

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

March 17, 2009
via Conference Call

Board Members in Attendance: Paul Aucoin, Mary Baxton, Sam Conte, Adrienne McDay, Nora McLaughlin, Glenn Munson, Wanda Simpson Munson, Michele Sandlin, Jeffrey von Munkwitz-Smith, Paul Wiley

Staff Members in Attendance: Matt Ogle, Jerome Sullivan

Board Nominees

Cherie Hatlem, Betty Huff, Robert Watkins

Call to Order

President Wiley called the meeting to order at 1:04 p.m. Eastern Time.

Minutes

MOTION 2009.01 – It was duly moved and seconded that the minutes from the meeting of the Board of Directors on February 20, 2009, be approved, as amended. ADOPTED

Reports of Standing Committees

Finance & Investments Committee

The chair of the Finance & Investments committee presented its report.

MOTION 2009.3.02 – It was duly moved and seconded that the Board approve interim changes to the Investment Policy, including the wording of subsections 7.2 and 7.3 under “Guidelines for Financial Advisors” and the equities allocation percentage under Addenda I-A, I-B, and I-C, as a means to preserve the principal on AACRAO’s long-term investment portfolio. ADOPTED

Compensation Committee

The chair of the Compensation Committee presented its report.

MOTION 2009.3.03 – It was duly moved and seconded that Board approve the Compensation Policy. ADOPTED

MOTION 2009.3.04 – It was duly moved and seconded that the Board accept the Executive Director’s request to waive section 3.2 of his contract this year and next. ADOPTED

Governance Committee

The chair of the Governance Committee presented its report.

MOTION 2009.3.05 – It was duly moved and seconded that Committees of the Board of Directors are established or dissolved upon the recommendation of the Governance Committee and a majority vote of the Board of Directors. Members of Board committees shall be appointed annually by the Board Chair, who shall be bound by membership requirements and restrictions articulated in each committee charter. In addition to Board members, the Chair may appoint other members from inside or outside of the membership of the Association to serve on Board committees as needed to ensure that the committees have access to a variety of perspectives and expertise that may not be otherwise represented on the Board. The Board Chair shall appoint the chair of each

committee from among the Board members. Every effort should be made to distribute workload equitably, and assignments should cover the spectrum of the Board's work. ADOPTED
MOTION 2009.3.06 – It was duly moved and seconded that the Board directs the Executive Director to maintain the Bylaws in a primary format that renders them more useful and easily understood. Amendments to the Bylaws should be embedded within the Bylaws rather than appended at the end, and stricken language removed. Font styles and effects (bold, italic, underlining, color coding, strikethroughs, etc.) should not be used. The dates of the most recent amendment of the Bylaws should appear at the end. Finally, the Bylaws are to be made available in PDF format for ease of printing and downloading. ADOPTED

Strategic Planning Committee

The chair of the Program Review & Development Committee presented its report.

MOTION 2009.3.07 – It was duly moved and seconded to revise the listing of Values approved at the February 2009 Board of Directors meeting to read as follows: Accountability, Collaboration, Inclusiveness, Innovation, Inquiry, Integrity, and Learning. ADOPTED

President Wiley ordered the written reports of the standing committees (Finance & Investments, Compensation, Audit, Governance, Program Review & Development, and Strategic Planning) to be filed.

Ad Hoc Committees

MOTION 2009.3.08 – It was duly moved and seconded that we receive the report of the Ethics Task Force. ADOPTED

Reports of Officers

MOTION 2009.3.09 – It was duly moved and seconded to accept the resignation of Lisa Miller as Co-Chair of Volunteers for the 2010 Annual Meeting in New Orleans. ADOPTED

MOTION 2009.3.10 – It was duly moved and seconded to appoint Robert Doolos Co-Chair of Volunteers for the 2010 Annual Meeting in New Orleans. ADOPTED

President Wiley ordered the written reports of the officers to be filed.

Unfinished Business

There were no unfinished business items to be discussed.

New Business

There was no new business to be discussed.

Adjournment

MOTION 2009.3.11 – It was duly moved and seconded that the Board of Directors meeting be adjourned. ADOPTED

The Board of Directors meeting adjourned at 2:59 p.m. Eastern Time.

Attachments

Board of Directors Meeting Minutes, February 2009

Board of Directors Financial Update, January 2009

Investment Policy Interim Changes

Compensation Policy

American Association of Collegiate Registrars and Admissions Officers
Minutes of the Meeting of the Board of Directors
February 20, 2009

Board Members in Attendance: Paul Aucoin, Mary Baxton, Sam Conte, Adrienne McDay, Nora McLaughlin, Glenn Munson, Wanda Simpson Munson, Michele Sandlin, Jeffrey von Munkwitz-Smith, Paul Wiley

Staff Members in Attendance: Matt Ogle, Jerome Sullivan

Board Nominees

Cherie Hatlem, Betty Huff, Robert Watkins

Call to Order

President Wiley called the meeting to order at 10:49 a.m. Pacific Time.

Minutes

MOTION 2009.2.01 – It was duly moved and seconded that the minutes from the meeting of the Board of Directors on December 12, 2008, be approved, as amended. ADOPTED

Reports of Standing Committees

Finance & Investments Committee

The chair of the Finance & Investments committee presented its report.

MOTION 2009.2.02 – It was duly moved and seconded that the changes to the Association Travel Policy be approved. ADOPTED

MOTION 2009.2.03 – It was duly moved and seconded that the FY 09/10 budget proposal be approved. ADOPTED

Compensation Committee

The chair of the Compensation Committee presented its report.

Audit Committee

The chair of the Audit committee presented its report.

MOTION 2009.02.04 – It was duly moved and seconded by the Audit Committee that the audit of financial statements for year-end September 30, 2008, be approved. ADOPTED

MOTION 2009.02.05 – It was duly moved and seconded by the Audit Committee that the following charge be added as item c. under area 6. of the official committee charter: “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.” The current charter item c. under area 6 will become item d. and the current item d. will become item e. ADOPTED

Governance Committee

The chair of the Governance Committee presented its report.

Program Review & Development Committee

The chair of the Program Review & Development Committee presented its report.

Strategic Planning Committee

The chair of the Strategic Planning Committee presented its report.

MOTION 2009.2.06 – It was duly moved and seconded by the Strategic Planning Committee to accept the revised AACRAO Mission, Vision, Values, Strategies and Goals statements. ADOPTED

President Wiley ordered the written reports of the standing committees (Finance & Investments, Compensation, Audit, Governance, Program Review & Development, and Strategic Planning) to be filed.

Recess

President Wiley ordered the Board to be in recess.

Reconvene

The Board meeting reconvened at 1:32 p.m. Pacific Time.

Reports of Officers

MOTION 2009.02.07 – It was duly moved and seconded that, although the goal is still a balanced budget, given the current economic situation the Board authorizes a financial deficit of up to \$200,000 for the current fiscal year (excluding the liability for hotel contracts) in order to avoid additional budgetary reductions that may prove detrimental to the long-term health of the Association. Deficits above that amount require the Executive Director to obtain Board approval prior to taking any actions. ADOPTED
MOTION 2009.02.08 – It was duly moved and seconded that the following awards be presented at the 2009 Annual Meeting to the nominees listed here: (1) the APEX award to Mary Koskan; (2) the Distinguished Service Award to Kathleen Jones, Richard Skeel, Heather Smith; (3) the Founder's Award for Leadership to Dennis Dulniak; (4) Honorary Membership to Gloria Nathanson and Jeanene Rothenberger; (5) the Thomas A. Bilger Citation for Service to Kathi Baucom; (6) the Award for Excellence in International Education to John Yopp; and, (7) the Elbert W. Ockerman State and Regional Professional Activity Award to Kentucky ACRAO and Ohio ACRAO. ADOPTED

President Wiley ordered the written reports of the officers to be filed.

