or the level of risk is low.
- **Standard Deviation** – is a measure of the central tendency of a probability distribution. The more a portfolio's return varies from its mean or expected return, the higher the standard deviation. A large dispersion tells us how much the return on the fund is deviating from the expected normal returns. Standard deviation is a statistical measurement that sheds light on historical volatility.

## Important Information about this Report

This report includes presentations of managers' performance on a gross fee basis. Since the effects of management fees reduce performance, this report is intended only for one-on-one presentations to institutional and high net worth individuals who understand how the payment of fees, compounded over time, will reduce performance results and have indicated such accreditation in the MEPS questionnaire.

This report is intended as a general guide for your investment plans and is for your use only. This report provides, among other things, a preliminary comparison to various market indexes of the hypothetical investment performance that might have been achieved if the investment managers identified had managed an investor's account in accordance with the asset allocations and investment styles specified. It is not intended to provide and should not be construed as providing tax or legal advice.

The information contained in this report reflects a collaborative process between you and your Financial Advisor. Any recommendations are based upon our understanding of your responses to the profile questions and are current only as of the date printed on the front cover. Unless you make a specific request for an update, this report will not be updated to reflect any changes in any of the accounts covered, your investment objectives, risk tolerances or market conditions.

You should note that UBS Financial Services ("the Firm") has a variety of products and services that provide portfolio review and analysis. The recommendations and types of analyses provided (including recommended asset allocation strategies) may vary depending on the asset allocation model and program used.

This report may cover a number of your existing portfolio, each with potentially different investment objectives and risk parameters. As you instructed, the assets in these accounts have been considered as a whole in developing an overall asset allocation strategy that addresses your specific investment goal.

### Investment Manager Performance

Performance results for investment managers that are included in our ACCESS program, which are indicated throughout the report, are based upon the ACCESS manager's time weighted rates of return of fully discretionary ACCESS accounts managed for at least one full calendar quarter. Performance results for non-ACCESS participating investment managers are obtained from Informa Investment Solutions' Plan Sponsor Network (PSN) as reported by each investment manager and do not reflect actual UBS Financial Services account performance. Your returns may vary from these results shown due to timing and other individual account factors. These results are generally net of commissions on securities transactions but do not reflect the deduction of the investment manager's fee or UBS Financial Services' fee. The payment of these fees and expenses will reduce your return. The net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance. For example, for an account with a 2.8% annual fee deducted quarterly, if the gross performance is 10% on an annual basis, the quarterly compounding effect of the fees will result in a final performance of approximately 7.1% per year, a reduction of 2.9% per year. Compounding will similarly affect the account's performance on a cumulative basis. It should also be noted that where your gross

returns are compared to an index, the index performance also does not reflect any transaction costs or management fees.

Some investment managers presented in the strategies may have individual performance track records that are longer than the period shown in the report. Individual investment managers' performance records for longer time periods, if applicable, are available through your Financial Advisor. For complete information regarding these investment managers, their fees and performance, contact your PRIME Consultant and see the manager's Form ADV, Part II.

### Important Information Regarding Simulated Performance

The strategy is a new strategy and does not have a track record. The performance information presented is simulated, backtested and was created by applying the same investment perspectives and quantitative analysis of valuation, quality and sentiment that are employed in existing strategies managed by the investment manager, though differences exist in portfolio construction. Any improvements that were incorporated into the current investment process and quantitative models were assumed to exist for the entire simulation period. Implementation of the live strategy versus the simulated strategy will be virtually identical with the exception of intramonth trading. The hypothetical performance results for the model shown reflect the investment returns that an investor might have achieved by investing in the strategy for the entire period indicated. It assumes that, since inception, no cash was added to or assets withdrawn from the account and that all dividends, gains and other earnings in the account were reinvested. The simulation assumed once a month trading but trading for the live strategy will likely occur more frequently. Returns are simulated for the entire period and assume 1.0% transaction costs. The testing methodology used both internally and Factset provided data and applications to generate simulated historical portfolios. The results shown do not represent the results of actual trading using client assets, but were achieved by means of the retroactive application of a model that was designed with the benefit of hindsight. The simulated performance was compiled after the end of the period depicted and does not represent the actual investment decisions of the advisor. These results do not reflect the effect of material economic and market factors on decision-making. As a result, there is no reason to believe that your portfolio will perform in a similar manner or that the investment manager would have made the same investment recommendations or achieved the same level of performance if it had been managing the strategy for the entire period for actual clients and charging fees for the advice, with the knowledge that clients would rely on the advice and in light of then-current market conditions. The strategy did not exist during the period presented. In addition, if investors had actually invested based on the strategy, their results would have differed from those shown because of differences in the timing and amounts of their investments. Past performance is never an indicator of future results.

## Index Information

An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. Please keep in mind that index information is for illustrative purposes and relates to historical performance of market indexes and not the performance of actual strategies or managers presented. The past performance of the indexes is not a guarantee of future results because each index reflects an unmanaged universe of securities and does not include any deduction for advisory fees or other expenses that would reduce actual returns. The performance shown should not be considered indicative of the performance of an actively managed portfolio for the same time period. Most managers are not restricted to investment in the same securities or security weightings as the corresponding indexes, so performance will vary. Finally, the performance of the indexes reflects the reinvestment of all income and dividends. A description of each index can be found in the Definitions section at the end of this report.

## Recommended Strategies

The Manager Recommendations included in this Report are limited to those managers and strategies in our ACCESS, MAC Researched, and PRIME Reviewed programs. While the due diligence process encompasses managers in each program, the frequency and depth of our due diligence reviews varies depending on which program the manager participates in. The level of due diligence encompasses a quantitative review of composite and actual performance data and portfolio analytics (including responses to a detailed questionnaire) and may also include on-site visits by one or more of our Investment Manager Research Analysts to each manager. For ACCESS managers, on-site visits occur on average at least once every 12 months. On-site visits to MAC Researched managers occur on average at least every 2 years. PRIME Reviewed managers are subject to in-depth review on average at least every 2 years, but no on-site visits are conducted. The evaluation criteria covered in on-site visits are the same for managers in both programs. In addition, for ACCESS managers, a detailed review of portfolio performance and attribution is performed on a quarterly basis to ensure that portfolios continue to be invested consistent with the manager's stated investment style. Portfolio attribution analysis is performed prior to on-site visits and may be done during periods of poor relative performance, but is not systematically performed on a quarterly basis. The strategies presented are hypothetical portfolios, and have not been tracked by UBS Financial Services. They were created as of the date of this report with the benefit of hindsight. The past performance of each recommended investment manager was known to UBS Financial Services when it developed the strategies and was a key factor in the Firm's decision to include each investment manager in a recommended strategy. There is no reason to believe that UBS Financial Services would have been able to develop this same strategy without knowing in advance how the recommended investment managers and the markets would perform, and these results are not an indicator that UBS Financial Services will be able to do so in the future.

The past performance results for the recommended strategy are hypothetical. They reflect the theoretical investment returns that an investor might have achieved by investing the amount and on the dates indicated on the investment profile section of this report, and by following the recommendation for initially allocating, and then reallocating from time to time, the account's assets among the different recommended investment managers. It assumes that, after establishing the account, the investor would not have added any cash to or withdrawn assets

from the account and that all dividends, gains and other earnings in the account would have been reinvested in accordance with the Firm's recommendations. The recommended strategy in this format may not have existed as of the dates for which performance is shown. In addition, some of the investment managers recommended may not have been part of any UBS Financial Services sponsored program at that time. Actual assets of actual clients may not have been invested in accordance with these strategies during the time periods shown.

Past performance can never guarantee future results.

## Assets Held at Other Financial Institutions

At your direction, we may also have considered assets that you hold at other financial institutions. Information about these assets is based solely on the information you have provided to us. We have not verified, and are not responsible for, the accuracy or completeness of this information.

You have provided the names of investment managers managing your assets at other financial institutions. This report provides performance information derived from a third party database, which is believed to be reliable, but which UBS Financial Services has not verified. The managers listed are in comparative portfolios and are for illustrative purposes. You may not have received the performance returns presented here because they are gross of any management fees and other charges that have been assessed to your account. Therefore, any evaluation or analysis provided in this report regarding separate account managers, which includes assets

Please note that any discrepancies between the information you provided and the actual value of those assets at the time you choose to implement the strategy may also affect the outcome of the asset allocation strategy we discuss with you. As such, the results may differ from any illustrations shown on this report.

**Taxes** Implementing any strategy presented, including changing any strategy may result in incurring gains or losses for income tax purposes. UBS Financial Services does not provide tax advice. We recommend that you evaluate this report with your legal and/or tax advisor before taking any action because of the significance and complexity of tax considerations.

**Periodic Reviews** Since this report is based on information provided as of the date indicated on the cover, assumptions and estimates may change. For this reason, with your Financial Advisor, you should periodically revisit your current financial situation, your current strategy, and the assumptions it contains.



# Definitions

## General Definitions

**Alpha** – A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the fund has performed better than its beta would predict. In contrast, a negative alpha indicates the fund's underperformance, given the expectations established by the fund's beta. All MPT statistics (alpha, beta, and R-squared) are based on a least-squared regression of the fund's return over Treasury bills.

**Beta** – A measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a fund's excess return over T-bills to the market's excess return over T-bills, so a beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund's excess return is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

**Blend** – A Blend is several managers allocated to percentages of a whole. The performance of the managers is weighted to create the blended performance.

**Downside Risk** – Downside Risk, or Semi-variance is the standard deviation (see Standard Deviation) of the portfolio's negative returns. Many consultants find the statistic extremely useful since it measures volatility in undesirable situations. The higher the value, the greater the historical Downside Risk.

**Down Market Capture Ratio** – A measure of managers' performance in down markets relative to the market itself. A down market is one in which the market's quarterly return is less than zero. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline. A value of 90 suggests that a manager's losses were 90% of the market loss when the market was down.

**Information Ratio** – The ratio of annualized expected residual return to residual risk. To calculate the IR the active return and tracking error must be annualized.

**R-Squared** – Reflects the percentage of a strategy's movements that can be explained by movements in its benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index. Thus, portfolios invested in S&P 500 stocks will typically have an R-squared close to 100. Conversely, a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index. An R-squared measure of 35, for example, means that movements in the benchmark index can explain only 35% of the portfolio's movements.

**Sharpe-Ratio** – A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance is. The Sharpe Ratio is calculated for the past 36-month period by dividing a portfolio's annualized excess returns by its annualized standard deviation. Since this ratio uses standard deviation as its risk measure, it is most appropriately applied when analyzing a portfolio that is an investor's sole holding. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund has to bear to earn excess return over the risk-free rate.

**Standard Deviation** – A measure of risk. A statistical measurement of dispersion about an average, which, for a portfolio, depicts how widely the returns varied over a certain period of

time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given portfolio. When a portfolio has a high standard deviation, the predicted range of performance is wide, implying greater risk and volatility.

**Tracking Error** – Measures the divergence between the price behavior of a portfolio to the price behavior of a benchmark.

**Up Market Capture Ratio** – Up-market capture ratio is a measure of managers' performance in up markets relative to the market itself. An up market is one in which the market's quarterly return is greater than or equal to zero. The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market. For example, a value of 110 suggests that the manager captured 110% of the up market (performed ten percent better than the market) when the market was up.

## Index Definitions

**First Boston Convertible Securities (FBCB)** This is a performance benchmark for convertible accounts. This index generally includes 250 to 300 issues. To be included, convertible bonds and preferreds must be rated B- or better by Standard & Poor's (quality-related adjustments are made at the end of each calendar year), convertibles must have a minimum issue size of \$50 million (new issues are added in the month following their issuance), and preferreds must have a minimum of 500,000 shares outstanding. Eurobonds are also included if they are issued by US-domiciled companies, rated B- or higher by Standard & Poor's, and have an issue size greater than \$100 million.

**Lehman Brothers Aggregate Bond Index (LBAG)** Composed of securities from Lehman Brothers government/corporate bond index, mortgage-backed securities index, and the asset-backed securities index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

**Lehman Brothers Corporate Int (LBIC)** A subset of the Lehman Brothers Corporate Bond Index covering all corporate, publicly issued, fixed-rate, nonconvertible US debt issues rated at least Baa with at least \$50 million principal outstanding and maturity less than 10 years.

**Lehman Brothers Corporate Long Term (LBLTC)** A subset of the Lehman Brothers Corporate Bond Index covering all corporate, publicly issued, fixed-rate, nonconvertible US debt issues rated at least Baa with at least \$50 million principal outstanding and maturity greater than 10 years.

**Lehman Brothers Government Corporate Bond Index (LBGC)** Composed of all bonds that are investment grade (rated Baa or higher by Moody's or BBB or highest by S&P, if unrated by Moody's). Issues must have at least one year to maturity. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

**Lehman Brothers Government/Corporate Int (LBIGC)** Composed of all bonds covered by the Lehman Brothers Government/Corporate Bond Index with maturities between one and 9.99 years. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

**Lehman Brothers Government/Corporate Long Term (LBLCG)** Composed of all bonds covered by the Lehman Brothers Government/Corporate Bond Index with maturities of 10 years or greater. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

**Lehman Brothers Mortgage Backed (LBMB)** Composed of all fixed-rate, securitized mortgage pools by GNMA, FNMA, and FHLMC, including GNMA graduated payment mortgages. The minimum principal amount required for inclusion is \$50 million. Total return comprises price

appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

**Lehman Brothers Municipal Bond (LBM)** Computed twice monthly from prices on approximately 1,100 bonds. Prices are supplied by Kenny Information Systems, Inc. The index is composed of approximately 60% revenue bonds and 40% state government obligations.

**Lehman Brothers Municipal 5 Year (LBMB)** A subset of the Lehman Brothers Municipal Bond Index where the average maturity of the bonds are five years.

**MSCI (EAFE)** An arithmetic, market value-weighted average of the performance of over 900 securities listed on the stock exchanges of the following countries in Europe, Australia and the Far East: Australia, Hong Kong, Norway, Austria, Ireland, Singapore, Belgium, Italy, Spain, Denmark, Japan, Sweden, Finland, Malaysia, Switzerland, France, Netherlands, United Kingdom, Germany, New Zealand.

**MSCI Emerging Markets (EMF)** The MSCI Emerging Markets (EMF) is a free float - adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of April 2002 the MSCI EMF Index consisted of the following 26 emerging market country indexes: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela.

**MSCI World S/B Net (MSCIW)** The MSCI World Index is a free float -adjusted market capitalization index that is designed to measure global developed market equity performance. As of April 2002 the MSCI World Index consisted of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

**S&P 500 (SWPI)** Covers 500 industrial, utility, transportation, and financial companies of the US markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

**Russell 1000 (R1000)** Consists of the 1,000 largest securities in the Russell 3000 index. This large cap (market-oriented) index represents the universe of stocks from which most active money managers typically select. The Russell 1000 is highly correlated with the S&P 500 index.

**Russell 1000 Growth (R1000G)** Contains those Russell 1000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the value universe.

**Russell 1000 Value (R1000V)** Contains those Russell 1000 securities with a less-than-average growth orientation. It represents the universe of stocks from which value managers typically select. Securities in this index tend to exhibit low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the growth universe.

**Russell 2000 (R2000)** Consists of the smallest 2,000 securities in the Russell 3000 index, representing approximately 11% of the Russell 3000 total market capitalization. This index is widely regarded in the industry as the premier measure of small cap stocks.

**Russell 2000 Growth (R2000G)** Contains those Russell 2000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and

price-earnings ratios, lower dividend yields and higher forecasted growth values than the value universe.

**Russell 2000 Value (R2000V)** Contains those Russell 2000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the growth universe.

**Russell 2500 (R2500)** Consists of the bottom 500 securities in the Russell 1000 index and all 2,000 securities in the Russell 2000 index, representing approximately 23% of the Russell 3000 total market capitalization. This index is a good measure of small to medium-small stock performance.

**Russell 2500 Growth (R2500G)** Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 2500 Value (R2500V)** Measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 3000 (R3000)** Measures the performance of the 3,000 largest US companies based on total market capitalization, which represents approximately 98% of the investable US equity market.

**Russell 3000 Growth (R3000G)** Measures the performance of those Russell 3000® Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000® Growth or the Russell 2000® Growth indexes.

**Russell 3000 Value (R3000V)** Measures the performance of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000® Value or the Russell 2000® Value indexes.

**Russell Midcap (RMID)** Consists of the smallest 800 securities in the Russell 1000 index, as ranked by total market capitalization. This index accurately captures the medium-sized universe of securities and represents approximately 35% of the Russell 1000 total market capitalization.

**Russell Midcap Growth (RMIDG)** Contains those Russell Midcap securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the value universe. The stocks are also members of the Russell 1000 Growth Index.

**Russell Midcap Value (RMIDV)** Contains those Russell Midcap securities with a less-than-average growth orientation. Securities in this index tend to exhibit low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the growth universe. The stocks are also members of the Russell 1000 Value Index.