Executive Director Report

Executive Director Sullivan presented a review of the highlights of his written report. President Wiley ordered the report to be filed.

Unfinished Business

There were no unfinished business items to be discussed.

New Business

MOTION 2009.02.09 – It was duly moved and seconded that the Executive Director be permitted to use up to \$50,000 from the Infrastructure Investment Fund Reserves to complete the upgrade of the CRM system. DEFEATED

Executive Session

The Board met in executive session.

Adjournment

MOTION 2009.2.10 – It was duly moved and seconded that the Board of Directors meeting be adjourned. ADOPTED

The Board of Directors meeting adjourned at 5:52 p.m. Pacific Time.

Attachments

Board of Directors Meeting Minutes, December 2008

Association Travel Policy –Revised

Audit Committee Charter – Revised

Governance Committee Report

AACRAO Mission, Vision, Values, Strategies and Goals Statements – Revised

Board of Directors Financial Update, December 2008

Executive Director Report



AACRAO Monthly Financial Update

Highlights | Fiscal Year 2009 | January 2009

Presented: Jerry Sullivan and Samuel Conte

Overview

Total operating expenses for the month of January exceeded revenue by (\$38,659), however, AACRAO's year-to-date operating activities generated revenue in excess of expenses by \$162,446.

The Association's investment portfolio resulted in net loss of (\$113,780) for the month and (\$758,581) for the four months ended January 31, 2009.

AACRAO's combined operating and investment activities resulted in a deficit of (\$152,438) for the month and (\$596,135) for the four months ended January 31, 2009.

Key strategic actions in lieu of economic conditions

Management continues to take measures to safeguard AACRAO's interests. In addition to monitoring the volatile market to mitigate risk of additional losses, management is looking for ways to cut back on expenses, develop revenue enhancement programs and sustain efficient and effective use of resources.

Financial Position

The following summarizes AACRAO's financial position as of:

	January 2009	December 2008	Change
Cash	\$101,442	\$179,015	(\$77,573)
Investments	5,173,137	5,285,497	(112,360)
Accounts Receivable	203,489	230,401	(26,912)
Prepaid Expenses	356,234	321,912	34,322
Total Assets	6,120,411	6,299,577	(179,166)
Accounts Payable	141,459	296,277	(154,818)
Unearned Income	1,889,549	1,761,359	128,190
Total Liabilities	2,355,877	2,382,505	(26,628)
Net Assets	\$3,764,534	\$3,917,072	(\$152,538)

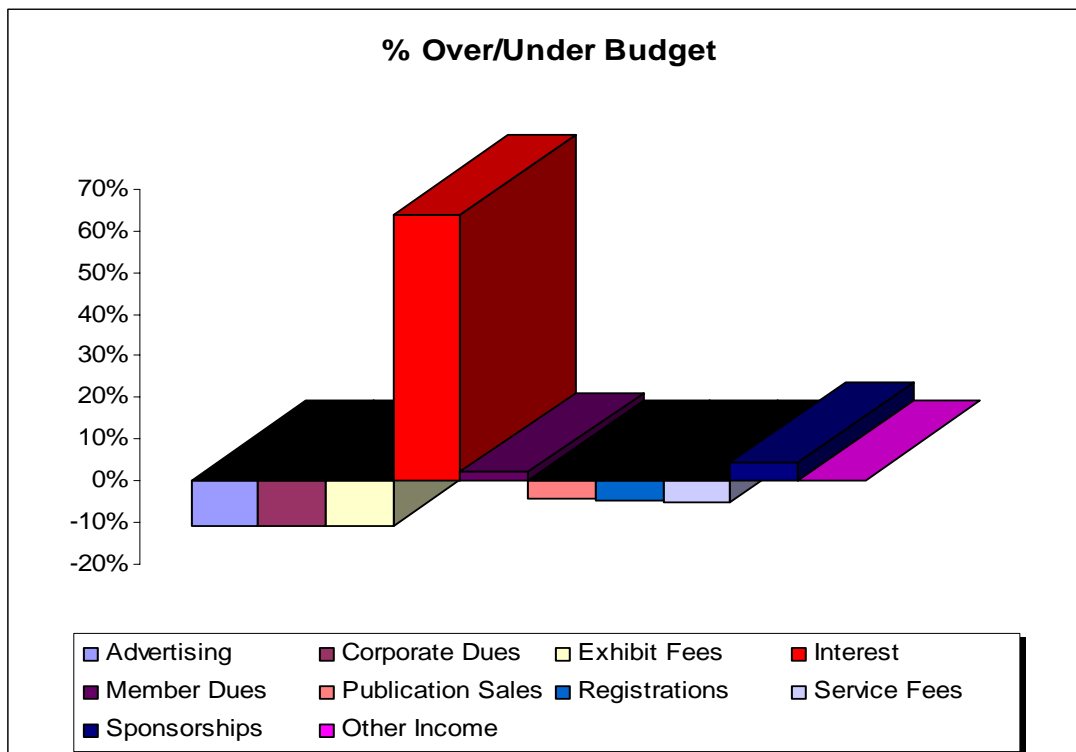
The change in cash reflects decline of receipts and increase in disbursements for AACRAO's operating activities considered normal during this time of the year. The decline in value of the investment portfolio is due to gloomy market performance. Prepaid expenses increased during the month as a result of Annual Meeting related expenditures. Accounts payable decreased in January mainly due to payment of SEM related expenses that were accrued in November. Unearned income increased in January primarily due to receipts related to the Annual Meeting and Transfer Conference.

As a result of the cross over between the dues year (July through June) and the fiscal year (October through September), three months of 2008/2009 dues were recognized in FY 2007/2008 and the other nine months will be recognized in FY 2008/2009. For the 2007/2008 membership year, \$2,322,132 were collected for membership dues and \$146,165 for corporate dues. Dues notices for

membership year 2008/2009 were mailed in May, 2008, a month earlier than prior years. As a result, as of January 31, 2009, \$2,337,407 (or 101% of last year's total membership dues receipts) has been collected for membership dues and \$87,645 (or 60% of previous year's total corporate dues receipts) has been collected for corporate dues.