**Salomon Brothers World Government Bond (SWGB)** A market capitalization-weighted index consisting of government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, United Kingdom, United States.

**U.S. Treasury Bill (USTB):** Represents 90-day return for Treasury Bills issued by the United States government.

**Witshire RE Securities Index (WRESI)** A broad measure of the performance of publicly traded real estate securities, such as Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs). The index is capitalization-weighted. The beginning date, January 1, 1978, was selected because it coincides with the Russell/NCREIF Property Index start date. The Index is rebalanced monthly, and returns are calculated on a buy and hold basis.



## **American Association of Collegiate Registrars and Admissions Officers**

### **Association Investment Policy**

#### **1. Board of Directors**

- 1.1. Fiduciary Capacity – All funds of the American Association of Collegiate Registrars and Admissions Officers ("AACRAO") are held by its Board of Directors ("Board") as a fiduciary. Therefore, all restricted and unrestricted funds of the organization are held by the Association as a steward for the sake of carrying out AACRAO's mission and objectives. The following instructions are to be understood and employed with that sense of stewardship in mind.
- 1.2. Prudent Investor - The basic investment standards shall be those of a prudent investor as articulated in laws of the District of Columbia. This standard requires that the Board invest and manage AACRAO's funds as a prudent investor would, in light of the purposes, terms, distribution requirements, and other circumstances of the funds. This standard requires that the Board exercise reasonable care, skill, and caution, and is to be applied to investments not in isolation but in the context of the overall investment portfolio and as a part of an overall investment strategy, which should incorporate risk and return objectives reasonably suitable to the portfolio. In making and implementing investment decisions, the Board has a duty to diversify the investments of the portfolio unless, under the circumstances, it is prudent not to do so. In addition, Board members must conform to fundamental fiduciary duties of loyalty and impartiality; act with prudence in deciding whether and how to delegate authority and in the selection and supervision of agents; and, incur only costs that are reasonable in amount and appropriate to the investment responsibilities of those agents.
- 1.3. The Board of Directors will
  - 1.3.1. approve the selection, hiring, and termination of all outside financial advisors and other outside investment professionals; and
  - 1.3.2. establish investment guidelines and policies that direct the investment of the Association's portfolio including asset allocation, risk tolerance, and investment time horizon.
- 1.4. Conflicts of Interest – The Board will not invest AACRAO funds with any firm or in any vehicle that may monetarily benefit a member of the Board or the AACRAO staff as a result of the transaction.
- 1.5. Amendment – The Board reserves unto itself the exclusive right to amend or revise this policy.

## **2. Investments Committee**

- 2.1. Purpose - The purpose of the Investments Committee is to assist the Board in reviewing investment policies, strategies, transactions, and the performance of the Association's investment portfolio(s).
- 2.2. Responsibilities – The Investments Committee shall
  - 2.2.1. supervise the overall implementation of AACRAO's investment policies by the Executive Director and outside investment professionals; and
  - 2.2.2. recommend the selection, hiring, and termination of all outside financial advisors and other outside investment professionals to the Board of Directors for its approval; and
  - 2.2.3. recommend the establishment of investment guidelines and policies to the Board of Directors for its approval; and
  - 2.2.4. review and evaluate the performance of the investment portfolio and financial advisors and other outside investment professionals at least once per fiscal year to assure adherence to policy guidelines, and monitor progress toward achieving investment objectives, and report the results of such reviews and evaluations to the Board; and
  - 2.2.5. provide overall supervision to the Executive Director to whom the Committee delegates specific duties related to AACRAO investments; and
  - 2.2.6. act in accord with this investment policy and all applicable laws and state and federal regulations that apply to nonprofit agencies including, but not limited to, the Uniform Prudent Investors Act of 1994 and the Uniform Management of Institutional Funds Act; and
  - 2.2.7. perform other duties as delegated by the Board from time to time.

## **3. Management**

At the discretion of the Investments Committee, specific duties, tasks, and responsibilities related to the Association's investments may be assigned or delegated to the Executive Director from time to time, subject to the overall supervision of the Investments Committee.

#### **4. Financial Advisors**

- 4.1. Financial Advisor(s) - Relative to the perpetual life of AACRAO's long-term investment funds, service on the AACRAO Board or its Investments Committee is transitory. In addition, it is unlikely that a sufficient number of members of the Investments Committee will possess the technical expertise to manage directly the investment portfolio. For these reasons, the Investments Committee shall employ one or more financial advisors (investment advisors, investment managers, investment consultants, investment custodians, etc.) to manage AACRAO's investment funds rather than directly managing investments itself.
- 4.2. Investment Guidelines – While the financial advisors are responsible for day-to-day investment decisions on behalf of the Board, they will follow written guidelines that limit their actions to a range of investment activities approved by the Board (see section 7 below).
- 4.3. Responsibilities of Financial Advisors – Financial advisors shall
  - 4.3.1. consult with the Investment Committee and Executive Director on investment goals and strategic long-term direction of the Association; and
  - 4.3.2. recommend investment guidelines, asset allocation strategies, risk-based fund objectives, and appropriate investment management structures; and
  - 4.3.3. adhere to all investment guidelines established by the Board (see section 7 below); and
  - 4.3.4. select, monitor, and evaluate investment managers and/or investment entities; and
  - 4.3.5. provide and review quarterly and annual performance measurement reports and assist the Investments Committee in interpreting the results; and
  - 4.3.6. provide appropriate monthly reports to the Association's accounting staff; and
  - 4.3.7. review the portfolio and recommend actions, as needed, to maintain proper asset allocations and investment strategies for the objectives of each fund in light of the economic and market environments; and
  - 4.3.8. assist in an annual review of the Investment Policy; and
  - 4.3.9. execute such other duties as may be mutually agreed.

#### **5. Operating Reserves**

AACRAO will maintain sufficient operating reserves to ensure adequate cash for operations. These reserves shall be maintained in investment instruments according

to the approved Investment Guidelines (see section 7 below). The Executive Director is responsible for advanced planning that will ensure that the Association's cash flow requirements are met, and for notifying financial advisors and other money managers of anticipated distributions and liquidity requirements.

## **6. Long-Term Investment Funds**

The Board maintains three long-term investment funds: an Infrastructure Fund, a Strategic Initiatives and Investment Fund, and an Unrestricted Endowment Fund. It is anticipated that the Association will spend only a limited amount from these funds in order to ensure their perpetual existence. Other unrestricted, temporarily restricted, or permanently restricted funds may be established by the Board from time to time.

### **6.1. Infrastructure Fund**

- 6.1.1. Purpose - The purpose of the Infrastructure Fund is to fund expenses for equipment and hardware upgrades, software acquisition and development, office repairs and improvement, or similar infrastructure costs that are unexpected, and therefore unbudgeted, or that the Board considers imprudent to fund from operating revenues.
- 6.1.2. Distributions - Distributions from the Infrastructure Fund are made as needed and require the approval of the Board, which should review the need for distributions from the fund at least once per fiscal year. Distributions from the fund may not cause the fund to drop below its minimum balance.
- 6.1.3. Contributions - Contributions to the Infrastructure Fund must be approved by the Board and will normally comprise 25% of those net revenues and unrestricted gifts designated by the Board for investment. The Board should evaluate whether new contributions can be made to investment funds at least once per fiscal year. Contributions to the fund may not cause the fund to exceed its maximum balance.
- 6.1.4. Minimum/Maximum Balances - The fund should maintain a minimum value of \$100,000 and the maximum value of the fund should not exceed one-third of the then current fiscal year's budgeted expenditures. That is, if the current fiscal year budgeted expenditures are six million dollars, the value of the fund should not exceed two million dollars.

6.2. Strategic Initiatives and Investments Fund

- 6.2.1. Purpose - The purpose of the Strategic Initiatives and Investments Fund is to provide a means for the Board to develop new programs or replace outdated ones, to expand the Association's interests and services, or to invest in new revenue-producing opportunities. Such programs, services, or investments should contribute directly or indirectly, in time, to the overall financial health of the Association. When used for programmatic development, this fund should not serve as a source of ongoing support for Association endeavors, but rather should provide seed money for services that would eventually need to be supported by current revenues or discontinued.
- 6.2.2. Distributions - Distributions from the Strategic Initiatives and Investments Fund are made as needed and require the approval of the Board, which should review the need for distributions from the fund at least once per fiscal year. Distributions from the fund may not cause the fund to drop below its minimum value.
- 6.2.3. Contributions - Contributions to the Strategic Initiatives and Investments Fund must be approved by the Board and will normally comprise 25% of those net revenues and unrestricted gifts designated by the Board for investment. The Board should evaluate whether new contributions can be made to investment funds at least once per fiscal year. Contributions to the fund may not cause the fund to exceed its maximum value.
- 6.2.4. Minimum/Maximum Value - The Strategic Initiatives and Investments Fund should maintain a minimum value of \$100,000 and the maximum value of the fund should not exceed one-third of the then current fiscal year's budgeted expenditures. That is, if the current fiscal year budgeted expenditures are six million dollars, the value of the fund should not exceed two million dollars.

6.3. AACRAO Endowment Fund

- 6.3.1. Purpose - The purpose of the Endowment Fund is to generate a permanent, steady stream of income (both restricted and unrestricted) for the Association.
- 6.3.2. Composition - The AACRAO Endowment Fund is comprised of a board-designated ("quasi") endowment fund and donor-restricted endowment funds that were given in order to generate operating revenues for the Association.
- 6.3.3. Distributions
  - 6.3.3.1. Distribution Value - The AACRAO Endowment Fund shall annually distribute an amount less than or equal to five percent (5%) of the Fund's average value as calculated in section 6.3.3.2. This

distribution value shall be computed annually. Thereafter, distributions shall be made quarterly in an amount equal to one-quarter (25%) of the calculated distribution value, which is less than or equal to one and one-quarter percent (1.25%) of the AACRAO Endowment Fund's average value. Distributions may be taken from principal or income. The distributions shall be made promptly following the close of each quarter. To the extent that it may legally do so, the Association shall interpret this policy as satisfying a gift provision that calls for retaining principal and distributing income.

6.3.3.2. Average Value – The average value of the AACRAO Endowment Fund is defined as the average of the fair market value of the fund as of the close of the preceding 12 calendar quarters. The Fund's market value shall be based upon all assets in the Fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter.

6.3.3.3. Initial Distribution – The initial distribution from the AACRAO Endowment Fund shall not be made until the fiscal year following the fiscal year in which the AACRAO Endowment Fund's average value as calculated in section 6.3.3.2 reaches ten million dollar (\$10,000,000).

6.3.4. Contributions – Contributions to the AACRAO Endowment Fund must be approved by the Board and will normally comprise 50% of those net revenues and unrestricted gifts designated by the Board for investment as well as donor-restricted funds that were given in order to generate operating revenue for the Association. The Board should evaluate whether new contributions can be made to investment funds at least once per fiscal year.

6.3.5. Minimum/Maximum Value - The AACRAO Endowment Fund should maintain a minimum value of one million dollar (\$1,000,000). There is no maximum value for the fund.

6.4. While the assets of the three investments funds may be co-mingled with a singular return objective, risk tolerance, asset allocation, and performance report, AACRAO will maintain the balance of the Infrastructure, Strategic, and Endowment Funds values using back-office unitized accounting method 0020.

## **7. Guidelines for Financial Advisors**

7.1. Investment Purpose - The investment purpose of the long-term investment funds is to provide financial stability and operating revenue in support of the Association mission. Income and gains from all these funds, in addition to

spending guidelines of each fund as listed above, may be spent to support the prescribed functions of the respective fund.

- 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 3-5 year periods. For all AACRAO Funds (Endowment, Infrastructure, and Strategic Initiatives), this objective shall be defined as the ability of the portfolios to meet or exceed the performance of the respective blended benchmarks, net of all fees and expenses.
- 7.3. Investment Objective - The long-term objective of the total portfolio (all Funds combined together) is to pursue income and growth with equal emphasis on principal preservation and maintaining purchasing power over time. Whereas it is understood that fluctuating rates of return are characteristic of the securities markets, the greatest concern is long-term maintenance of purchasing power and consistency of total portfolio return over time. Objectives will be measured by results achieved over a three-year rolling period.
- 7.4. Risk, Volatility and Loss - AACRAO recognizes that risk (i.e. the uncertainty of future events), volatility (i.e. the potential for variability of asset values), and the potential loss in purchasing power due to inflation are present to some degree with all types of investment vehicles. The assumption of a level of risk that is commensurate with AACRAO's objectives is warranted in order to allow the investment portfolio the opportunity to achieve satisfactory results consistent with its objectives and characteristics. AACRAO will accept the exhibition of portfolio volatility characteristics that approximate the appropriate index as outlined below in section 7.13 below. Nonetheless, it is AACRAO's preference that the maximum losses incurred by the portfolio in any one year not exceed that of the comparative index. The financial advisor(s) should take actions to minimize losses.
- 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 Investments Committee may amend the asset allocations in Addendum I. 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%
  - 7.5.2. Equities: 30-85%
  - 7.5.3. Fixed Income: 15-70%
  - 7.5.4. Alternative Investments: 0-30%

During the first 18-24 months after changing portfolio advisors or during drastic economic periods (as determined by the Investments Committee), portfolio allocations may be gradually brought to tactical allocations as listed above. Therefore, allocations for any asset class may deviate significantly

from the tactical ranges above during such periods, and will not be considered a violation of this investment policy.

- 7.6. Rebalancing Procedures - It is understood that market movements and tactical adjustments may cause the actual allocation of assets to vary from the tactical allocations listed in Addendum I or future revisions of that Addendum. Therefore, it will be necessary to rebalance the portfolios to those tactical allocations periodically. Gains and losses will be recognized during the implementation of rebalancing whether the total portfolio return is positive or negative during such rebalancing periods. The tactical ranges set forth in 7.5 are thresholds that should be reviewed quarterly by AACRAO after receipt of quarterly investment reports from the financial advisor(s), who will regularly monitor the portfolio for any variations from tactical allocations. The following discipline will be followed for rebalancing:

7.6.1. If the actual allocation in any of the four major asset classes (Equities, Fixed Income, Alternatives and Cash) varies from the tactical allocation by at least 5% in absolute terms, it will call for rebalancing of the portfolio back to the tactical amounts as soon as is practicable. The financial advisor(s) will provide information regarding such variations as quickly as is practicable to the Executive Director or any other authorized signatory and obtain verbal authorization to implement the necessary rebalancing of the portfolio to the tactical allocation. For purposes of performance evaluation against the relevant benchmarks, calculation of current asset allocation percentages and for rebalancing decisions, each Investment Manager will be considered fully invested at all times during the performance measurement period regardless of the level of cash in each portfolio.

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**Comment [as1]:** This addition will allow the portfolio to stay in compliance even with the addition of equity strategies that can hold 100% of the portfolio in cash due to market conditions.

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7.6.2. Once the initial transition into the tactical asset allocation is complete, the portfolio will be evaluated at the end of every calendar quarter and any variations of 5% or greater, in absolute terms, will generate a rebalancing recommendation. The Executive Director will approve the rebalancing recommendations.

7.6.3. If possible, new cash flows should be used for rebalancing. If new cash is not available, current investments should be bought and sold to achieve the tactical asset allocation. Such transactions will result in recognition of gains and losses in the investment manager accounts and other pooled investment funds.

- 7.7. Diversification, Marketability, Yield and Quality Consideration - Seeking to establish a diversified program of investments, assets shall be invested under the management of one or more registered investment advisors in alternative investments, index-linked exchange traded funds (ETF) in portfolios of U.S. domestic equities, domestic fixed income, and international equities. Investment vehicles and amounts allocated to each vehicle may change after a thorough review of the capital markets.



The types of stocks and market capitalization of the companies purchased for the portfolio are within the discretion of the financial advisor(s). The financial advisor(s) is expressly permitted to invest in small, medium and large capitalization stocks.

7.8. Equity Portfolio

- 7.8.1. Equity holding in any one company in each investment advisor's portfolio may not exceed 7% of portfolio at cost or 10% of account value.
- 7.8.2. Equity holding in non-U.S. investments, including emerging markets, may not exceed 45% of the market value of the portfolio.
- 7.8.3. Equity securities shall in general possess value and quality corroborated by accepted techniques and standards of fundamental and technical analysis.

7.9. Fixed Income Portfolio

- 7.9.1. Investments in bonds should be actively managed. Active management is meant to include shifting sector emphasis as well as affecting other prudent strategies that enhance the portfolio or decrease the volatility or exposure to capital depreciation. However, the weighted average maturity of the portfolio must be 10 years or less with a maximum of **30** years for individual securities.
- 7.9.2. The diversification of fixed income securities by maturity, sector, and geography is the responsibility of the financial advisor(s), with final approval provided by the Investments Committee.
- 7.9.3. Fixed income securities shall be marketable, intermediate-term maturity securities with an average portfolio rating of no less than "BBB" as rated by Standard and Poors or Moody's. The following instruments are acceptable:
  - 7.9.3.1. Commercial paper or variable rate notes of P-1 or equivalent rating.
  - 7.9.3.2. Certificates of deposit and bankers acceptances (A-rated or above).
  - 7.9.3.3. United States Treasury bonds, notes, and bills.
  - 7.9.3.4. Repurchase agreements with U.S. Treasury securities and agencies of the U.S. Government as collateral.
  - 7.9.3.5. Debt instruments of the U.S. Government or its agencies.

- 7.9.3.6. Corporate debt issues with an investment grade rating from a major bond-rating agency such as Moody's or Standard and Poors (BBB-rated or higher).
- 7.9.4. Standard and Poors or Moody's must rate bonds as "BBB" or higher to be purchased for the portfolio. Bonds that are split rated will, for the purposes of this portfolio, be considered investment grade and thus eligible for purchase. Split rated bonds are defined as bonds that have an investment grade rating with Standard and Poors and a non-investment grade rating with Moody's or vice versa.
- 7.9.5. The portfolio's fixed income exposure to any specific industry group may not exceed **20%** of the market value of the portfolio.
- 7.9.6. The fixed income holding of a single issuer may not exceed 10% of the market value of the portfolio.
- 7.9.7. The portfolio diversification requirements do not pertain to investments in debt securities issued by the U.S. Government or its fully guaranteed agencies.
- 7.10. Alternative Investments Portfolio
  - 7.10.1. A range of alternative investments may be considered prudent to be included in the overall asset allocation with the objective of creating favorable risk-reward characteristics for the overall portfolio. These alternative investments may include private equity, managed futures (limited partnerships), hedge funds or hedge fund replication strategies, inflation-indexed securities, real assets/natural resources, real estate or REITS, and commodities.
  - 7.10.2. The tactical allocation for such alternative investments may range from 0%-30% of the total market value of the portfolio. This allocation is limited due to the high risk, long-term, illiquid nature of such commitments.
  - 7.10.3. AACRAO recognizes that while such alternative investments may carry a higher degree of risk if considered on their own, they may potentially reduce total portfolio risk and enhance total portfolio return since they may be uncorrelated to other asset classes in the portfolio mix.
- 7.11. Cash Equivalents Portfolio - While it is desirable that the financial advisor(s) use interest-bearing money market funds and other cash equivalent securities with a maturity of one year or less, AACRAO understands that attractive opportunities might arise with securities with longer maturities from time to time. The financial advisor(s) is permitted to invest in such securities.

- 7.12. The financial advisor(s) shall not purchase assets other than those expressly allowed in this statement without the written consent of AACRAO. The following are prohibited (except if executed in Alternative Investments portion of the portfolio).
- 7.12.1. purchase of securities on margin
  - 7.12.2. options of all types
  - 7.12.3. letter stock
  - 7.12.4. private placements
  - 7.12.5. securities whose issuers have filed a petition for bankruptcy
  - 7.12.6. short sales
  - 7.12.7. specific industries or sectors as set forth by AACRAO Investments Committee or a designated sub-Committee
  - 7.12.8. tax exempt securities
  - 7.12.9. warrants
  - 7.12.10. foreign stocks (with the exception of American Depositary Receipts for the International allocation) unless the international investment advisor(s) deems such exposure appropriate and suitable.
- 7.13. Fund Performance Benchmarks
- 7.13.1. Domestic equities should achieve a rate of return that equals or exceeds the relevant and recognized market index for the investment style as follows:
    - 7.13.1.1. Large Cap Growth - Russell 1000 Growth or Barra Growth or S&P 500 for Large Cap Core or comparable index
    - 7.13.1.2. Large Cap Value - Russell 1000 Value or Barra Value or comparable index
    - 7.13.1.3. Mid Cap Growth- Russell Mid Cap Growth or comparable index
    - 7.13.1.4. Mid Cap Value - Russell Mid Cap Value or comparable index
    - 7.13.1.5. Small Cap Growth - Russell 2000 Growth or comparable index
    - 7.13.1.6. Small Cap Value - Russell 2000 Value or comparable index

- 7.13.1.7 All Cap Value – Russell 3000 Value or comparable index
  - 7.13.1.8 All Cap Growth – Russell 3000 Growth or comparable index
- 7.13.2. International equities should achieve a rate of return that equals or exceeds the MSCI EAFE Index or MSCI World Index, as appropriate and relevant.
- 7.13.3. Emerging market equities should achieve a rate of return that equals or exceeds the MSCI Emerging Markets Free Index.
- 7.13.4. Domestic fixed income should earn an average annual return from income and capital appreciation that equals or exceeds the Lehman Brothers Government/Corporate Intermediate Bond Index or CITI 1-5 Year Government/Corporate Index.
- 7.13.5. Alternative investments should achieve a rate of return that meets or exceeds a relevant benchmark based on the choice of alternative investments placed in the portfolio.
- 7.13.6. The custom index is defined as a mix of relevant indices in the same proportion as the **strategic** allocation of each asset class in the portfolio. For example, a 10% allocation to the large cap value investment manager will require that the custom index include 10% of Russell 1000 Value or another appropriate index in the mix. This target of return would be accomplished through long-term capital appreciation, principal preservation, and achievement of returns consistent with each category of investment.
- 7.14. Review and Reporting
  - 7.14.1. Annual Review - The Investments Committee will review, on an annual basis, written evaluations of the net-of-fee performance against the investment policies and benchmarks set forth above. The evaluation shall include a report of performance for each investment manager for past periods including the last quarter, last twelve months, last three years, and period since inception (both absolute and relative to appropriate indices). Returns shall be annualized and calculated on a time-weighted basis for the total portfolio. All returns should include income and dividends.
  - 7.14.2. The financial advisor(s) will provide a quarterly performance summary and a detailed quarterly evaluation of the four funds to the Investments Committee.
  - 7.14.3. The Investments Committee or its designee(s) shall meet with the financial advisor(s) at least semi-annually or as requested to review fund investments and the current investment environment. At such meetings, the written and oral presentations shall cover the following:

- 7.14.3.1. The quarterly performance and asset allocation report described above, and an annual fee disclosure; and
  - 7.14.3.2. Discussion of the rationale for performance results by relating them specifically to investment strategy and tactical decisions implemented during the current review period; and
  - 7.14.3.3. Discussion of the financial advisor's specific strategy for the portfolio over the next period with specific reference to asset allocation and portfolio characteristics, as appropriate; and
  - 7.14.3.4. Supporting discussion of the next period's strategy with reference to financial advisor's capital market and economic assumptions, as appropriate; and
  - 7.14.3.5. Discussion of AACRAO's needs, goals, and objectives, if different from previous quarter.
- 7.15. Changes to Investment Guidelines – The Board reserves the right to make any changes to these guidelines as deemed necessary. All such changes will be made in writing and financial advisor(s) will be duly informed.

## **Addendum I**

### **Asset Allocation for AACRAO**

As of Date

<b><u>Asset Class</u></b>	<b><u>Strategic Allocation</u></b>	<b><u>Tactical Allocation</u></b>
<b>Equities</b>	<b>37.0%</b>	<b>37.0%</b>
All Cap Value	6.0%	6.0%
All Cap Core	8.0%	8.0%
Large Cap Growth	6.0%	6.0%
International (Developed)	10.0%	10.0%
Emerging Markets	2.0%	2.0%
Global Resource Themes	5.0%	5.0%
<b>Fixed Income</b>	<b>55.0%</b>	<b>55.0%</b>
Investment Grade	55.0%	55.0%
High Yield	0.0%	0.0%
International	0.0%	0.0%
Adjustable Rate Funds	0.0%	0.0%
<b>Alternative Investments</b>	<b>8.0%</b>	<b>8.0%</b>
Managed Futures	0.0%	0.0%
Hedge Fund of Funds	0.0%	0.0%
Real Assets/Natural Resources	4.0%	4.0%
TIPS	1.0%	1.0%
Real Estate/REIT's	3.0%	3.0%
<b>Cash</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

## **AUDIT COMMITTEE CHARTER**

### **Purpose**

The Audit Committee shall assist the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the accounting and financial reporting; financial controls; compliance with legal and regulatory requirements, including the filing of IRS form 990; and the qualifications, independence, and performance of the outside auditor's qualifications, independence, and performance.

### **Membership**

The committee shall be composed of three or more board members appointed annually by the board chair and confirmed by the Board, none of whom shall receive, directly or indirectly, any consulting, advisory, or other compensatory fees from AACRAO. In addition, there shall be one member-at-large appointed from the voting membership by the Board for a two year term. Members of the audit committee shall not serve contemporaneously on AACRAO's Finance and Investment or Compensation committees. The president shall designate the committee chair.

### **Meetings**

The committee shall meet four times annually, or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Committee Chair will schedule regular meetings; additional meetings may be held at the request of a majority of the committee members or the Board Chair.

### **Duties and Responsibilities**

In carrying out its duties, the committee shall:

1. Be responsible for the appointment, compensation, oversight, and termination of the independent auditor. The auditor will report to the Audit Committee, which will receive and consider all required communications from the auditors and will act as liaison with the Board of Directors.
2. With regard to auditor independence,
  - a. Consider at least annually the independence of the outside auditor, taking into account the auditor's performance of any non-audit services, and obtain and review a report from the auditor describing any relationships between the auditor and AACRAO, the provision of non-audit services, or any other relationships that may adversely affect the independence of the auditor;
  - b. Ensure that non-audit services are not provided to AACRAO by the auditor without committee approval; and,
  - c. Without regard to performance of the auditor, review every three years the desirability of changing audit firms, and require, in any event, that the auditor be changed every five years.
3. With regard to AACRAO's financial statements,
  - a. Review and discuss with management and the auditor the audited financial statements of AACRAO including, but not limited to:

- i. The auditor's judgment as to the quality of AACRAO's accounting principles and underlying estimates, including significant financial reporting issues or adjustments and judgments made in connection with the preparation of the financial statements;
    - ii. All critical accounting policies and practices used within AACRAO and any discussions with management about such policies and practices;
    - iii. Any schedules of unadjusted differences from the audit;
    - iv. The timeliness and quality of initial drafts of financial statements;
    - v. The continued appropriateness of accounting principles or practices and their consistency with non-profit norms;
    - vi. Management representation letters and other substantive correspondence between management and the auditor;
  - b. Report to the board the completion of the review of the annual financial statements and any related significant discussion;
  - c. Understand that it is not the committee's duty to plan or conduct audits or to determine that AACRAO's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of AACRAO's financial statements and for the appropriateness of the accounting principles and reporting policies used by AACRAO. The independent auditors are responsible for auditing AACRAO's financial statements.
- 4. With regard to internal controls, review periodically with management and, if deemed necessary, with the auditors, the adequacy and effectiveness of AACRAO's internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the committee by the auditor or management.
- 5. Receive and consider communications from the auditors as to:
  - a. Any serious difficulties encountered in dealing with management affecting the performance of the audit, and/or
  - b. Any instance of fraud or illegal acts of which the independent auditors are aware.
- 6. With regard to regulatory matters,
  - a. Review procedures to ensure compliance with tax law pertaining to AACRAO's tax status, including payout requirements,
  - b. Review a written communication from the chief executive and senior financial staff member that they have reviewed the Form 990 tax filing, confirming that the form does not contain any untrue statements or omit any material facts, that the financial information presented fairly represents AACRAO's financial condition for the period covered, that it was filed in a timely manner, and that they are maintaining internal controls designed to ensure that material information related to AACRAO's tax filing be made known to them



- c. The Audit Committee will review the Federal Form 990, the Tax Return of Organizations Exempt from Income Tax, before it is submitted to the Internal Revenue Service.
- d. Review a written communication from the chief executive and senior financial staff member confirming that they have, to their knowledge, ensured that AACRAO has complied in all material respects with the requirements and prohibitions in its governing documents and articles of incorporation; and
  - e. Obtain regular updates from the chief executive and senior financial staff member and AACRAO's legal counsel regarding compliance matters (including systems for monitoring compliance with laws and regulations, management's investigations and follow-up, and findings of any regulatory agency) and verification that all regulatory compliance matters have been considered in the preparation of the financial statements.
- 7. Propose additional duties and responsibilities of the Committee that, in addition to the general tasks and responsibilities, will contribute most effectively to the purposes of the committee.
- 8. Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes or as the Board of Directors may from time to time assign to it.

### **Reporting**

Report regularly on its activities and actions to the Board of Directors, as appropriate. The Committee will maintain minutes of meetings and report to the Board of Directors the results of Committee meetings.

- Conduct an annual review the Committee's own performance, and report the results of such review to the Board of Directors.
- Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board of Directors.
- Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes or as the Board of Directors may from time to time assign to it.

## **COMPENSATION COMMITTEE CHARTER**

### **Purpose**

The Compensation Committee shall assist the Board of Directors in fulfilling its oversight responsibilities relating to the compensation and benefits of the Executive Director and other executive officers; and shall provide recommendations regarding management successors.

### **Membership**

The committee shall be composed of three or more Board members appointed annually by the Board Chair and confirmed by the Board of Directors.

### **Meetings**

The committee shall meet four times annually, or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The committee chair will schedule regular meetings; additional meetings may be held at the request of a majority of the committee members or the Board Chair.

### **Duties and Responsibilities**

In carrying out its oversight responsibilities, the committee shall

1. Develop a compensation philosophy and compensation policies for approval by the Board of Directors.
2. Review and recommend goals and objectives relevant to the compensation of the Executive Director and other senior managers for approval by the Board of Directors.
3. In conjunction with the Board Chair, annually evaluate the Executive Director's performance in light of these goals and objectives, and make a recommendation to the Board of Directors with respect to the Executive Director's compensation.
4. In conjunction with the Board Chair, annually review with the Executive Director the performance goals and objectives for all senior managers.
5. Annually review staff salaries with the Executive Director to ensure that such salaries are appropriate and consistent with published compensation surveys or reports prepared for the committee by outside consultants.
6. Retain, if necessary, and terminate any compensation consultant and approve the consultant's fees and other retention terms.
7. Review all proposed employment contracts and severance agreements with the Executive Director for other senior managers and make recommendations for approval by the board.
8. Oversee the administration of AACRAO's compensation and benefits program, including a review of deferred compensation of current and former senior managers.
9. Develop succession plans for the position of Executive Director and submit such plans to the Board of Directors for approval. Ascertain that the Executive Director has developed succession

plans for senior managers and that these plans are updated regularly. Annually review AACRAO's succession plans and recommend changes to the Board of Directors.

10. Conduct a search for the Executive Director, when necessary, evaluating candidates, and making recommendations to the Board of Directors. Recommend the engagement of a professional search firm to the Board of Directors, if such a firm is to be used.
11. Propose additional duties and responsibilities of the committee that, in addition to the general tasks and responsibilities, will contribute most effectively to the purposes of the committee.
12. Report regularly on its activities and actions to the Board of Directors, as appropriate. The committee will maintain minutes of meetings and report to the Board of Directors the results of committee meetings.
13. Conduct an annual review the committee's own performance, and report the results of such review to the Board of Directors.
14. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board of Directors.
15. Perform such other duties required by law or otherwise as are necessary or appropriate to further the committee's purposes or as the Board of Directors may from time to time assign to it.

## **FINANCE AND INVESTMENTS COMMITTEE CHARTER**

### **Purpose**

The Finance and Investments Committee shall assist the Board of Directors in fulfilling its oversight responsibilities relating to the fiscal health of the Association.

### **Membership**

The committee shall be composed of three or more Board members appointed annually by the Board Chair and confirmed by the Board of Directors and shall be chaired by the Vice-President for Finance. Members of the Finance and Investment Committee shall not contemporaneously serve on the Board's Audit Committee.

### **Meetings**

The committee shall meet four times annually, or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The chair will schedule regular meetings; additional meetings may be held at the request of a majority of Finance and Investments Committee members or the Board Chair.

### **Duties and Responsibilities**

In carrying out its oversight responsibilities, the Committee shall:

1. Recommend AACRAO's yearly budget to the Board of Directors.
2. Provide broad financial oversight by overseeing AACRAO's financial planning including funding sources, retaining outside financial advisors and other investment proposals, the investment guidelines and policies for recommendation to and approval by the Board of Directors.
3. Ensure the alignment of the budget and fiscal strategies with the Strategic and Operational plans for the Association.
4. Ensure the preparation of accurate and timely financial reports, and review such reports with the Board.
5. Review internal financial controls.
6. Review budgets of special projects or committees as appropriate.
7. Supervise the overall implementation of AACRAO's investment policies by the Executive Director and outside investment professionals.
8. Review and evaluate the performance of the investment portfolio and financial advisors and other outside investment professionals at least once per fiscal year to assure adherence to policy guidelines, and monitor progress toward achieving investment objectives, and report the results of such reviews and evaluations to the Board of Directors.