Statement of Activities

Revenue: Revenue generated for the four months ended January totaled \$2,441,191 or 30% of budget (3% below budget expectations). Three revenue generating activities exceeded their budget expectations of 33% while others are either at or fell below expectations. The following chart summarizes the variances between actual and budget amounts:



Exceeding Expectations:

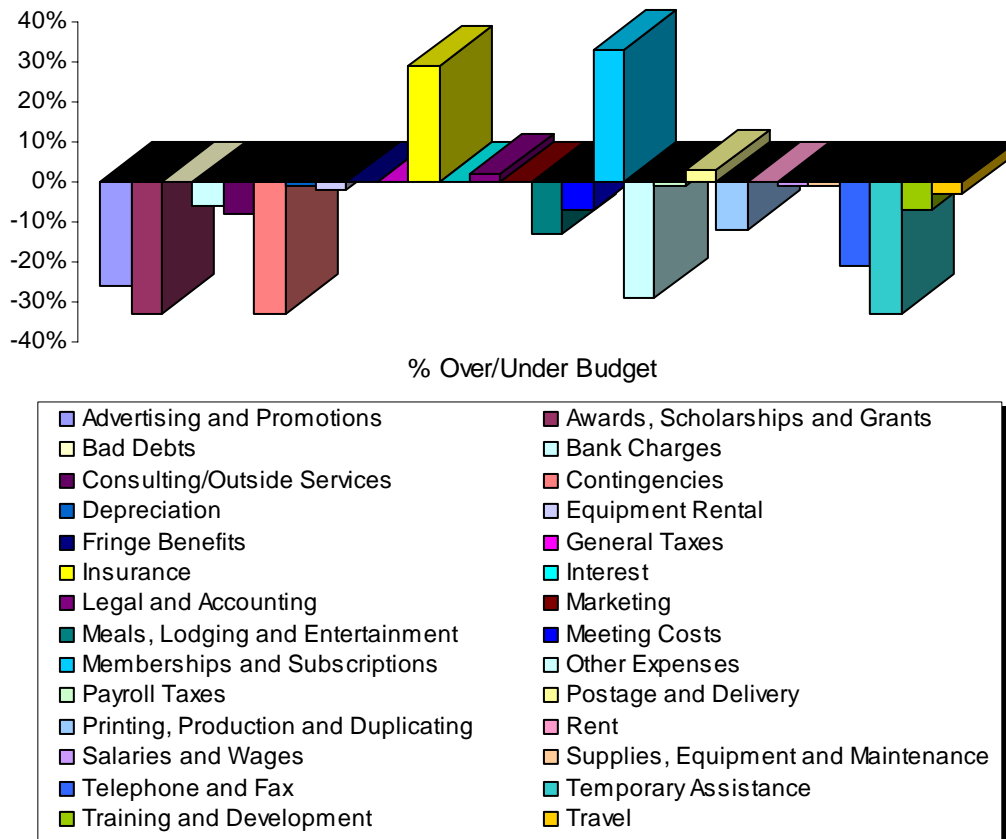
Member Dues: 2% | \$35,000

Sponsorship: 4% | \$11,000

Interest Income: 64% | \$46,000

Member Dues revenue performed well and is expected to remain strong through the end of the fiscal year. AACRAO's investment portfolio continues to generate high level of interest and dividend income.

Expenses: Expenses for the four months ended January totaled \$2,219,357 or 29% of budget (4% below budget expectations). Four expense activities exceeded their budgets, while others remained at or below budget.



Exceeded Budget:

Insurance: 29% | \$5,300

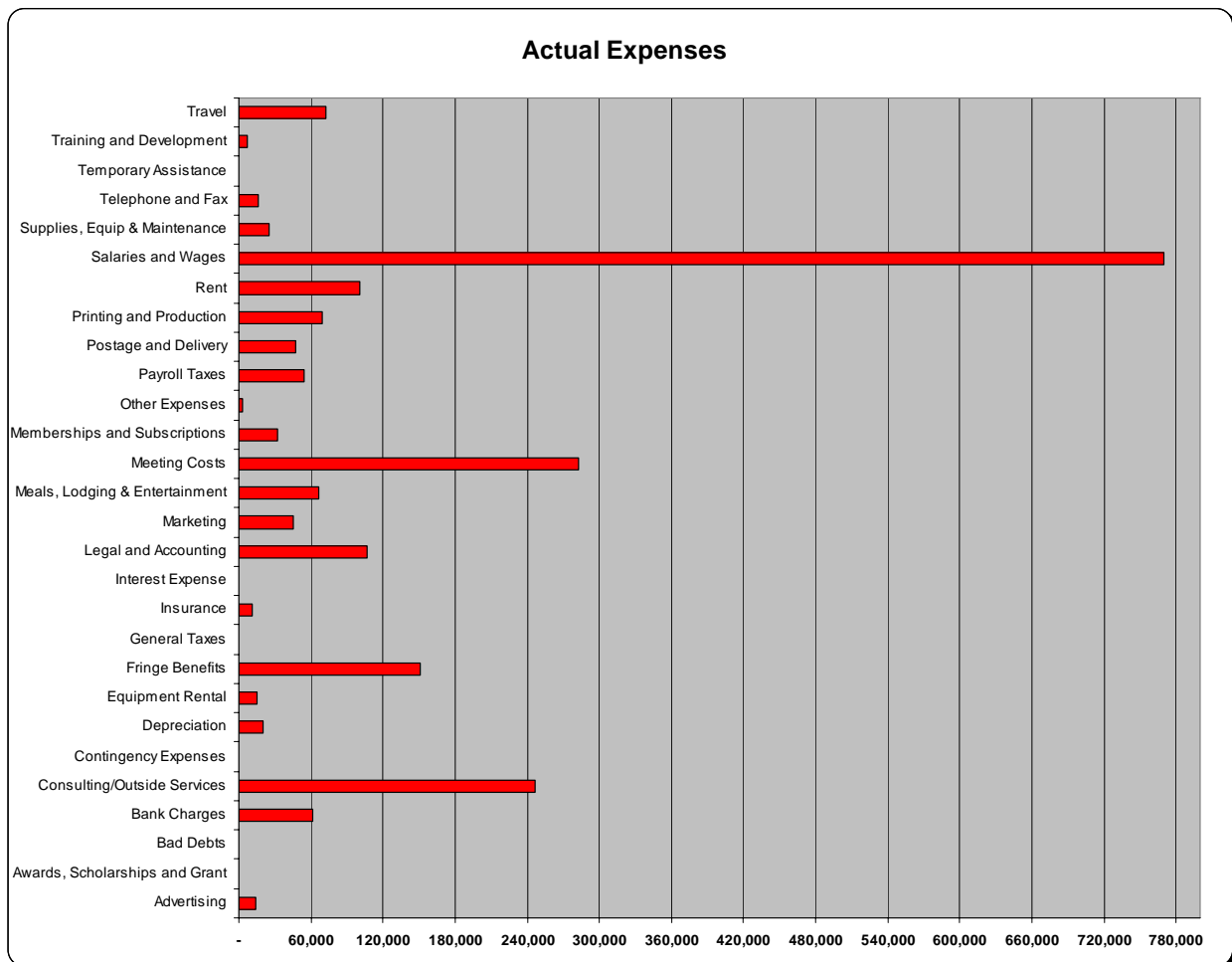
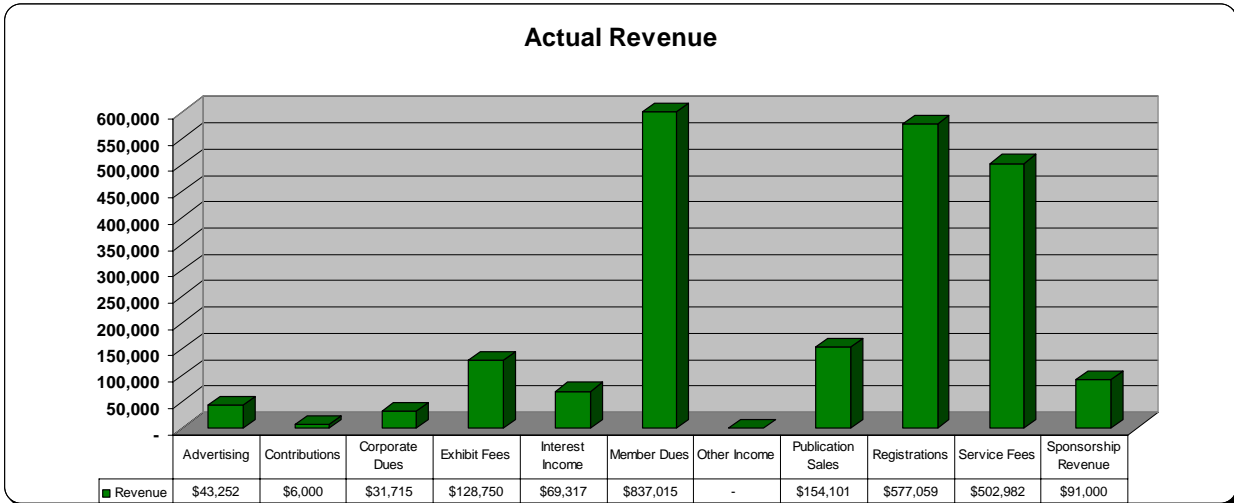
Auditing: 2% | \$5,500