9. Provide overall supervision to the Executive Director to whom the Committee delegates specific duties related to AACRAO investments.
10. Ensure that the association is adequately insured.
11. Propose additional duties and responsibilities of the Committee that, in addition to the general tasks and responsibilities, will contribute most effectively to the purposes of the committee.
12. Report regularly on its activities and actions to the Board of Directors, as appropriate. The Committee will maintain minutes of meetings and report to the Board of Directors the results of Committee meetings.
13. Conduct an annual review the Committee's own performance, and report the results of such review to the Board of Directors.
14. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board of Directors.
15. Perform such other duties as are necessary or appropriate to further the Committee's purposes or as the Board of Directors may from time to time assign to it.

## **GOVERNANCE COMMITTEE CHARTER**

### **Purpose**

The Governance Committee is responsible for ongoing review and recommendations to enhance the effectiveness of the AACRAO Board of Directors, including but not limited to assessments, orientation, policies, procedures, handbooks, and committee structure and development.

### **Membership**

The committee shall be composed of three or more Board members appointed annually by the Board Chair, who shall designate the committee chair.

### **Meetings**

The committee shall meet four times annually, or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The chair will schedule regular meetings; additional meetings may be held at the request of a majority of Governance Committee members or the Board Chair.

### **Duties and Responsibilities**

In carrying out its responsibilities, the committee shall:

1. Lead the periodic assessment of the Board of Directors' performance; and propose, as appropriate, changes in Board structure, Board committee structure, Board roles, and Board responsibilities.
2. Regularly assess the effectiveness of Board meetings.
3. Regularly review and update the Board handbook, policies, procedures, guidelines, and practices.
4. Design and oversee a process of Board orientation, including information prior to election as a Board member and information needed during the first cycle of Board activity for new Board members.
5. Design and implement an ongoing program of Board information and education for all Board members.
6. Provide ongoing counsel to the Board Chair on steps that might be taken to enhance Board effectiveness.
7. Develop and propose a profile of the Board of Directors as it should evolve over time.
8. Report regularly on its activities and actions to the Board of Directors, as appropriate. The Committee will maintain minutes of meetings and report to the Board of Directors the results of Committee meetings.
9. Conduct an annual review the Committee's own performance, and report the results of such review to the Board of Directors.
10. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board of Directors.

11. Perform such other duties as are necessary or appropriate to further the Committee's purposes or as the Board of Directors may from time to time assign to it.

## **STRATEGIC PLANNING & PROGRAM REVIEW COMMITTEE CHARTER**

### **Purpose**

The Strategic Planning & Program Review Committee shall assist the Board of Directors in fulfilling its responsibilities to develop and monitor AACRAO's strategic plan and to provide oversight of the scope, quality, effectiveness, and efficacy of AACRAO programs and services provided to its members and the public, including but not limited to: publications, communications, conferences, training, educational programs, and AACRAO business entities. The committee promotes, coordinates, and oversees planning across the Association, and attempts to link AACRAO's programs and services with its mission, markets, and resources. The committee strives to align AACRAO programs with the strategic plan for the association.

### **Membership**

The committee shall be composed of three or more Board members appointed annually by the Board Chair, with the consent of the Board. The Board Chair shall designate the committee chair with the consent of the Board.

### **Meetings**

The committee shall meet four times annually, or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The committee chair will schedule regular meetings; additional meetings may be held at the request of a majority of Strategic Planning & Program Review Committee members or the Board Chair.

### **Duties and Responsibilities**

In carrying out its responsibilities, the committee shall:

1. Review and recommend to the Board of Directors appropriate mechanisms for developing and implementing the Association's strategic plan.
  - a. Assist the Board of Directors in formulating, advancing, and communicating a vision for the future of AACRAO.
  - b. Identify strategic issues and options through ongoing analysis of AACRAO's internal strengths and weaknesses in relation to its external opportunities and threats.
  - c. Assist the Board Chair in planning and implementing strategic planning sessions and retreats.
  - d. Ascertain the need for outside planning expertise and recommend the engagement of planning consultants to the Board of Directors.
2. Regularly review and evaluate all services and products provided by AACRAO.
  - a. Prepare and periodically update planning assumptions.
  - b. Review and recommend goals and objectives for AACRAO programs and services.
  - c. Coordinate the work of other groups involved in planning and integrate their products into a coherent set of action plans.
  - d. Monitor the implementation of plans to ensure that they are carried out.
  - e. Ensure adequate communication and consultation about planning issues and process with AACRAO's stakeholders.
  - f. Promote and evaluate the continuous assessment and benchmarking of planning efforts.



- g. Regularly assess programmatic needs of the membership and the higher education community.
  - h. Consider and recommend to the Board of Directors the additions, consolidation, or elimination of programs and services to meet changing and diverse needs. The recommendations should consider responsiveness to member needs, scope, quality, effectiveness, efficacy, delivery systems, and viability.
- 3. Report regularly on its activities and actions to the Board of Directors, as appropriate. The Committee will maintain minutes of meetings and report to the Board of Directors the results of Committee meetings.
- 4. Conduct an annual review the Committee's own performance, and report the results of such review to the Board of Directors.
- 5. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board of Directors.
- 6. Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes or as the Board of Directors may from time to time assign to it.

Changes in GREEN are routine housekeeping items

Changes in RED are related to the Governance Task Force Recommendations

## American Association of Collegiate Registrars and Admissions Officers Bylaws

### Article 1: Mission

The mission of the American Association of Collegiate Registrars and Admissions Officers (hereafter referred to as the Association) is to serve and advance higher education by providing leadership in academic and enrollment services.

### Article II: Membership and Fees

#### Section 1: Voting Membership

- a. Admission of New Members: Collegiate-level degree-granting institutions of higher education will be eligible for institutional membership if they are accredited by an accrediting association approved by the Council for Higher Education Accreditation (CHEA). In addition, college and university system offices are also eligible for institutional membership. Eligibility of other institutions of higher education ~~will shall~~ be determined by the Board of Directors (~~hereafter referred to as the Board~~) of the Association. Eligible institutions ~~will shall~~ be entitled to membership upon remittance of appropriate dues as approved by the membership and submission of the appropriate documents.
- b. Designation of Voting Members by Institutional Members: Institutional members ~~willshall~~ designate one or more individuals as voting members and under such terms as specified in a ~~mMember rResolution~~. Voting members will conduct Association affairs through voting, holding elective office and participating in other ways.
- c. Dues: The Board, ~~of Directors~~ through a Board ~~rResolution~~, may approve a membership dues increase of no greater rate than the previous twelve-month period's Consumer Price Index, rounded to the nearest dollar.

The Board, ~~of Directors~~ through a Board ~~rResolution~~, may recommend a membership dues increase that exceeds the previous twelve-month period's Consumer Price Index, with notice thirty days (~~30~~) in advance of voting, for approval by the membership at the ~~Business Session of the Annual Mmeeting~~.

#### Section 2: Nonvoting Membership

There ~~will~~shall be additional classes of nonvoting members under such terms and conditions as ~~will~~shall be established by the Board ~~of Directors~~. Nonvoting members ~~will~~shall be eligible to participate in Association activities but may not vote.

### **Article III: Board of Directors**

#### **Section 1: ~~Composition of the~~ Board ~~of Directors~~**

The Board is comprised of at least twelve and no more than seventeen Directors.

- a. At least twelve, but no more than fourteen, will be voting members of the Association, as defined in Article II, Section 1.b (hereafter referred to as Member Directors), elected by the voting membership.
- b. Up to three additional Directors (hereafter referred to as External Directors) may be elected by the Board. External Directors may be neither voting members of the Association as defined in Article II, Section 1.b, nor nonvoting members of the Association as defined in Article II, Section 2.

~~The Directors of the Association shall be elected by the voting membership and shall conduct all Association business that is assigned to them or is not otherwise provided for in the Bylaws. The Directors of the Association will together comprise the Board of Directors. The Directors must be voting members of the Association and will also serve as officers of the Association. The Board of Directors shall include the following.~~

- ~~a. President;~~
- ~~b. President-elect;~~
- ~~c. Past President;~~
- ~~d. Vice President for Finance;~~
- ~~e. Vice President for Admissions and Enrollment Management;~~
- ~~f. Vice President for International Admissions;~~
- ~~g. Vice President for Records and Academic Services;~~
- ~~h. Vice President for Leadership and Management Development;~~
- ~~i. Vice President for Access and Equity; and~~
- ~~j. Vice President for Information Technology~~

#### **Section 2: Duties of the Board**

The Board represents the Association's membership and will conduct all Association business that is assigned to it, or is not otherwise provided for, in the Bylaws. Duties of the Board will include, but are not limited to, the following.

- a. Establish strategic direction for the Association, including
  1. Reviewing and articulating the mission, vision, and values
  2. Developing goals and strategies for fulfilling the mission and achieving the vision
  3. Ensuring that operational plans and budgets support the strategic direction
  4. Monitoring progress toward strategic goals
- b. Ensure resources for the Association, including

1. Employing an Executive Director
  2. Promoting member involvement in programs and activities
  3. Cultivating leadership potential
  4. Providing adequate financial resources
  5. Protecting assets
  6. Proposing an annual budget to the membership
  7. Monitoring and strengthening public standing
- c. Oversee the Association's performance, including
1. Stewarding finances
  2. Managing risk
  3. Ensuring legal and ethical integrity
  4. Maintaining accountability
  5. Monitoring and evaluating programs
  6. Supporting and evaluating the work of the Executive Director
  7. Establishing and enforcing policies and procedures

~~Members of the Board of Directors act as representatives of the members. Duties of the Board of Directors shall include but are not limited to the following:~~

- ~~a. Review and articulate the mission and purpose of the Association; Employ an Executive Director and assess his/her performance; Ensure effective Association performance; Manage financial resources and all assets of the Association; Determine, monitor and strengthen the Association's public standing; Ensure legal and ethical integrity and maintain accountability; and~~
- ~~b. Publish an annual report and annual financial audit of the activities of the Association.~~

### Section 3: Meetings of the Board

The Board ~~of Directors shall~~will meet at the Annual Meeting and at least one other time in the year. The Board ~~of Directors may~~also meet at other times as ~~the President, or if the President is incapacitated the President elect, shall it~~may deem necessary or appropriate.

- ~~a. The business of the Board of Directors shall be conducted with the President serving as chair; the President elect serving as vice chair; and the Vice President for Finance as secretary treasurer of the Board.~~
- ~~a.b.~~ Meetings of the Board ~~of Directors shall~~will be called by the ~~Chair President~~or, if the ~~Chair President~~is unable to do so, by the ~~Vice Chair President elect~~. Notice will be given at least seven ~~(7)~~days prior to the meeting. Directors may waive their right to notice. Decisions within the Board ~~of Directors shall~~will be made by simple majority vote of a quorum of the Board. A quorum ~~will~~shall be a majority of the Board. Business can also be conducted without a meeting of the Board, provided that all ~~D~~directors sign a consent to the action.
- ~~b.e.~~ In the absence of the ~~Chair President~~or ~~Vice Chair President elect~~calling a meeting in accordance with Article III, ~~Section 3.a(b)~~, a special meeting can be convened by two-thirds consent of the Board.
- ~~c.d.~~ The Executive Director ~~will~~shall participate in the meetings of the Board, as appropriate to the extent practicable as specified in the *Board of Directors Handbook*.
- ~~d.e.~~ Whenever notice is required to be given to any Director under any provision of these Bylaws, it may be given by written notice delivered personally or sent by mail, ~~or by~~

telegram, express delivery service, ~~or~~ electronic facsimile, or electronic mail transmission. Directors may participate in a meeting of the Board by means of a conference telephone or by any means of communications by which all persons participating in the meeting are able to hear one another, and such participation will constitute presence in person at the meeting.

#### Section 4: Officers of the Board ~~Duties of the President~~

Officers of the Board must be Member Directors.

- a. The officers of the Board, and their duties, will be as follows:
  1. The Chair, who will chair the meetings of the Board, preside at the Business Session of the Annual Meeting of the Association, and serve as the principal member spokesperson of the Association;
  2. The Vice Chair, who will serve as Chair in the absence, incapacity, death, resignation, or removal of the Chair until such time as a new Chair can be elected;
  3. The Secretary, who will produce official minutes of Board meetings and of the Business Session of the Annual Meeting of the Association; and,
  4. The Treasurer, who will assist the Board in its responsibility for overseeing the financial affairs of the Association.
- b. The Board will elect, by simple majority, its officers after February 15, when the election of Directors is completed, and before the date of the Business Session of the Annual Meeting.
- c. Terms of office will be as follows:
  1. The Chair will serve a one-year term, with the possibility of renewal for up to a total of three years.
  2. The Vice Chair, Secretary, and Treasurer will serve for one year, and may be reelected during their terms as Directors.
  3. All officers' terms will commence at the Business Session of the Annual Meeting following their election by the Board.

~~The President shall act as presiding officer of the Association.~~

#### Section 5: Terms of Directors ~~Duties of the President-elect~~

- a. Each Member Director will serve a three-year term, and may serve one additional three-year term, if reelected. Newly elected Member Directors will be seated at the Business Session of the Annual Meeting immediately following their election. Their terms will expire upon the seating of their successors or, in the case where their seats are not being filled, at the end of the Business Session of the third Annual Meeting after the one in which they were seated.
- b. Each External Director will serve a two-year term, and may serve one additional two-year term, if reelected. Newly elected External Directors will be seated at the meeting of the Board immediately following their election. Their terms will expire upon the seating of their successors or, in the case where their seats are not being filled, two calendar years after they are seated.

~~The President-elect shall serve as principal assistant to the President, as needed. Responsibilities shall include planning the program and coordinating the arrangements for the Annual Meeting.~~

#### Section 6: Board Committees ~~Duties of the Past President~~

The Board may establish or disestablish/discontinue committees of the Board as needed to assist it in its work.

~~The Past President shall serve as a member of the Board of Directors, advising on Association business and coordinating the selection of award recipients to be presented at the Annual Meeting.~~

#### Section 7: Duties of the Vice President for Finance

~~The Vice President for Finance shall serve as secretary of the Business Session of the Annual Meeting; shall oversee the Association's financial affairs; shall work closely with the Executive Director on membership and financial records; shall chair the budget committee and shall notify the membership of the proposed budget, membership fees or policy matters at least thirty (30) days prior to voting. The Vice President for Finance may audit the Association bills before payment and shall arrange for the annual financial audit by a certified public accountant.~~

#### Section 8: Duties of the Vice Presidents

~~The Vice Presidents shall manage the activities of the committees in their respective professional areas and assist the Executive Director in the execution of Association activities.~~

#### Section 79: Vacancies

~~If the number of Member Directors falls below twelve, the Committee on Nominations and Elections will fill the position by appointment with an individual to serve the remainder of the term. If less than one year remains in the term, the individual filling this vacancy will be eligible to serve two full terms of service, unless he or she has already served as a Director for six or more years.~~

~~If a Board officer is unable to complete his or her term for any reason, the Board will elect an individual to complete the term.~~

~~If an early vacancy shall occur in the office of the President, the President-elect shall assume those responsibilities and the normal term of office for the President-elect as President will not be affected. In case of an early vacancy in the office of Past President, the Board of Directors shall request a nomination from the Nominations and Elections Committee, which may nominate only an individual who has previously served as Past President and is otherwise eligible. The Board shall appoint the nominee as an acting Director for the remainder of the term.~~

~~In case of a vacancy in any office except that of President or Past President, the Board of Directors shall request a nomination from the Nominations and Elections Committee and shall appoint the nominee as acting Director until an election can be held at the next Annual Meeting. Service shall extend for the balance of the unexpired term. Such appointment shall not affect the appointee's eligibility for subsequent election to a full term.~~

#### Section 840: Removal of Director

~~The process for removing a Director an elected or appointed member of the Association Board of Directors from office will shall be as follows:~~

- a. ~~If a Member Director Any Board of Directors member who~~, during the course of a term of service, fails to qualify as a voting member ~~of the Association~~ for a period of ninety days ~~(90)~~ due to loss of employment or ~~any some~~ other circumstance, ~~he or she will shall~~ be removed from office immediately. ~~and a~~A replacement will be named in accordance with Article III, ~~S~~section 79.
- b. Any voting member may file a complaint about a Director with the ~~Board President of Past President of the Association~~. The complaint must be in writing and must specify the nature of the problem in adequate detail. Such reasons can be, but are not limited to, dishonesty, failure to perform in office or financial mismanagement.
  1. After concurrence by a ~~Director Board member~~, the full Board ~~of Directors~~ will convene in special session within thirty ~~(30)~~ days to consider a complaint. ~~A conference call will be acceptable for this purpose.~~ The complainant(s) may be invited to present evidence and be available for questioning at this special session. The Director who is the subject of the written complaint(s) will be given reasonable time prior to the meeting to prepare a response to the written

- complaint(s) and will be invited to be present to deliver that response. The ~~Chair President~~ will preside over this special session. If the ~~Chair President~~ is the subject of the complaint(s), the ~~Vice Chair Past President~~ will preside.
2. The Board ~~of Directors~~ will vote, by secret ballot, to retain or remove the individual from office. If the special session is conducted by conference call, the secret ballot will be mailed to the presiding officer within 24 hours of the meeting. The ballots will be retained for at least thirty ~~(30)~~ days after the mail-in vote. A two-thirds majority vote of those voting will be required to remove a ~~Director Board member~~ from office.

#### Section ~~944~~: Compensation

Directors ~~will shall~~ not be compensated except that they may be reimbursed for reasonable and necessary expenses incurred in connection with ~~their that~~ service as Directors.

### **Article IV: Elections**

#### Section ~~12~~: Committee on Nominations and Elections

Each year, the Committee on Nominations and Elections (hereafter referred to as the committee) will establish a slate of nominees for election as Member Directors and a second slate of nominees for election as members of the committee. The ~~cCommittee on Nominations and Elections~~ will ~~shall~~ consist of nine ~~(9)~~ members elected by the AACRAO membership, using electronic voting methods, plus one Member Director from the current Board, elected by the Board to serve for one year. ~~to select candidates for nomination to Association offices.~~ External Directors are not eligible to serve on the committee. Two ~~(2)~~ of the nine ~~(9)~~ member elected committee members ~~will shall~~ be continuing members completing two-year terms. Seven ~~(7)~~ ~~will shall~~ be elected each year; the one of these with the highest number of votes will become the Chair-elect for the following year; the other with the next-highest number of votes will become the other continuing member and Vice Chair-elect for the following year. Other elected members of the committee ~~will shall~~ serve a one-year term. Three alternates ~~will shall~~ be designated in descending order according to votes received. No members ~~will shall~~ be eligible to serve again on the committee until five years have elapsed. After election to committee membership and during service on the committee, a member of the committee ~~may shall~~ not be considered for nomination ~~as a Director, to an Association office~~ nor become eligible for such consideration by resigning from the committee.

- a. Each year this committee ~~will shall~~ meet for initial orientation before the end of the Annual Meeting, convened by its Chair-elect.
- b. The other meeting of this committee ~~will shall~~ be held in the fall of the year in advance of the Annual Meeting and ~~will shall~~ be for the purpose of deciding the slate of nominees for Member Directors and the fourteen ~~(14)~~ nominees for the next year's ~~cCommittee on Nominations and Elections~~. In the event any member of the committee is unable to attend this meeting, ~~its the~~ Chair ~~will shall~~ select a replacement for his or her position on the committee from the alternates, in the order of their designation.
- c. ~~Members of the committee will compile lists of proposed nominees for Member Directors and for this committee, based on nominations from the Association membership. From these lists the committee will choose fourteen nominees for the next year's committee and up to twice as many Member Director nominees as the number of~~



open positions on the Board. ~~Members of the committee shall assist the Chair in compiling lists of proposed nominees for Directors and for this committee. From the latter the committee shall choose fourteen (14) nominees for the next year's committee.~~ These ~~will~~ shall be certified by the ~~committee~~ Chair to the ~~Board President~~ and Executive Director no later than December 15.

- d. ~~Concluding n~~No later than February 15, an election will be held electronically for the committee and for the open Member Director positions. Voting will be available to the membership for no fewer than thirty days. ~~a ballot shall be mailed to each voting member containing the names of the fourteen (14) nominees, with instructions to vote for seven (7) and return the completed ballot to the Chair of the committee. Those returned as directed within thirty (30) days of this mailing and containing not more than seven (7) votes shall be counted as valid ballots.~~
1. The ballot will contain the names of the fourteen nominees for the committee, with instructions to vote for seven and submit the ballot electronically to the committee Chair.
  2. The ballot will also contain the names of the nominees for the open Member Director positions, with instructions to vote for no more than the number of open positions and submit the ballot electronically to the committee Chair.
  3. Those ballots submitted by the deadline established by the committee Chair and containing not more than the specified number of votes for the committee and for the open Member Director positions will be counted as valid ballots.
  4. The ~~committee~~ Chair will certify the results of the election to the ~~Board President~~ and Executive Director.
- e. In ~~the~~ case of tie votes, the ~~c~~Committee Chair ~~will~~ shall make the choice among tied candidates by lot.

#### Section 24: Election of ~~Member~~ Directors

~~Member Directors will~~ shall be elected by the AACRAO membership using electronic voting methods, no later than February 15. The election will be based on a slate provided by the Committee on Nominations and Elections. ~~voting members at the Business Session of the Annual Meeting. The Committee on Nominations and Elections shall announce its slate of nominees in advance of the opening session of the Annual Meeting. Additional nominations may be made from the floor at the Business Session.~~

- a. After the committee has been elected, the Board notifies the Chair and Vice Chair of the committee of the number of Member Directors to be elected in the next election.
- b. The committee will nominate up to twice as many individuals as the number of open positions. In addition to these nominees, the ballot will include open lines for write-in votes. The number of open lines for write-in votes will be equal to the number of open Member Director positions. Those receiving a plurality of votes will be elected. The committee will note the runners-up and select the top runner-up in the event one of those elected subsequently declines.

#### Section 3: Election of External Directors

External Directors will be elected by a simple majority of a quorum of the Board.

#### Section 4: Transition to New Board Structure

The Board structure outlined in these Bylaws will be implemented within five years of its approval via a phased transition process approved by the Board. This section of the Bylaws will be removed from the Bylaws upon completion of this transition.

~~Election of the President-elect and Vice Presidents shall be by a simple majority of the votes cast by voting members. The President-elect shall serve for a one-year term. Immediately upon the conclusion of that term, she/he shall assume the office of President for a one-year term. Immediately upon the conclusion of that term, she/he shall assume the office of Past President for a one-year term. The Vice Presidents shall serve for three-year terms except as follows:~~

- ~~a. The initial occupants of the offices of Vice President for International Education and Vice President for Leadership and Management Development shall serve for a term ending in 2000;~~
- ~~b. The initial occupants of the offices of Vice President for Records and Academic Services and Vice President for Finance shall serve for a term ending in 2001;~~
- ~~c. The initial occupants of the offices of Vice President for Admissions and Enrollment Management and Vice President for Access and Equity shall serve for a term ending in 2002.~~

~~Newly elected Directors shall take office at the end of the Annual Meeting during which they are elected. Directors shall not succeed themselves if elected for a three-year term.~~

### **Article V: Meetings**

#### Section 1: Annual Meeting

The Board ~~of Directors will~~shall call the Annual Meeting of the Association and will~~shall~~ set the precise date and location of that meeting. The Board ~~of Directors will~~shall have the authority to advance, postpone, or, in case of an emergency, cancel an Annual Meeting; in such a case the time between two consecutive meetings of the Association will~~shall~~ be counted as one year of administration. Official notification of the Annual Meeting will occur at least thirty ~~(30)~~ and no more than fifty ~~(50)~~ days prior to the meeting through established methodologies used to communicate with members. The Board ~~of Directors will~~ approve the budget for the Annual Meeting.

#### Section 2: Business Session

Unless otherwise specified in the Bylaws, Association business will ~~shall~~ be conducted at the Business Session of the Annual Meeting by the voting members present. A quorum at the Business Session will ~~shall~~ be 200 voting members. Official business to be conducted at the Business Session will ~~shall~~ include at least the following:

- ~~a. Election of the Directors;~~
- ~~a.b.~~ Reports from Directors and committees, with such action as may be appropriate, including adoption of the budget and resolutions; and
- ~~b.e.~~ Action on any proposed amendments to the Bylaws or Articles of Incorporation.

If there is not a quorum present at the Business Session, ~~the slate of Directors will be considered elected and~~ the proposed budget ~~will be considered~~ adopted. If the budget is defeated when a quorum is present, the most recently adopted budget will be continued in effect. The adoption of any proposed amendment to the Bylaws or Articles of Incorporation ~~will shall~~ require a two-thirds majority of the votes cast if notice was given to the voting members at least thirty ~~(30)~~ days in advance or a four-fifths majority if less or no advance notice was given. Except for amendments to the Bylaws and Articles of Incorporation, decisions will be made by simple majority vote.

## **Article VI: Appointive Committees and Task Forces of the Association**

### Section 1: Committees and Task Forces

Committees and task forces, to assist in Association activities, as deemed necessary or desirable, ~~will shall~~ be established (or may be discontinued) by the ~~b~~Board ~~President with the approval of the Board of Directors.~~

### Section 2: Committee and Task Force Appointments

Appointments to these committees and task forces will be for one year, with reappointment possible for not more than three additional consecutive years. To ensure reasonable continuity, a significant proportion of the members of each committee will be reappointed from the preceding year. ~~Each appointive committee reports to the Board of Directors through the appropriate Director or Executive Director.~~

### Section 3: Inter-association Representatives

The Board ~~of Directors will shall~~, by simple majority vote, select Association members to serve as inter-Association representatives between the Association and other higher education related organizations. Appointments ~~will shall~~ be for one three-year term, unless reappointment is specifically designated by a two-thirds vote of the Board ~~of Directors.~~

## **Article VII: Miscellaneous Provisions**

### Section 1: Fiscal Year

The fiscal year of the Association ~~will shall~~ be from October 1 to September 30.

### Section 2: Records and Books

The Association ~~will shall~~ keep correct and complete books and records of account and ~~will shall~~ also keep minutes of the proceedings of meetings of the members, the Board ~~of Directors~~ and committees having any of the authority of the Board ~~of Directors~~, and ~~will shall~~ keep at its principal office a record giving the names and addresses of the members entitled to vote. The Association ~~will shall~~ make available to voting members its Articles of Incorporation, Bylaws, financial statements, any Board ~~or~~ ~~m~~Member ~~r~~Resolutions it adopts, and all minutes of the corporation.

### Section 3: Annual Financial Audit

The Board will ensure that an annual financial audit is performed.

#### Section 43: Contract Authorization

The Board ~~of Directors~~ may authorize a Director, employee or agent to execute contracts on behalf of the Association and sign checks, drafts, loans or other orders of payment or evidence of indebtedness.

#### Section 54: Permanent Office

The Executive Director will ~~shall~~ operate a permanent office that provides service to members, and will ~~shall~~ manage the activities of the Association and will ~~shall~~ contribute a "State of the Association" ~~Letter to the annual report.~~

#### Section 65: Parliamentary Rules

Except as otherwise provided in the Articles of Incorporation and these Bylaws, the ~~Annual~~ Business Session ~~of the Annual Meeting~~ of the Association will be governed by the parliamentary rules and usages contained in the most recent edition of *Robert's Rules of Order* ~~Roberts' Rules of Order~~.

#### Section 76: Amendments

Amendments to the Bylaws or Articles of Incorporation may be proposed by either a simple majority vote of the Board ~~of Directors~~ or twenty-five ~~(25)~~ voting members of the Association. Proposed amendments must be submitted to the Board ~~of Directors~~ or the Executive Director at least ninety ~~(90)~~ days before the Annual Meeting. The adoption of any proposed amendment to the Bylaws or Articles of Incorporation will ~~shall~~ require a two-thirds majority of the votes cast at the Business Session of an Annual Meeting at which a quorum is present if notice was given to the voting members at least thirty ~~(30)~~ days in advance, or a four-fifths majority if less or no advance notice was given.

**DRAFT**

**8.30.2011**

**American Association of Collegiate Registrars and Admissions Officers (AACRAO)  
Board Strategic Planning/Program Review Committee**

AACRAO Mission: The mission of the American Association of Collegiate Registrars and Admissions Officers is to serve and advance higher education by providing leadership in academic and enrollment services.

AACRAO Vision: The American Association of Collegiate Registrars and Admissions Officers will be recognized as the leading authority in academic and enrollment services within and outside the higher education community.

AACRAO Values: Accountability, Collaboration, Inclusiveness, Innovation, Inquiry, Integrity, Learning

Goals and Objectives

1. Provide AACRAO members with programs and training to enable them to successfully lead their institutions in meeting the challenges of a continually evolving environment.
  - a. Establish core competencies that support and enhance the status of professionals in academic and enrollment services.
  - b. Provide relevant and diverse programming and services to AACRAO members and other higher education professionals to meet their current and evolving professional needs.
  - c. Create a new emphasis on compliance, research services and training for the membership.
  - d. Continually evaluate the relevance, effectiveness, and sustainability of programs and services provided by AACRAO.
2. Assure that the Association is structured to promote sustained growth and member engagement.
  - a. Regularly evaluate overall membership trends and work to both sustain current members and address areas for growth.

- b. Develop administrative capability to further engage members in the life and work of the association through modern communication technologies, such as, social media.
  - c. Maintain a leadership role in the global higher education community by expanding AACRAO membership with an international focus, both within the US and in other countries, and providing desirable consulting services.
  - d. Promote the strength of the Association by periodic review of structure, bylaws, articles of incorporation, and the relationship with the National Office.
- 3. Identify, develop and promote professional standards and best practices for AACRAO members.
  - a. Identify standards that are critical to the profession and to the membership.
  - b. Be engaged with the development of professional standards and best practices that significantly impact our profession.
  - c. Establish a set of desirable best practices topics and incorporate these into the professional development offerings of the Association.
  - d. Continue efforts to be the national resource on key industry topics (e.g., privacy, record integrity, FERPA, Identity Management, international credentials analysis, etc.).
- 4. Establish AACRAO as a leader in Federal policy development and advocacy.
  - a. Regularly assess the capacity of AACRAO to be engaged with and influence higher education public policy at the national level.
  - b. Identify public policy issues for direct engagement and develop plans of action for each advocacy issue identified.
  - c. Engage the membership in public policy dialogue and understanding (e.g. through the Public Policy Advocacy listserv and other venues).
- 5. Promote student access, affordability, and success.
  - a. Create alignments with other professional organizations that promote student success (e.g. NACAC, NASPA, and NASFAA).
  - b. Engage in relevant activities that support student access and affordability.

- c. Provide professional development opportunities for AACRAO members to acquire more understanding of financial aid, enrollment services/management and retention practices.
- 6. Ensure the Association's resource strength to support mission excellence and impact for current and future AACRAO members.
  - a. Diversify revenue streams to decrease association fiscal risk.
  - b. Increase net operating revenue to build long-term investments.
  - c. Ensure the prudent use of resources.
  - d. Align Association resources with goals and objectives and support staff at a strategic level.
  - e. Balance fiscal needs and priorities for the Association with providing a broad range of desired services and resources to the membership of the Association.
- 7. We do stuff. (Just checking to see if you're still reading.) 😊

**AMERICAN ASSOCIATION OF COLLEGIATE REGISTRARS  
AND ADMISSIONS OFFICERS**



**EXECUTIVE DIRECTOR'S REPORT**

**DRAFT**

**BOARD OF DIRECTOR'S MEETING  
Portland, Oregon**

**October 2011**



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## **INFORMATION TECHNOLOGY (IT)**

### **Association Management System (AMS)**

Phase I of the iMIS implementation plan is nearing completion. AACRAO expects to go live with the core membership modules in October. AACRAO also plans to introduce the new Abstract Studio module (sessions management) with the Tech/Transfer call for proposals in November. The project is currently on time and slightly under budget.

### **AACRAO.org Redesign**

AACRAO debuted the new website to favorable reviews. In addition to the streamlined design, the website also benefits from a new content management (CMS) system which allows staff to easily update the content. AACRAO is currently working on phase two of the project, which includes community-building, collaboration and information sharing tools for online visitors.

### **Mobile Application Development**

Using internal IT resources, AACRAO developed an Event Companion application for iPhone and Android. The AACRAO Event Companion allows meeting attendees to access event information, look up sessions, locate session rooms on a map, and submit session evaluations. The Event Companion will be piloted at the upcoming SEM conference in San Diego. AACRAO is also working on a Member Companion application which would allow members to access membership information and functions from their mobile devices.

### **AACRAO Webinars**

AACRAO produced ten live webinars as part of the Virtual Technology Conference in Reno, as well as four standalone webinars. AACRAO plans to offer a live webinar in every time slot at the Virtual SEM Conference in November.

### **Accounting System Upgrade**

AACRAO upgraded the Peachtree accounting system to the latest version. AACRAO is currently investigating migrating to a more enterprise accounting system.

### **AACRAO Workstation Upgrade**

AACRAO upgraded all workstations in the main office to Windows 7 with Office 2010.

## **GENERAL AND ADMINISTRATIVE**

AACRAO staff was invited to, and participated in, Hong Kong's first International Education Exposition and garnered a 2012 Fulbright Senior Subject Matter Expert position, and is planning for a five year grant to provide international educator exchanges.

AACRAO staff will participate in a fall 2011 multi-tiered educational delegation to Beijing and selected provinces expected to produce commitment to follow on joint ventures/programs

AACRAO staff initiated an employee performance evaluation process to be completed by 1 October 2011.