Memberships and Subscriptions: 33% | \$16,000

Postage and Delivery: 3% | \$4,000

The overrun in the above expenditures is primarily a result of timing differences which are expected to be reconciled as the fiscal year continues.

AACRAO Revenue and Expense Analysis – Year-to-Date



AACRAO Performance Analysis by Department

Year-to-date	IT	GA	AM	MS	RD	MTS	PB	GR
Revenue	57,625	884,659	-	11,000	-	755,334	140,062	-
Expenses	126,047	442,378	74,344	90,019	30,826	505,914	69,871	41,307
Net Operating	(68,422)	442,281	(74,344)	(79,019)	(30,826)	249,420	70,191	(41,307)

	CM	BD	AC	PC	IES	VP	MK	TOTAL
Revenue	14,039	-	119,250	-	394,082	-	5,752	2,381,804
Expenses	162,978	123,763	149,844	-	305,672	21,668	74,727	2,219,358
Net Operating	(148,939)	(123,763)	(30,594)	-	88,410	(21,668)	(68,975)	162,446

Gifts/Bequests

-

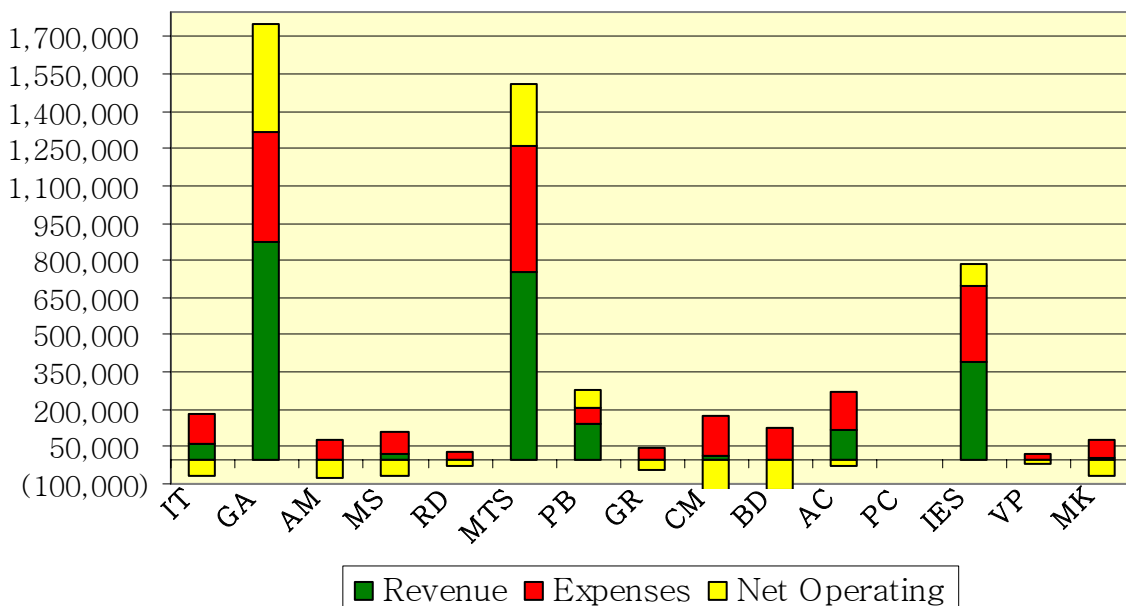
Investments

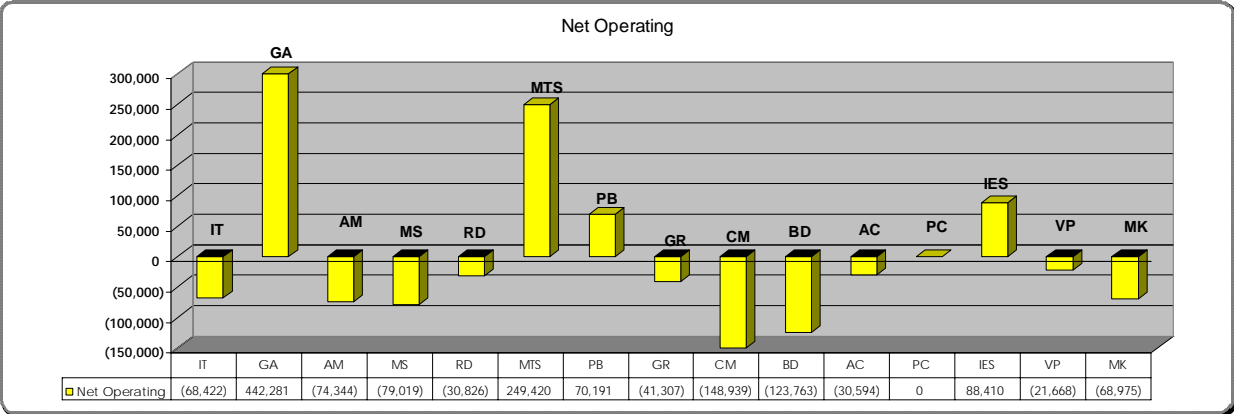
(758,581))