The AACRAO staff conducted a review of all existing insurance policies (except Health) to determine if they were competitive in pricing and current with industry standard. Underwriting

costs being proposed by Forest T Jones were no longer competitive nor did the underwritten policies cover AACRAO adequately as measured by industry standard. New brokers were interviewed. AH&T Insurance was chosen as AACRAO's broker of choice.

#### AACRAO Insurance

Insurance Type	Coverage Amount	Deductible	Premium
Directors and Officers	\$2M dollar aggregate coverage in effect - (three year beginning 2010)	\$0	Premium (paid) \$4248.00
Commercial, Crime, Umbrella	\$1-\$2 million dollar coverage under general liability - industry standard for all other categories of coverage	\$0	Premium - \$15,087.00 (2011-2012)
International travel and liability	General liability \$1/ \$2 million dollars, provision for kidnap and ransom (\$10 million dollars), Employer liability (\$1 million dollars)	\$0	Premium - \$3479.00 (2011-2012)
Fiduciary Liability	\$1 million dollars	\$0	Premium -\$761.00
Errors and Omissions	\$1 million dollars	\$20 thousand dollars	Premium - \$9240.00 (2011-2012)
Cyber Liability to include media coverage	\$1 million dollars, aggregate \$2 million dollars	\$10 thousand dollars	Premium - \$5148.00 (2011-2012)

Total premium for 2011-2012 - \$33,715.00.

End note - total premium cost reflects a minimum of \$7 thousand dollars saved in general, crime and umbrella coverage against premiums being quoted by FTJ. International travel and liability, Fiduciary Liability, Errors and Omissions and Cyber Liability represent industry necessary policies not underwritten or offered by the old broker but necessary to protect AACRA's exposure.

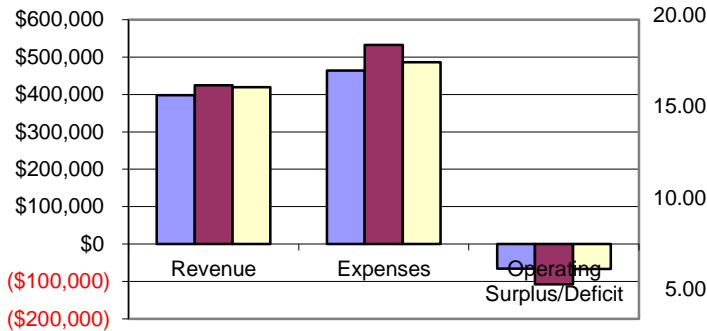
#### *Accounting*

# AACRAO

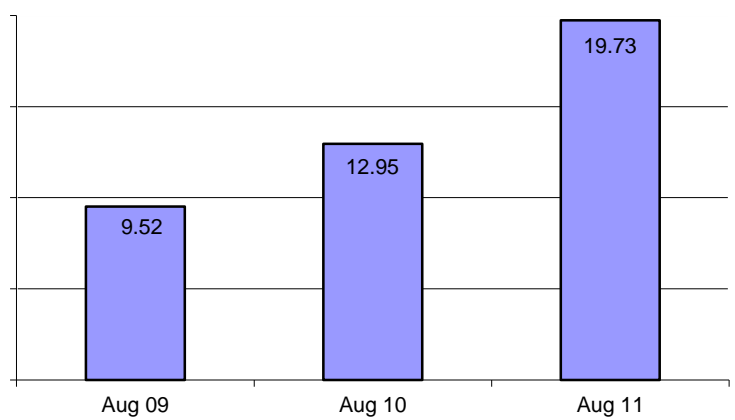
## FINANCIAL DASHBOARD

### August 31, 2011

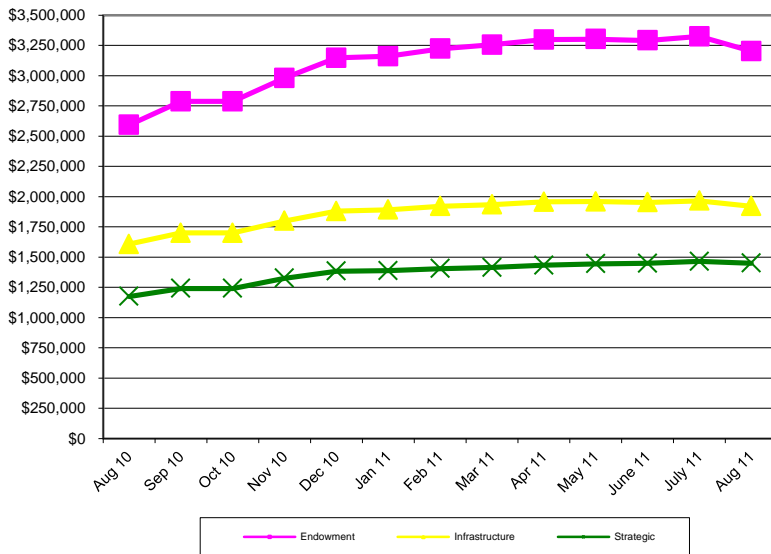
Revenue, Expenses & Operating Surplus/Deficit  
Aug 2010 Actual, Aug 2011 Actual and Budget



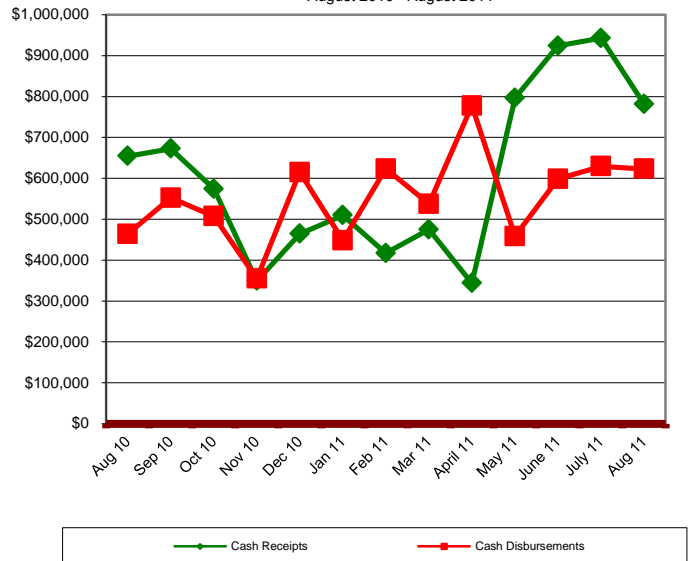
Modified Current Ratio Analysis  
(Cash & ST Investments/Accounts Payable)



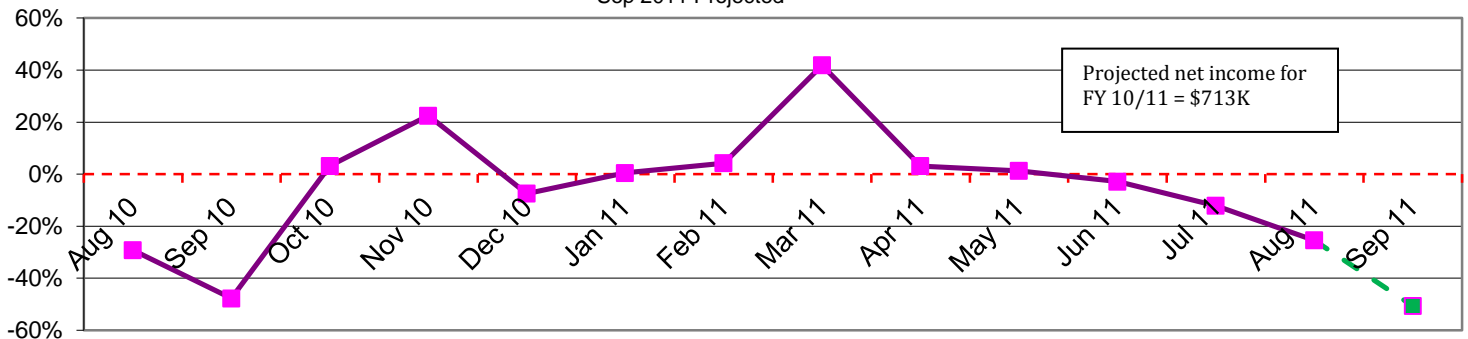
Long-Term Investments - FMV  
August 2010 - August 2011



Cash Receipts and Disbursements  
August 2010 - August 2011



Net Profitability  
(Net Revenue/Gross Revenue)  
Aug 2010 - Aug 2011 Actual  
Sep 2011 Projected



### SUMMARY

AACRAO's net operating results for August 2011 are showing a deficit of (\$108K), which is (\$41K) under the month's budget expectation and (\$42K) under results of the same period last year (month ended August 31, 2011).

# ANNUAL MEETING

## *Annual Meeting 2011*

The 98th Annual Meeting will be held in Philadelphia, Pennsylvania on April 1-4, 2012. The educational sessions and exposition hall are being held at the Pennsylvania Convention Center with hotel rooms and a few events at the Philadelphia Marriott Downtown Hotel and overflow rooms at the Courtyard Philadelphia Downtown Hotel. In an effort to mitigate any potential damages due to lower attendance and hotel attrition, we have only contracted with these two hotels. Additionally, we have lowered the original room blocks by 8%. We are holding a total of 5,534 room nights between the two properties (86% at the Marriott Hotel).

411 session proposals were submitted for consideration for the 2012 Annual Meeting. In August, presenters were notified that 200 of these sessions were accepted. The program committee is currently confirming presenters. The second notification was sent to presenters on September 16 and the third and final notification is scheduled for October 10.

Plans are underway to market the 2012 Annual Meeting. We will once again produce a registration brochure, which will direct people to AACRAO's website for complete information on the meeting. Registration and hotel reservations are scheduled to open in October, and we will plan to post the brochure in December as the sessions, workshops, and presenters are finalized for the meeting.

To date we have secured the following general session speakers:

- Opening Plenary: Eric Greitens, CEO of The Mission Continues
- Monday General Session: Jeremy Travis, President, John Jay College of Criminal Justice
- Monday General Session: Panel from the Department of Education
- Tuesday General Session: Barmak Nassirian
- Tuesday General Session: Harriet Fulbright, President of the J. William & Harriet Fulbright Center

## *Exhibits*

For the 2012 meeting, we were able to sell twelve 20x20 islands in the exhibit hall to last year's total of eight. We had to reconfigure the exhibit hall to allow space for these booths.

So far, we have sold twenty four out of thirty six 10x10s, seventeen out of twenty 10x20s, and all twelve 20x20s.

We are currently working on selling additional booth space, presentations, and sponsorships for the meeting.

To date the following 51 companies are scheduled to exhibit at the 2012 Annual Meeting (for reference, the final count for Seattle in 2011 was 77):

AACRAO Consulting  
AACRAO/EducationUSA  
ACT  
Ad Astra

Avow Systems, Inc.  
BookWear  
Campus Management Corp.  
CELCAT

College Scheduler  
 CollegeNET  
 CollegeSource, Inc.  
 Credentials Solutions  
 DataTech Solutions  
 Datatel  
 Decision Academic  
 Digital Architecture  
 Educational Credential Evaluators, Inc.  
 EMPOWER Student Information System  
 EMS Software by Dean Evans & Associates  
 ETS  
 Foundation for International Services, Inc.  
 Herff Jones Inc.  
 Hyland Software  
 IB Organization--IB Americas  
 IDP Education  
 IELTS International  
 Infosilem, Inc.  
 International Education Research Foundation  
 Jolesch Photography  
 Jonesville Paper Tube Corporation

Jostens  
 Leepfrog Technologies  
 National Student Clearinghouse  
 Nolij Corp.  
 NSLP  
 Optical Image (formerly Doc Finity)  
 Paradigm, Inc.  
 Parchment (Formerly Docufide)  
 Pearson NTC  
 Perceptive Software  
 Phi Theta Kappa  
 RightNow Technologies  
 Royall & Company  
 Runner Technologies  
 SCRIP-SAFE International  
 Sungard Higher Education  
 Terra Dotta  
 Three Rivers Systems  
 University of Cambridge International  
 Examinations  
 World Education Services  
 Zinch

The following companies are scheduled to present at the 2012 Annual Meeting:

CollegeSource

Royall & company

## MEMBER SERVICES

### *Member Maintenance*

#### **New Reciprocal member**

Following their visit to our office, we established a new reciprocal partnership with our sister association in Mexico, the Asociación de Responsables de Servicios Escolares y Estudiantiles (ARSEE).

#### **Membership Cards**

Membership cards will be mailed to all paid members in the first week of October. Golden Key International Honour Society is sponsoring the membership cards for a 5<sup>th</sup> consecutive year for \$11,000. In an effort to increase individual members from member institutions, information on additional memberships will be included with the card mailing.

#### **Membership Renewal 2011-2012**

Invoices were sent electronically to all institutional primary and billing contacts on May 10, August 23 and September 23. For a third consecutive year, there is no dues increase, in consideration of the current economic climate and institutional budgets.

#### **Annual Comparison – Dues**

The table below contains an annual comparison of dues collected.

	<b>Membership Dues</b>
<b>2011-2012 (8/31)</b>	\$1,751,196
<b>2010-2011</b>	\$2,324,609 (0%)
<b>2009-2010</b>	\$2,325,357 (-4%)
<b>2008-2009</b>	\$2,415,435 (+4%)
<b>2007-2008</b>	\$2,322,132 (+3%)
<b>2006-2007</b>	\$2,253,434 (+7%)
<b>2005-2006</b>	\$2,096,724

### **Annual Comparison - Institutional Membership Renewal Numbers**

#### *Institutional Members*

	<b>Renew</b>	<b>New</b>	<b>Dropped/ Unpaid</b>	<b>Total</b>
<b>2011-2012 (8/31)</b>	2,047 (79%)	51 (2%)	556 (21%)	2,098
<b>2010-2011</b>	2,433 (93%)	170 (6%)	174 (7%)	2,603
<b>2009-2010</b>	2,464 (92%)	143 (5%)	222 (9%)	2,607
<b>2008-2009</b>	2,537 (96%)	151 (6%)	114 (4%)	2,688
<b>2007-2008</b>	2,506 (96%)	145 (6%)	99 (4%)	2,651
<b>2006-2007</b>	2,461 (97%)	144 (6%)	81 (3%)	2,605
<b>2005-2006</b>	2,385 (95%)	157 (6%)	130 (5%)	2,542

**\*\* Does not include Organizational or Individual Members**

### **Awards**

The call for nominations has begun with weekly announcements in *MemberLink* and *Transcript*, highlighting a different award each week. An email from Past President Betty Huff will be sent to all members on September 30 and November 30. The deadline for nominations is November 30.

### *Retention and Recruitment*

#### **Member and Non-Member Data Analysis – Board Finance Committee**

Per the request of the Board's Finance and Investments Committee, we prepared a comparison of the demographic information for member individuals and institutions from 2006 to 2010, using the following categories: gender; ethnicity; areas in which members work; institutional members by enrollment; individual members by enrollment; institutions by control; and institutional members by class. In order to establish our potential member market in the United States, we are also preparing a comparison of our current member institutions to IPEDS/HEP data, using the following categories: state, control, class and member status. We will then provide the names of the Registrar and Director of Admissions at each potential member institution, in order to contact them about joining the Association.

#### **Outreach to Non-Members and Past Members**

On April 18, an email was sent to non-members and past members offering free AACRAO membership for the duration of the membership year, through June 30. **As a result, 6 institutions**

**joined:** Central Maine Community College, Art Institute of Virginia Beach, Meadville Lombard Theological School, Community College of Denver, College of Coastal Georgia and Community College of Aurora. **Furthermore, each institution renewed their membership for 2011-2012.**

### **Recruitment Campaign to Past Members**

Each year, we update past members' contact information and send renewal information to dropped members from the past eight years. This project has proven to be very successful. So far in 2011-2012, 36 institutions have rejoined, resulting in \$23,345 in revenue.

<b>Year</b>	<b>Institutions Inactive</b>	<b>Institutions Rejoining</b>	<b>Total Revenue</b>
<b>2011-2012</b>	512	36	\$23,345
<b>2010-2011</b>	504	87	\$51,562
<b>2009-2010</b>	423	60	\$32,378
<b>2008-2009</b>	358	44	\$24,821
<b>2007-2008</b>	352	49	\$29,152
<b>2006-2007</b>	368	35	\$18,750
<b>2005-2006</b>	262	28	\$14,230

### **Potential Members from Phone Calls and Emails**

Since June, 41 institutions and individuals contacted us directly via phone or email regarding AACRAO membership. Of these, 11 have joined, resulting in additional revenue of \$3,857.

### **Outreach to Conference Attendees**

Membership information was sent to the non-member attendees of the Annual Meeting, held March 13-16, 2011 in Seattle, Washington. As a result, Columbia Gorge Community College, the University of North Carolina at Wilmington, Sharon Stoddard – University of Maryland University College Asia and Gillian Ingrid Holder - The University of the West Indies joined.