Net deficit

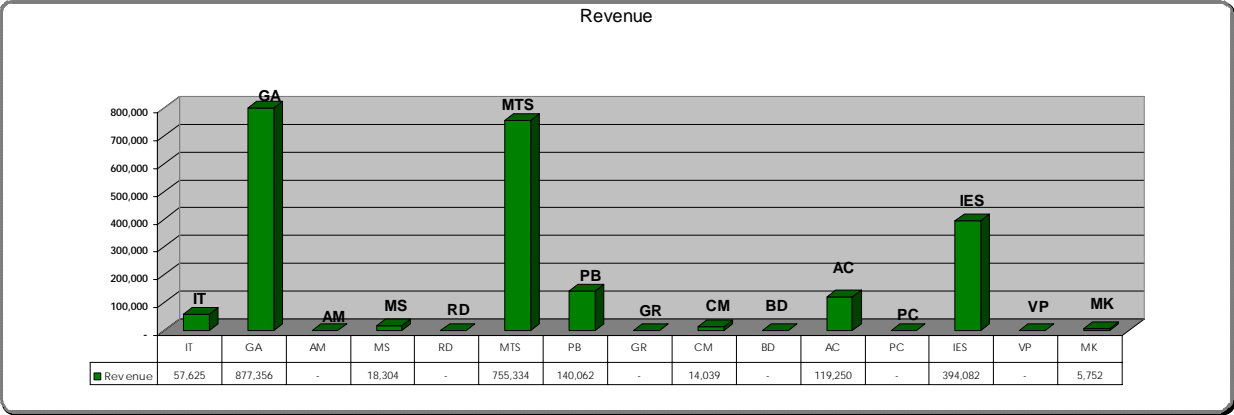
(596,135)

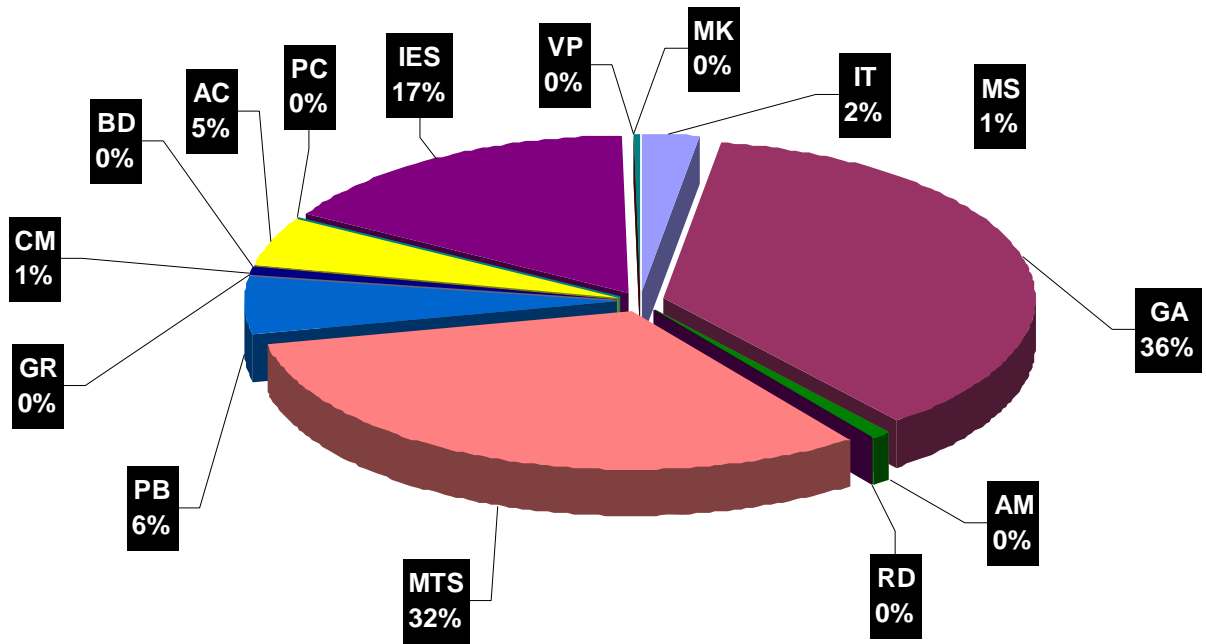
IT: Information Technology - GA: General and Administrative - AM: Annual Meeting - MS: Member Services - RD: Research - MTS: Meetings/Workshops - PB: Publications - GR: Government Relations - CM: Communications - BD: Governance - AC: AACRAO Consulting - PC: Projects Contracts - IES: Int'l Education Services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



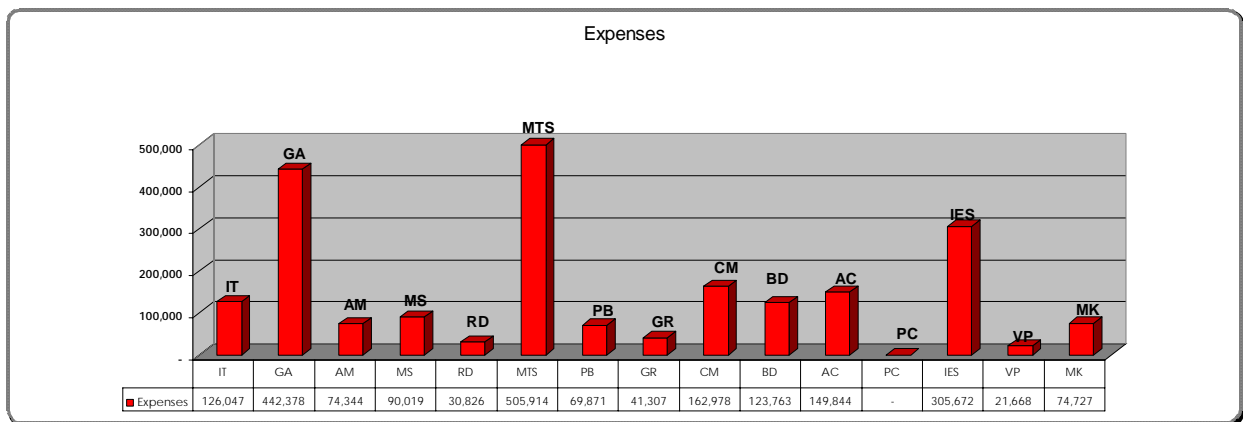


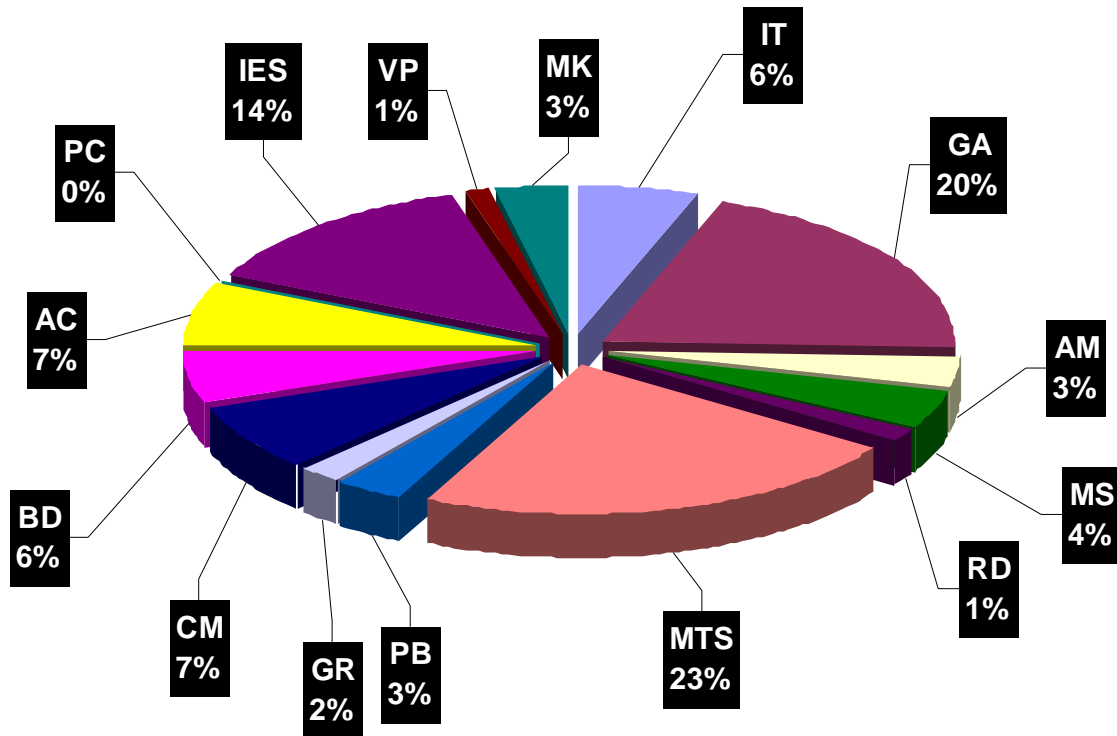
Revenue





Expenses

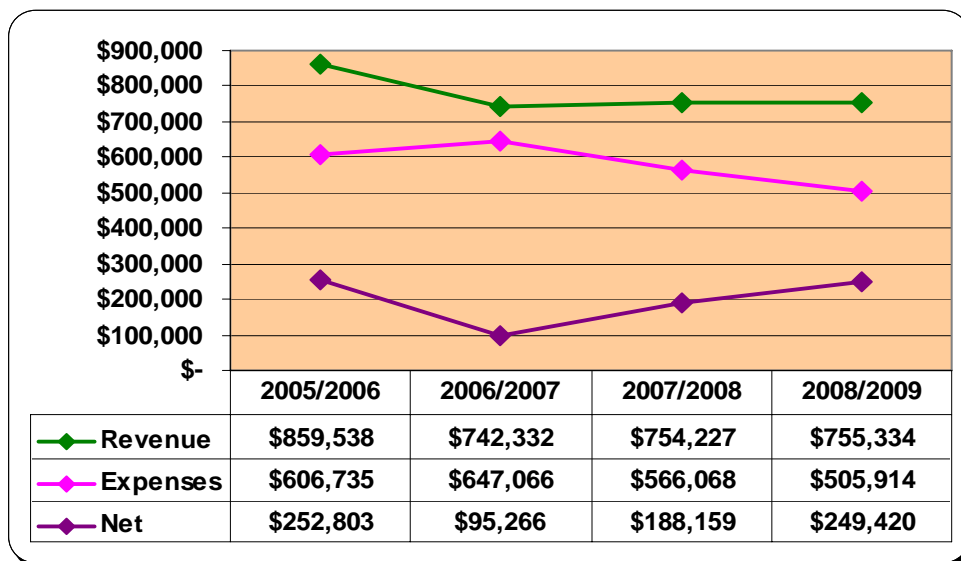




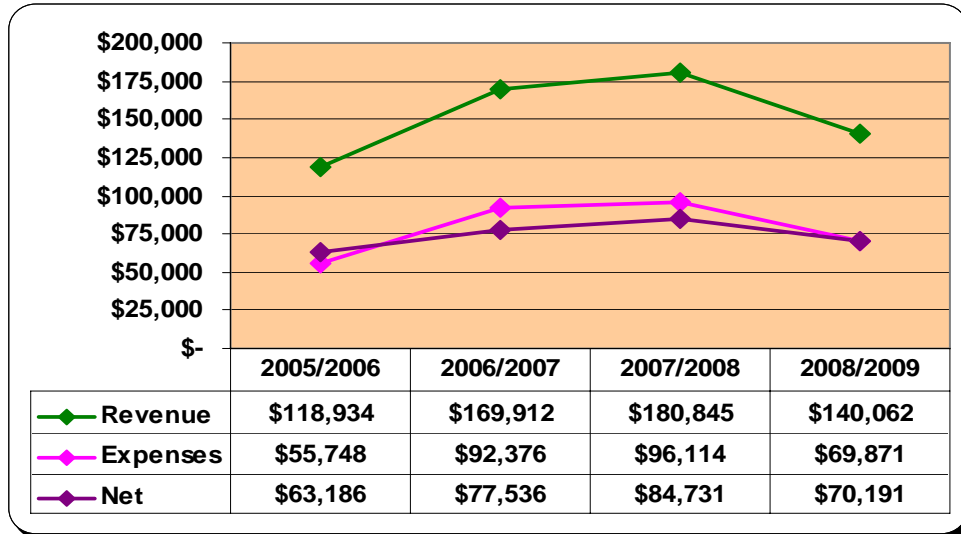
AACRAO Business Lines – Comparative Data