Membership information was also sent to non-member attendees of the Technology Conference, held July 10-12, 2011, in Reno, Nevada.

### **Outreach to Individuals Ordering Publications and Utilizing Consulting**

Since June, membership information has been sent to 96 non-members ordering publications, and the following non-member Consulting clients: Nazarbayev University, Trident International University, Salem State University and Indiana Tech.

### ***Committees***

We have been working closely with Advanced Solutions International on the implementation of the new iMIS database, which will hold all AACRAO membership data. The new database promises to provide users with a more accurate picture of current and upcoming committee participation, as well as making available reports on committee members by state. It will facilitate the current committee application process by informing Vice Presidents directly of new applications, and enabling all users to generate Word and Excel lists of committee members at will. Furthermore, the process for communication expiring terms to committee members will be automated, resulting in a more user-friendly process for joining and renewing committee participation.



## *Jobs Online*

A new pricing level was implemented in March for non-member job posters, at 20% above the member rate. An email entitled "Put your Job Posting in the Hands of Higher Ed Professionals" was then sent to all nonmembers in April. As a result, there have been **61** non-member job postings from April to August (5 months).

Outreach efforts are being made weekly to all institutions and companies advertising higher education jobs in publications including the Chronicle, Inside Higher Ed, AACC, NACUBO, NACAC, NAFSA and NASFAA.

So far this year, the net revenue from Jobs Online is \$150,565, an increase of \$22,233 over the same time last year.

The following is a summary of the number of jobs posted per month:

### **Jobs Online - Postings Per Month**

	<b>2009</b>	<b>2010</b>	<b>2011</b>
January	36	38	46
February	23	27	32
March	43	49	69
April	37	31	39
May	25	35	34
June	33	49	48
July	33	55	36
August	34	36	42
September	37	49	
October	32	38	
November	28	31	
December	31	19	
<b>TOTAL</b>	<b>392</b>	<b>457</b>	

## **RESEARCH**

We are working on the following surveys:

### **AACRAO Member Satisfaction Survey**

We are planning an updated satisfaction survey for distribution in late November.

### **Leadership Qualities of Value in Enrollment Management Heads**

Working with a graduate student, we are forming a survey to get at the qualities of value and how they might differ according to the types of institutions. The survey will be distributed in early November.

We continue to provide assistance with the survey on admissions policies regarding undocumented students conducted in the spring on behalf of The National Forum on Higher Education for the Public Good (The National Forum). Results will be provided in October.

Survey in Planning/Design stages:

**Roles of Individual Members according to their job titles**

## **MEETINGS AND WORKSHOPS**

### *Registrar 101*

#### **Reno**

A Registrar 101 Workshop was held in conjunction with the 2011 AACRAO Technology Conference in Reno. The workshop started on Saturday, July 9 from 8:30 – 5:00 p.m. It continued the morning of Sunday, July 10. The workshop was presented by Brad Myers and LeRoy Rooker. There were 15 participants.

#### **San Diego**

A site-based workshop is budgeted for this year to be held in conjunction with the SEM Conference in San Diego, California, November 3-4. We have combined the FERPA curriculum into the Registrar 101 agenda, so this will be a day and a half workshop. LeRoy Rooker will be presenting the FERPA material. As of 21 September, there are five registrants.

### *FERPA*

AACRAO has created a separate branded division for FERPA and developed marketing materials to promote FERPA services. Brochures and signage reflect the new FERPA logo. A direct mail campaign targeted at 2,500 college and university presidents is underway to notify the higher ed community that LeRoy Rooker's expertise is now available through AACRAO FERPA Consulting.

Marketing is including LeRoy in its marketing plans for all major AACRAO Meetings: SEM, Annual, Tech/Transfer, and additional off-site workshops, consulting projects and presentations at other state & regional events. LeRoy's expertise is highly valued on campuses across the country. He is even more attractive now that he has the ability to provide faculty and staff with customized FERPA training through AACRAO.

LeRoy Rooker's schedule of FERPA Training/Outreach:

- July
  - AACRAO Tech
  - RMACRAO
- October
  - HealthStream FERPA evaluation
- November
  - SEM Conference
  - Reg 101 post conference
  - TACRAO
  - MSACROA

## *Strategic Enrollment Management Conference (SEM)*

The 21<sup>st</sup> SEM Conference will be held October 30- November 2, 2011 at the Sheraton San Diego Hotel. This hotel contract was originally signed on 1 May 2008. As of 21 September, 302 people have registered for the 21<sup>st</sup> Strategic Enrollment Management Conference.

For 2011, we decided to revisit the idea of mailing a postcard to SEM Conference prospects. The last time that we had mailed a postcard was for the 2007 SEM Conference in New Orleans. We mailed out approximately 38,000 postcards on August 12. In addition to the postcard, we once again created a registration brochure for the meeting. To reduce costs, no paper version of this brochure was mailed out. The brochure was posted to the SEM Conference website at the end of August and it has continuously been referenced in Memberlink, Transcript, and SEM email blasts. We are sending out weekly email blasts highlighting programmatic content and reminding people of various deadlines and encouraging them to register for the meeting. We are cross marketing SEM publications and will be selling these at the AACRAO booth.

We recently secured Former Lt. Governor of Maryland, Kathleen Kennedy Townsend as the closing plenary speaker at SEM. Other plenary speakers include:

- Kati Haycock, President of The Education Trust
- Mark David Milliron, Deputy Director for Higher Education, the Bill and Melinda Gates Foundation
- Michael Dolence, President of Michael G. Dolence and Associates (MGDA)

Pre-Conference workshops were expanded to include seven options for the wide variety of SEM attendees. The workshops include an emphasis on International students, the traditional Core Concepts of SEM, and SEM by Design. Mid-Conference workshops will include an emphasis on Institutional retention efforts as well as a workshop to continue the dialogue sparked by last year's Executive Forum: **The College Rankings Debate and Future Implications: Assessing the Value of an Institution's Undergraduate Experience.**

Corporate marketing efforts began last November for this meeting. The SEM '11 Corporate Opportunities Brochure was distributed in Nashville TN, along with the Corporate Opportunities Brochure for our other meetings. We have made numerous efforts to contact past and current exhibitors through emails, printed materials, and face-to-face visits on-site to encourage them to participate at SEM as well as our other meetings.

We have forty five booth spaces available in the exhibit hall. The following thirty six exhibitors will be in San Diego taking thirty nine 8x10 spaces:

AACRAO Consulting  
Ad Astra  
Alloy Education  
Blackboard Inc  
Cappex.com  
Capture, LLC  
CollegeNET  
CollegeSource  
Datatel  
Deltak Edu

Digital Architecture  
EdFinancial Services  
Education Benchmarking Inc (EBI)  
Eduventures Inc  
EMAS Pro  
Financial Aid Services  
Fire Engine RED  
FolderWave  
Hobsons  
IES

Infosilem  
Inigral Inc  
International Baccalaureate Americas  
Jenzabar  
National Student Clearinghouse  
Next Step Publishing  
NRCCUA  
NSLP

PlattForm Higher Education  
Rapid Insight Inc  
Royall & Co  
SEM Woks  
SimpleTuition  
SunGard Higher Education  
Westbrook Technologies  
Zinch

We have sold all thirteen available slots for Corporate Presentations at the SEM Conference. The following companies are presenting:

Hobsons  
Blackboard  
CollegeSource  
Datatel  
Education Benchmarking  
Inc.  
Maguire Associates

National Student  
Clearinghouse  
Noel-Levitz  
Royall & Company  
SunGard Higher Education

The following companies are participating as sponsors at the SEM Conference:

- [Hobsons](#) ~ Executive Forum and SEM Conference Social Event
- [Education Systems](#) ~ SEM Award
- [Perceptive Software](#) ~ Badge Holders
- [Datatel](#) ~ Tote bags
- [Runner Technologies](#) ~ Evaluations
- [SunGard Higher Education](#) ~ SEM Team Reception
- [CollegeSource](#) ~ Onsite Program
- [Deltak](#) ~ Refreshment Break
- [Digital Architecture](#) ~ Hotel Key Cards

We are preparing a Corporate Opportunities Brochure for SEM 2012 that will be sent electronically to our exhibiting contacts with a post-conference survey and the final attendee list.

### *Executive Symposium*

AACRAO SEM Executive Symposium reconvenes on October 31, 2011, at the San Diego Hyatt Regency. This year's format will include strategies for enhancing enrollment and financial outcomes.

AACRAO's Executive Symposium will include forward-thinking presentations and dialogue from leading SEM professionals on strategic recruitment and retention strategies and on the impact of cost and demand on student success. Presenters for this year's Executive Symposium include: Bob Bontrager, Senior Director of AACRAO Consulting and SEM Initiatives, who will present **Achieving Student and Institutional Goals through Strategic Enrollment Management**; and Jay Goff, Vice President of Enrollment and Retention, Saint Louis University, who will cover Understanding the Impact of Cost and Demand on Student Success.

The symposium program is specifically designed for college and university chancellors, presidents, provosts, chief enrollment management officers, and their executive-level team members. To promote the Executive Symposium, the department has developed the website, created the ads for the Chronicle of Higher Education, Inside Higher Ed, conducted email blasts with AACRAO IT targeting senior campus leaders listed in the HEP directory, and senior executives who previously attended the Executive Symposium and SEM.

## *Technology Conference*

### **Reno 2011**

The 2011 AACRAO Technology Conference was held July 10-12 at the Grand Sierra Hotel in Reno. With 275 attendees, we were within 3% of our budgeted attendance.

This year the Registrars Forum was held as a preconference workshop and had 30 participants. The format allowed attendees to still attend sessions of their choice starting on Monday morning, July 11. In addition, the format was modified to include fewer but more structured sessions with less reliance on the informal discussion. We believe the format to be a good model – but the focus of each Forum needs to be refreshed each year.

For the first time in three years, session proposals exceeded available breakout space. We are heartened by the increased interest in presenting and participating in the conference. Perhaps, in conjunction and collaboration with the SEM conference, we should consider a set of poster sessions for those submissions that do not get accepted as a breakout session. Since both conferences are co-located there should be sufficient numbers to make Poster sessions viable. Additionally, the offer to contribute a “poster” session would provide additional rationale for those who need to present in order to attend.

Additionally this year, we had the following session tracks: Technology Solutions, Registrar Technology, Admissions Technology, SPEEDE/Tech, Vendor sessions as well as the Course and Room Scheduling Track sponsored by Infosilem. The feedback and response to “tracks” was very positive and should be continued for future meetings. We should carefully consider opportunities for other track naming opportunities that support the overall objectives of the program. For 2102, one track to consider is: Early Warning and Student Success”.

This year, we had a panel as a featured closing session at Tech which followed a very strong closing plenary (Brian Kelley). Although a west coast conference often leads to a large melt on the last day and last sessions, the attendance percentage of the last session was fairly strong. We recommend a panel as a closing session again.

For the first time, virtual streaming of a select set conference sessions (Virtual AACRAO Technology Conference) was offered at Tech to test a much more affordable technology for streaming and recording content for consumption on the web. Though there were not many who purchased and viewed the sessions in real-time (the decision to pilot occurred late in the planning process), the few that did were satisfied with the result. The sessions were recorded and were also available for viewing at our member’s convenience. The technology should be available and viable for subsequent meetings.

	Reno		Kansas City	Tucson	Baltimore	Minneapolis	Denver	Atlanta
	July 10-12		July 18-20	July 19-21	July 10-12	July 15-17	July 23-25	October 9-11
	2011		2010	2009	2008	2007	2006	2005
	Actual	Budget	Actual	Actual	Actual	Actual	Actual	Actual
Early Member	115	158	73	94	202	269	251	163
Late Member	24	31	7	16	55	48	18	42
Early Nonmember	2	9	4	2	18	16	18	29
Late Nonmember	8	-	3	2	9	6	4	7
Registrar Forum	30	-	41	-	-	-	-	-
Registrar Forum Presenter	n/a	-	4	-	-	-	-	-
Corporate Member	0	6	3	6	5	-	-	-
Corporate Nonmember	2	-	1	-	3	1	-	-
Corporate Presenter	12	8	-	-	-	-	-	-
Presenter 50% Discount		-	-	-	10	12	8	11
Presenter 33% Discount		-	-	-	-	-	-	-
Presenter Paid Full	44	-	28	46	8	-	-	-
Complimentary	11	8	8	8	8	6	2	1
Presenter One Day		-	-	-	-	-	-	1
Comp Presenter Full Meeting	2	12	4	3	47	66	41	50
Staff	17	7	5	8	15	14	11	6
Exhibitor/Sponsor Comp	14	20	16	20	34	26	27	21
Exhibitor Full Meeting Paid	2	-	-	-	1	3	3	2
Exhibitor Hall Only	11	24	15	24	40	46	37	23
Workshop Only	6	-	-	2	-	-	-	-
Press		-	-	-	-	-	-	-
Other		-	-	2	-	1	9	4
Total	270	283	212	233	455	514	429	360
Guest	5	-	4	4	8	-	-	-
No Show		-	-	-	13	10	7	20
Cancelled		-	-	-	7	9	14	7
Total	275	283	216	237	463	514	429	360
Exhibiting Companies	14	21	14	19	33	36	33	23
Booth Spaces Sold	14	21	14	19	33	36	33	23

## Chicago 2012

We are currently beginning the planning stages for the 2012 Technology Conference. Tech will be co-located with the 2012 Transfer Conference. The meetings will be held at the Palmer House Hilton in Chicago from July 1-3.

The conference theme is: "Mobilizing Intelligent Data to Better Serve Your Students." The call for proposals is scheduled to open in mid-November.

## *Transfer Conference*

### **2012 Chicago**

We are currently beginning the planning stages for the 2012 Transfer Conference. Transfer will be co-located with the 2012 Technology Conference. The meetings will be held at the Palmer House Hilton in Chicago from July 1-3.

Co-location with the Tech Conference will necessitate some format and scheduling changes for Transfer. Plenary speakers are being identified with the goal of having one plenary speaker shared but the others strictly for Transfer. AACRAO's conference director attended Tech in July 2011 for the purpose of getting familiarized with the format and topical areas and promoting the 2012 co-location of the meetings.

The conference theme is not yet finalized because discussion regarding branding and final selection of the conference theme is still in progress. To date, the branding and conference theme have been repeated each year. Co-location with the Technology Conference provides an excellent opportunity to reexamine leading themes and marketing materials to ensure that the conference remains relevant and enticing. The call for proposals is scheduled to open in mid-November.

## *Distributive Learning*

From September 2010 to August 2011, 166 participants took part in our online professional development courses. These courses included two sections of Admissions Counselor/Recruiter, one section of Managing the Admissions Office, two sections of Essentials of Strategic Enrollment Management, and three sections of Registrar 101. Registrations for the additional offering of Registrar 101 this year have been high, indicating the demand for this course justified the new summer session.

Work continues to: a) review the current course offerings for updates and enhancements; b) continue to add to our online faculty pool; and c) coordinate our online course program with other AACRAO professional development opportunities. As part of this work, the professional development pages transferring to the new AACRAO website are being updated to improve access to pertinent information and provide clear descriptions of courses, calendars, and registration processes.

### **2012 Online Professional Development Courses Proposed List of Course Offerings**

Course	Planned Sessions
Registrar 101	3
Admissions Counselor/ Recruiter 101	2
Managing the Admissions Office	1
Essentials of SEM	2
Free Tour (online course orientation)	Ongoing
New course A – TBD	1-2
New course B - TBD	1-2

## *AACRAO/Vanderbilt Senior Leadership Meeting and Scholarship*

This June, more than 20 senior academic and enrollment services professionals met on the campus of Vanderbilt University for five days of leadership development activities and conversations with experts in higher education. In keeping with the hospitality one expects at a southern gathering, the Institute was initiated with a welcome barbeque followed by a get-acquainted meeting hosted by AACRAO co-chairs for the Institute, Paul Wiley and Nora McLaughlin. That meeting began a week of immersion in many topics of concern to higher education leaders today. The informal atmosphere on Vanderbilt's Peabody College's beautiful grounds was conducive to sparking interesting conversations as participants walked to institute sessions along pathways shaded with trees that had been there since the beginnings of the university.

Institute presentations were begun by Michael McLendon, Assistant Dean and Chief of Staff for Vanderbilt University's Peabody College. Michael, who is a noted professor of Public Policy and Higher Education, provided an inspiring session on Leadership and Organization. In the sessions that followed over the next several days, topics included higher education history and its implications for the present, organization planning, education policy, accountability, student support, innovation, human and financial resources, and other aspects of the academic profession. Discussions in these sessions often were lively and carried over to conversations in a collegiate atmosphere as participants enjoyed meals together in various settings around the campus, including an excellent dinner in the original building for Vanderbilt University, Kirkland Hall. Surrounded by history and challenged by the present, participants enjoyed informal conversations with education leaders to gain from their experience and approaches to overcoming today's obstacles to success.