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

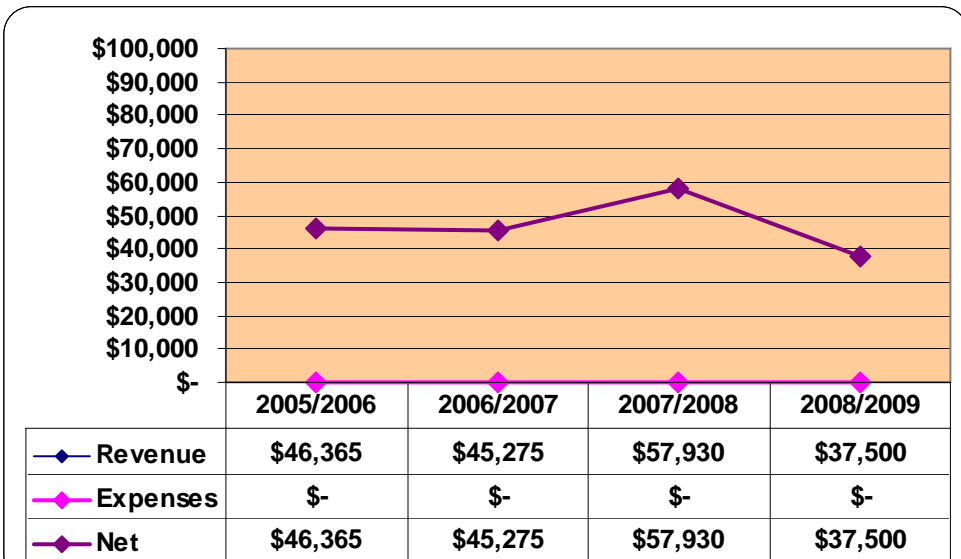
MTS



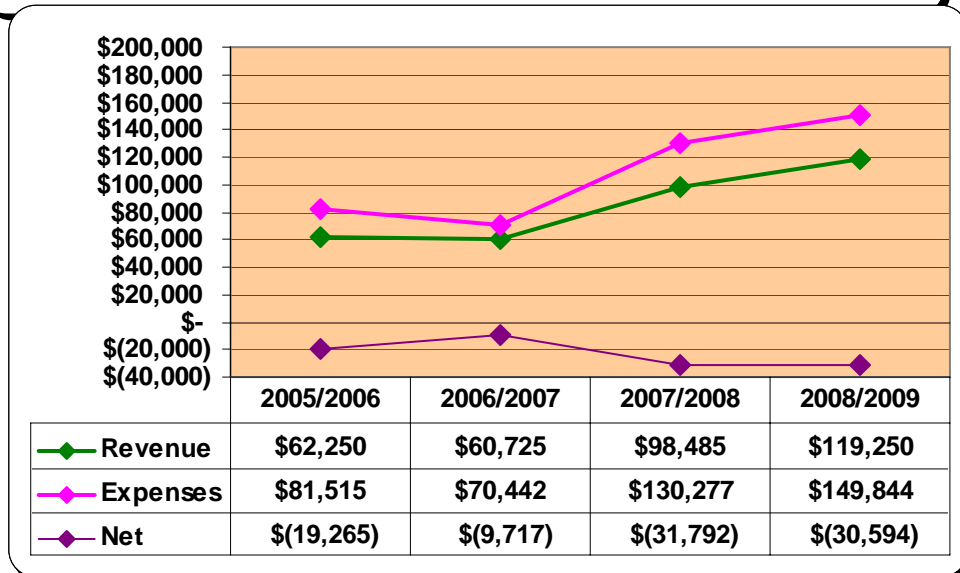
PUB



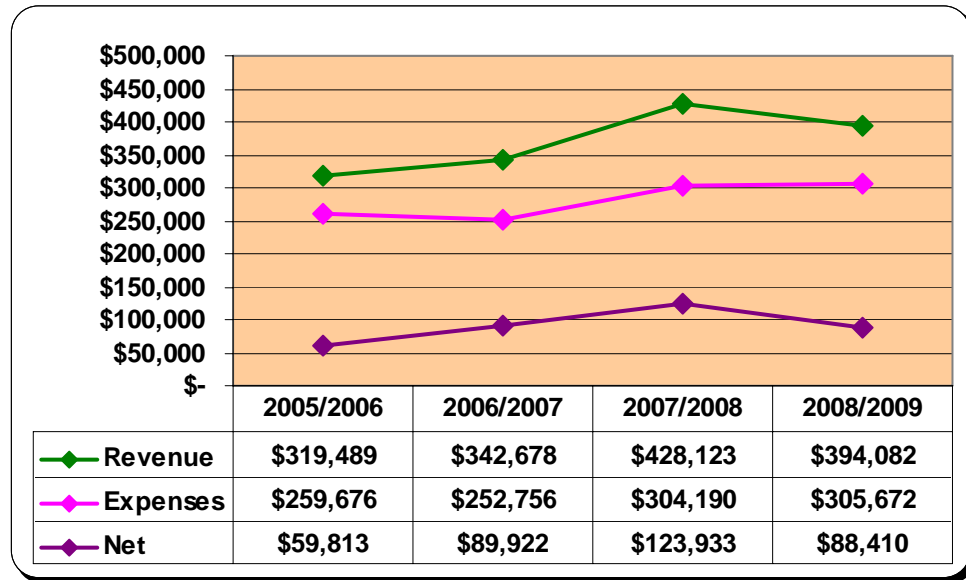
JOL



ACC

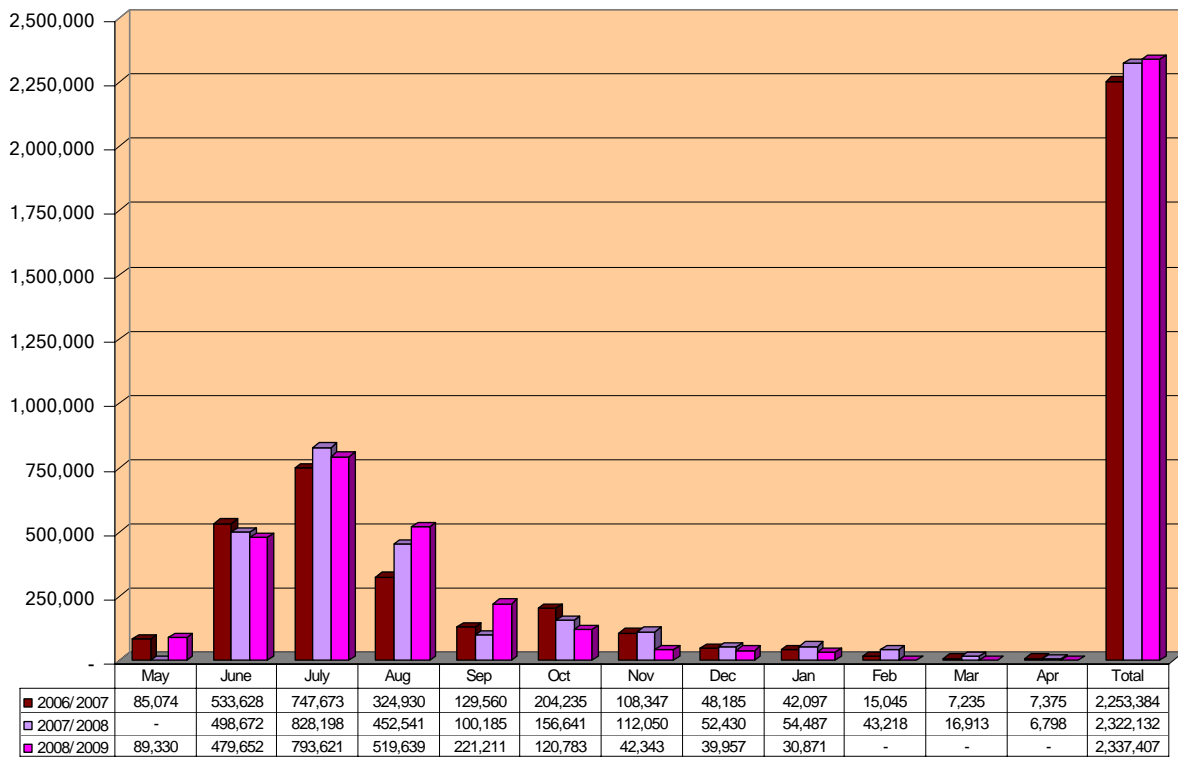


IES

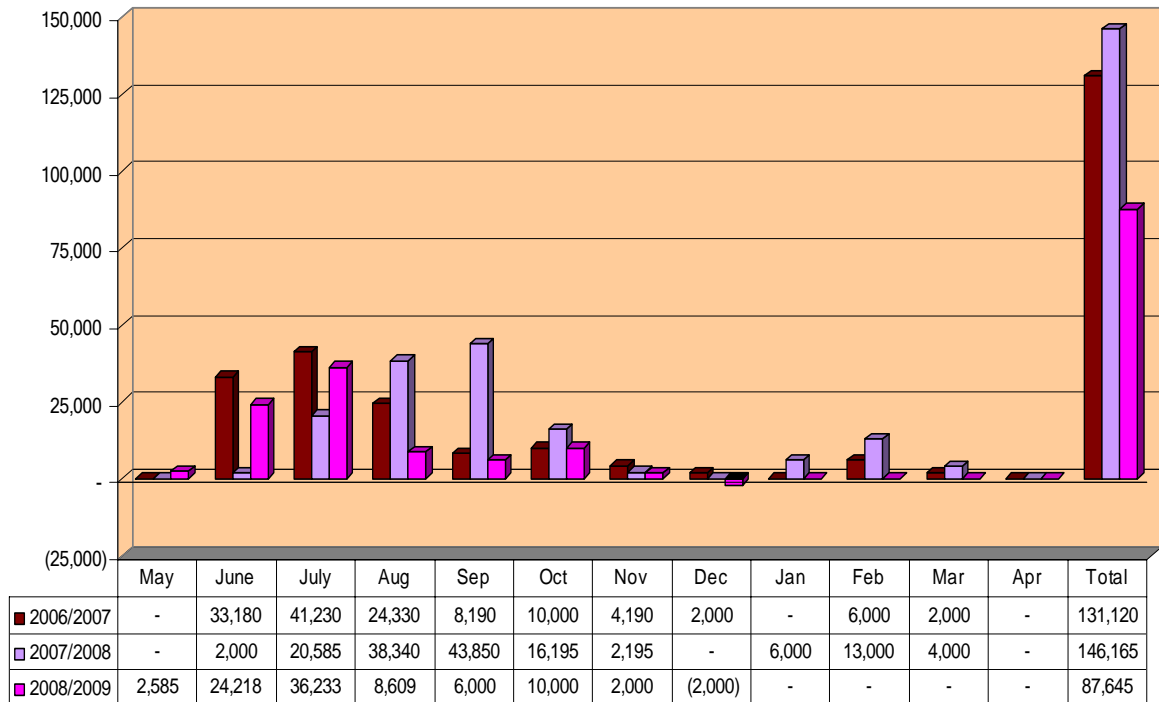


Appendix

🏰 Membership Dues: Cash Collections | Comparative Numbers



Corporate Dues: Cash Collections | Comparative Numbers



PROPOSED LANGUAGE

7.2. Investment Objectives – The primary 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.

Addendum I-A - Proposed

Asset Allocation for AACRAO Infrastructure Fund

<u>Asset Class</u>	<u>Strategic Allocation</u>	<u>Tactical Allocation</u>
Equities	55.0%	30.0%
Large Cap Value	10.0%	7.5%
All Cap Core	20.0%	7.5%
Small/Mid Cap Value	10.0%	0.0%
Small/Mid Cap Growth	0.0%	0.0%
International (Developed)	15.0%	9.0%
Emerging Markets	0.0%	0.0%
Global Resource Themes	0.0%	6.0%
Fixed Income	40.0%	40.0%
Investment Grade	40.0%	40.0%
High Yield	0.0%	0.0%
International	0.0%	0.0%
Adjustable Rate Funds	0.0%	0.0%
Alternative Investments	5.0%	8.0%
Managed Futures	0.0%	0.0%
Hedge Fund of Funds	0.0%	0.0%
Real Assets/Natural Resources	5.0%	4.0%
TIPS	0.0%	0.0%
Real Estate/REIT's	0.0%	4.0%
Cash	0.0%	22.0%
TOTAL	100.0%	100.0%

Addendum I-B - Proposed

Asset Allocation for AACRAO Strategic Initiatives and Investments Fund

As of February 27, 2009

<u>Asset Class</u>	<u>Strategic Allocation</u>	<u>Tactical Allocation</u>
Equities	56.0%	30.0%
Large Cap Value	12.0%	8.0%
All Cap Core	17.0%	8.0%
Small/Mid Cap Value	12.0%	0.0%
Small/Mid Cap Growth	0.0%	0.0%
International (Developed)	15.0%	8.0%
Emerging Markets	0.0%	0.0%
Global Resource Themes	0.0%	6.0%
Fixed Income	40.0%	40.0%
Investment Grade	40.0%	40.0%
High Yield	0.0%	0.0%
International	0.0%	0.0%
Adjustable Rate Funds	0.0%	0.0%
Alternative Investments	4.0%	4.0%
Managed Futures	0.0%	0.0%
Hedge Fund of Funds	0.0%	0.0%
Real Assets/Natural Resources	4.0%	4.0%
TIPS	0.0%	0.0%
Real Estate/REIT's	0.0%	0.0%
Cash	0.0%	26.0%
TOTAL	100.0%	100.0%

Addendum I-C - Proposed

Asset Allocation for AACRAO Endowment Fund

As of February 27, 2009

<u>Asset Class</u>	<u>Strategic Allocation</u>	<u>Tactical Allocation</u>
Equities	74.0%	40.0%
Large Cap Value	20.0%	7.5%
All Cap Core	20.0%	15.0%
Small/Mid Cap Value	15.0%	0.0%
Small/Mid Cap Growth	0.0%	0.0%
International (Developed)	15.0%	7.5%
Emerging Markets	4.0%	4.0%
Global Resource Themes	0.0%	6.0%
Fixed Income	22.0%	22.0%
Investment Grade	22.0%	22.0%
High Yield	0.0%	0.0%
International	0.0%	0.0%
Adjustable Rate Funds	0.0%	0.0%
Alternative Investments	4.0%	8.0%
Managed Futures	0.0%	0.0%
Hedge Fund of Funds	0.0%	0.0%
Real Assets/Natural Resources	4.0%	4.0%
TIPS	0.0%	0.0%
Real Estate/REIT's	0.0%	4.0%
Cash	0.0%	30.0%
TOTAL	100.0%	100.0%

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

COMPENSATION POLICY

Program Philosophy and Objectives

AACRAO's primary objective is to provide reasonable and competitive compensation consistent with market-based compensation practices for individuals possessing the experience and skills needed to advance the goals and performance of the association. Compensation should be equitable across comparable positions.

The organization's compensation program is designed to

- Encourage the attraction and retention of qualified and talented individuals.
- Provide a competitive compensation package, including benefits.
- Reinforce the goals of the association.
- Ensure that compensation is fair and equitable.
- Ensure that the program can be reasonably explained, understood, and administered.
- Balance the need to be competitive within the limits of available financial resources.
- Ensure that the program complies with state and federal legislation.

Governance and Procedures

The compensation committee of the Board of Directors is responsible for the administration of AACRAO's executive compensation program. The compensation committee is responsible for establishing and maintaining a competitive compensation program for the Executive Director and the associate executive directors (hereafter referred to as key executives) of the association. The committee meets as needed to review the compensation program and to make recommendations to the board for any changes.

The compensation committee conducts a periodic review to evaluate the organization's executive compensation program against the competitive market. The evaluation is intended to ensure that the compensation program falls within a reasonable range of competitive practices for comparable positions among similarly situated organizations.

The committee reviews and approves, for key executives, base salaries and objectives and goals for the upcoming year. The committee reviews and recommends to the board salary approval for the Executive Director, as well as any recommendations for an incentive plan and any proposed incentive adjustments.

The Executive Director is responsible for the administration of AACRAO's compensation program for all other employees. The executive director will conduct a periodic review to evaluate the organization's staff compensation program against the competitive market. The compensation program will include a job evaluation program and compensation policies. Among the goals for the compensation program will be the promotion of internal equity, reward for meritorious performance, effective recruitment, and retention of staff.

The compensation committee and the Executive Director will maintain records of their deliberations and decisions regarding compensation.

Program Market Position

AACRAO focuses on comparable nonprofit organizations in higher education to benchmark pay, but recognizes that the market for executive talent may be broader than this group. Market information for private foundations, and published not-for-profit compensation surveys may be used as a supplement. In addition, AACRAO may collect other published survey data, when appropriate, for for-profit organizations.

Together with data from the comparable local organizations, data from these market segments are used to form a “market composite” to assess the competitiveness of compensation.

In general, AACRAO places total compensation, including benefits, at the median of the market. Programs are designed to be flexible so that compensation can be above or below the median based on experience, performance, and business need to attract and retain specific talent.

Approved by the Board of Directors 17 March 2009