Presenters and attendees of the institute came from a broad spectrum of institutions and locations. On the presenter and host side were: Richard Bayer, Assistant Provost, Enrollment Services (University of Tennessee); Thomas Black, Associate Vice Provost and University Registrar (Stanford University); Susan Coleman Archer, Director of Strategic Process Enhancement (Vanderbilt University); John Gaines, Director of Admissions (Vanderbilt University); Christopher Loss, Assistant Professor of Public Policy and Higher Education (Vanderbilt University's Peabody College); Erik Ness, Assistant Professor, Institute of Higher Education (University of Georgia); Richard G. Rhoda, Executive Director (Tennessee Higher Education Commission); Susanna L. Baxter, President (Georgia Foundation for Independent Colleges); John Braxton, Professor of Higher Education (Vanderbilt University's Peabody College); Amy Hirschy, Assistant Professor of Educational and Counseling Psychology (University of Louisville); Melanie B. Overton, Program Manager, Master of Science in Clinical Investigation Program (Vanderbilt University); Richard Porreca, Senior Vice Chancellor and Chief Financial Officer (University of Colorado at Boulder); Belle S. Wheelan, President (Southern Association of Colleges and Schools Commission on Colleges).

This year AACRAO offered four \$1,000 scholarships to higher education professionals.

### *Online Courses*

The course schedule for 2011 online courses has been set for existing courses, and we are working to identify faculty and content for several new courses. In response to demand, we have added a third session for Registrar 101, which will be offered during the summer. All courses have been moved to our new learning management system (LMS), Moodle. This LMS is an free, open-source application with good functionality. We also are expanding our review process to ensure courses are updated in content and format. Feedback reports from course participants, and faculty are



reviewed after each session, and a committee will meet for further discussions at the annual meeting in Seattle.

## *Webinars*

Over the past year, AACRAO has significantly increased the number of webinars offered by leading experts in the field to cover SEM, Technology, Transfer and FERPA-related topics. The webinars are available for 6 months with unlimited access to an entire institution. As a result, the association has developed a library of resources on the AACRAO webinar site. AACRAO is charging nominal rates for its webinars and is delivering a valuable service to its membership. A number of policy driven webinars are offered free of charge.

*The following webinars have recently been offered:*

### 2011 Virtual Technology Conference

For the first time, AACRAO presented the virtual sessions of its annual Technology Conference in Reno, NV in a live format. Long-distance participants were able to ask questions of our presenters. The same arrangement is already in the planning stages for AACRAO's Strategic Enrollment Management Conference in San Diego, CA.

#### *Sessions in Reno, Nevada:*

- A New Approach to Admissions Administration at Wayne State
- ClassOwl - Simplify your Academic Life
- General Session: Summer of Discontent in Washington
- Kuali Student Community Update
- Beyond the Rankings: The Future of Higher Ed Data for Students, Parents, and Universities
- Go 'All-In': Bet on Efficiencies Gains with Electronic Transcript Standards
- The Registrar - What is the Future of the Profession

### Complying with Title IX: Responding to Sexual Harassment on Our Campuses

Presenter: Saundra K. "Saunie" Schuster, Esq., Partner with the National Center for Higher Education Risk Management (NCHERM) and Managing Partner of Schuster & Clifford, LLP

Moderator: Angé Peterson, Associate Vice President, University of Central Florida Regional Campuses

### Understanding Criminal History Record Information

Presenters: Alan Rosenthal, Co-Director of Justice Strategies, the research, training and policy initiative of the Center for Community Alternative

Patricia Warth, Co-Director of Justice Strategies of the Center for Community Alternatives

Moderator: Barmak Nassirian, Associate Executive Director, AACRAO

### Criminal Justice: 101

Presenters: Alan Rosenthal, Co-Director of Justice Strategies, the research, training and policy initiative of the Center for Community Alternatives

Patricia Warth, Co-Director of Justice Strategies of the Center for Community Alternatives

Moderator: Barmak Nassirian, Associate Executive Director, AACRAO

### ClassOwl Webinar: Merging the Next Generation Academic Portal for Students, Professors, Administration and Staff

Presenters: Sam Purtill, CEO of ClassOwl, Stanford Student  
Gordon Dean, CFO ClassOwl  
Julienne Lam, COO of ClassOwl, Stanford Student  
Moderator: Thomas Black, Associate Vice Provost for Student Affairs and University Registrar,  
Stanford University

## *General Marketing and Corporate Outreach*

AACRAO recently exhibited at the following meetings:

- NASFAA, National Association of Student Financial Aid Administrators, July 17 – 20, 2011 in Boston, MA
- NACAC, National Association for College Admission Counseling, September 22 – 24 in New Orleans

AACRAO will be attending the following meetings in October:

- EDUCAUSE, October 18 – 21, 2011 in Philadelphia, PA
- ARSEE Conference in Merida, Mexico, October 3 – 5, 2011

## **Corporate Membership Renewal and Collections Schedule for 2010- 2011**

### Recruitment Campaign to Past Members

Email to all exhibitor contacts at past Annual, SEM and Technology conferences inviting them to join and attend the 2010-2011 Conferences.

July 15, 2011: First email and invoice sent to primary corporate contacts by IT Department

August 20, 2011: Email to all past SEM exhibitors about joining and receiving the member discount at SEM

August 23, 2011: Second email and invoices sent to primary corporate contacts by IT Department

October 7, 2011: We will invoice non-corporate partners for their booth cost difference for the SEM meeting. This call should generate more memberships because they want to pay member prices.

November 15, 2011: We will call corporate members who have not rejoined (particularly those who have reserved booths at the Annual Meeting).

## **Ongoing Recruitment Campaign to Exhibitors**

### **Corporate Partnerships**

AACRAO's marketing team continues to explore strategic partnerships with several companies. For this year's campaign, we produced hard copy corporate membership applications and materials on corporate opportunities for sponsorships, exhibiting, advertising and presenting. This material is also used when we exhibit at other association meetings.

### **New Research Partnership**

The National Student Clearinghouse Research Center and AACRAO have formed a strategic partnership designed to promote best practices with regard to the use of data for making

managerial decisions in higher education. AACRAO and the National Student Clearinghouse Research Center will host webinars and other continuing-education opportunities for AACRAO members that will leverage the Center's unique research findings as instructive content.

As part of the partnership, AACRAO will hold a series of focus groups at the 2011 AACRAO SEM Conference, which will be held in San Diego from October 30 through November 2. AACRAO and the NSC will engage participants in strategic discussions regarding the evolving data needs of registrars, enrollment managers, and financial aid officers.

National Student Clearinghouse will also collaborate with AACRAO in the creation of at least two co-branded webinars or other continuing-education opportunities for AACRAO members, leveraging the National Student Clearinghouse Research Center's research findings as instructive content.

## PUBLICATIONS

### *General Publications*

Our newest title, *SEM in Canada*, was released June 10, 2011 and has sold 171 copies so far. Three other titles published this fiscal year include the *2011 Academic Record and Transcript Guide*, *The 2010 International Guide* and the *2010 FERPA Quick Guide*. Several works in progress are currently receiving our attention. *Transfer Credit Practices (TCP) 2012* is in the design stage and is due to be released in October 2011. *The Strategic Management of College Enrollments* is currently being edited by Bob Bontrager and is scheduled to be released at the 2012 Annual Meeting. *The Registrar's Self-Audit* update is in the beginning stages with a committee being formed to update the 2000 version. It is tentatively scheduled for release in the summer of 2012.

In the last fiscal year, the Publications area generated the second highest net revenue (after Membership Dues) and so far this year we are exceeding our budget target and continuing the fiscal trend with \$402,000 in net revenue (compared to the annual meeting at \$468,000 - the highest net revenue generating business line).

In the marketing arena, an exchange agreement with ACE has been made, through which we'll promote our *Transfer Credit Practices 2012* among their members, and their *Accredited Institutions of Postsecondary Education (AIPE)* guide amongst AACRAO members. Additionally, Hyland Software has purchased 100 copies of the *Academic Record and Transcript Guide* and plans to distribute the books to college users.

Publications were made available for sale most recently at the AACRAO Technology Conference in Reno, NV, July 10-12, 2011 and will be sold at the upcoming SEM Conference in San Diego. A related publications field will be included with each SEM Conference session listing in the program suggesting appropriate publications to session attendees. Samples of our publications were displayed at the NASFAA Conference, Boston, MA, July 17-20, 2011, and Utah ACRAO, June 6-8, 2011 in Ephraim, UT. Six publications were featured in NAFSA's July/August 2011 edition of *International Educator* magazine.

Several outreach efforts were done to market our *SEM in Canada* book among Canadian SEM professionals. The book release was forwarded to the **Canadian Association of College & University Student Services (CACUSS)** list serve and the Association of Registrars of the Universities and Colleges of Canada (ARUCC) list serve, and promoted at the CACUSS Annual Conference in June 2011 by editors Susan Gottheil and Clayton Smith.

The EDGE database content is in the process of being migrated to Wordpress, and a new renewal/registration system is being developed to make it easier for subscribers to manipulate their account. This will also eliminate a great deal of customer service demands.

## **GOVERNMENT RELATIONS/COMMUNICATIONS**

### *Government Relations*

#### **Budget**

On August 2, 2011, after a stand-off that lasted several months, the Budget Control Act of 2011 was enacted into law. The bill authorized the President to raise the federal debt limit by \$2.1 trillion dollars, postponing any additional increases until 2013. It also imposed 10-year spending caps that will reduce discretionary spending by nearly \$1 trillion. The agreement also created a “super committee” consisting of 12 members, equally divided between the House and the Senate Democrats and Republicans. The super committee was charged with identifying another \$1.5 trillion in cuts to discretionary spending over 10 years by November 23, 2011, which Congress would vote to accept or reject. If the super committee fails to provide a proposal, \$1.2 trillion in across-the-board cuts would be automatically imposed on all (domestic and defense) discretionary programs. In the higher education arena, these cuts would affect nearly all student aid programs except Stafford and PLUS loans (which are mandatory) and most research funds from various federal agencies.

In the lead-up to the debt-ceiling agreement, the higher education community worked hard to maintain funding for the Pell Grant program, which was at risk of significant reductions because of its growth. The agreement provided \$17 billion in additional funding over two years to offset the shortfall that the program has accumulated because of rising enrollments. Unfortunately, this additional spending was offset by eliminating the in-school subsidy for graduate and professional students. The removal of in-school subsidies makes student loans, which already carry a very high interest rate (6.8% by law) even more expensive for lower-income borrowers.

AACRAO joined several coalitions in submitting letters in support of Pell funding, and is continuing that work with the super committee and the FY 2012 budget.

#### **Authorizing Policy**

AACRAO was actively involved in discussions about possible legislative changes to program integrity provisions of the Higher Education Act over the summer and provided testimony before the Senate Health, Education, Labor and Pensions Committee.

#### **Regulatory Issues**

AACRAO successfully advocated a broader reading of the new legislative restrictions on retaking courses, and obtained clarification from the Department of Education that courses with new content may be repeated with no restrictions even if course numbers and titles remain the same.

AACRAO is working with other higher education groups to persuade the Department of Defense to modify the new Memorandum of Understanding (MOU) it has drafted for institutional participation

in the active duty Tuition Assistance (TA) program. The MOU incorporates a number of external voluntary agreements (SOC, ACES) by reference, and thus would subject all signatories to agreements that they might have purposely refused to enter. Of great concern to many AACRAO institutions are provisions of the “SOC Criteria” that directly affect institutional academic prerogatives on transfer and recognition of credit, residency, and prior learning. In addition to these, the MOU would restrict the ability of participating institutions to modify or adjust academic policies with DOD approval, and would require them to maintain contractual educational plans for each TA recipient. There are also numerous unreasonable administrative requirements in the MOU, including micro-management of grade reporting practices and customer service benchmarks that make no sense in a collegiate setting.

The DOD apparently limited the circulation to the draft MOU to a small number of institutions with very large enrollments of active duty students. These institutions, by virtue of having already tailored their practices to SOC specifications, did not raise adequate objections to the contents of the MOU. As more institutions with smaller numbers of active duty students and less contact with the DOD have become aware of its mandates, the level of concerns and alarm has risen significantly.

AACRAO will be participating in meetings with the authors of the MOU, and it has already been alerting Hill offices about the MOU and its likely impact on colleges and their active duty students.

### *Transcript*

The AACRAO Transcript will continue to focus on delivering weekly news of interest to the membership. Recent Transcript articles have covered the FY 2012 budget battle, the ongoing investigations into alleged fraud and abuse in the for-profit education sector, the issues related to the new Education Department program integrity regulations that were effective July 2011, as well as numerous entries regarding international education, among other topics.

### *SEM Source*

SEM Source provides members with news and information of interest to enrollment managers. The publication is designed to enhance AACRAO's presence in the field of Strategic Enrollment Management as well as attract new attendees to the annual SEM Conference. Second, bundling the publication with membership enhances the value of joining the association and provides a new member benefit.

SEM Source is published bimonthly, with e-mail blasts sent in February, April, June, August, October, and December.

Recent SEM Source articles include: **Managing through Crises in the Postsecondary Sector: A SEM Case Study of York University**, by Joanne Duklas Assistant Vice President of Enrollment Management and University Registrar at York University and Lucy Bellissimo, Associate Registrar, Registrarial Systems and Communications at York University; **StepUPP: A Flight Plan for Parents of Prospective First-Generation Students**, by Lorretta Neebar Associate Registrar of Recruitment, Admissions and On-Campus Events at University of Toronto Mississauga; **Red River College: The Paths to Success Initiative**, by Donna Wilson, Student Success Coordinator at Red River College and Mike Krywy, Senior Research and Planning Analyst, **Money Talk Should Arrive Earlier to the Admission Conversation**, by W. Kent Barnds Vice President of Enrollment, Communication and Planning at Augustana College; **Academic and Student Affairs Partnership: A Decentralized Model for Developmental**

**Programs**, by Idna M. Corbett, Dean of Undergraduate Studies and Student Support Services at West Chester University; **Using Data to Enlist Faculty Members in Strategic Enrollment Management**, by Wilma Dulin, director of the Office of Institutional Effectiveness at Yakima Valley Community College and Sheila Delquadri, Research Analyst for the Office of Institutional Effectiveness at YVCC; **Five Quick Tips to Revitalize Your International Student Enrollment Plan**, by Jay Titus, Director of Academic and Student Support at Tuition Advisory Services and former Assistant Vice President of Enrollment Management and Dean of Admissions at Mount Ida College.

SEM Source recently included book reviews of *The College Fear Factor: How Students and Professors Misunderstand One Another* as well as *Getting Wasted: Why College Students Drink Too Much and Party So Hard*—both by Lisa Rosenberg.

SEM Source articles have been featured regularly in Memberlink. SEM Source has been advertised in C&U and in AACRAO conference programs, and has been re-circulated in AACRAO consulting marketing.

The SEM Source database includes more than 450 feature articles.

## CONSULTING SERVICES

### *Projects/Contracts*

AACRAO Consulting has signed 19 new project agreements since the June report, for a total of 52 projects so far for fiscal year 2011. Among these 19 projects, 6 are repeat clients. Fiscal year-to-date revenue through August stands at \$1,012,172, compared to \$660,018 last year.

AACRAO Consulting continues to develop international consulting clients with three current and one potential project in Canada and a recently completed project with a university in Kazakhstan. The Nazarbayev University project is a result of Bob Bontrager and Wendy Kilgore's presentations at the Central Asian SEM Conference in Kazakhstan. Bob Bontrager currently is in conversations about potential work in Australia, New Zealand, China, the UK, and India.

Bontrager is currently writing and editing a new SEM book in partnership with EmasPro. The publication is scheduled to be released at the AACRAO Annual Meeting in April.

## INTERNATIONAL EDUCATION SERVICES

### *IES*

The volume of requests for evaluations through August, 2011 remains slightly ahead of last year's volumes through August, 2010.

This year's Summer Institute for International Admissions, held in July, was the most successful ever. We registered a total of 97 individuals in the three modules we offered, with net of \$43,882. For the first time this year, the presentations were segmented into three modules: undergraduate international admissions; international student recruitment; and graduate international admissions. Thus, registrants could select one, two, or all three modules to attend.

Since the last reporting, IES has completed two Training / Consultation programs – with the National Association for Intercollegiate Athletics Eligibility Center, and the University of Tennessee – Knoxville. Between now and the end of the calendar year we have programs at Johns Hopkins University Graduate Admissions, the University of Maryland College Park, the University of Montreal, California Baptist University, and the University of South Florida. In addition, three other institutions contacted us for training but opted for attendance at Summer Institute for International Admissions, and / or the Winter Institute for International Transfer Credit: University of Texas at San Antonio, Auburn University at Montgomery, and University of the Pacific.