

**AMERICAN ASSOCIATION OF UNIVERSITY OF WOMEN (AAUW)
BOARD OF DIRECTORS
OFFICIAL MINUTES
May 20, 2020**

Meeting held by Video Conference

Directors Present/Absent*

Julia Brown, Board Chair
Malinda Gaul, Vice Chair
Peggy Cabaniss, Finance Vice Chair
Cheryl Sorokin, Secretary
Joseph Bertolino
Dia Cirillo
Lynn Gangone
Elizabeth Haynes
Jenna Kirkpatrick Howard
Karen Kirkwood
Edwina Frances Martin
Eileen Menton
Lee Roper-Batker
Mardy Stevens
Mary Zupanc
Kimberly Churches, CEO (ex-officio)

Staff Present

Sheila Amo, Chief Administrative Officer
Gloria Blackwell, Senior Vice President, Fellowships & Programs
Tom Chappell, Vice President, Finance
Kate Nielson, Director, Public Policy and Legal Advocacy
Laura Segal, Senior Vice President, Communications & External Relations
Shannon Wolfe, Managing Director and Chief of Staff

Call to Order

The Chair called the meeting to order, noting that a quorum was present.

Update on Operations

Kim Churches, CEO, reminded directors to view the State of AAUW video recently posted on the website.

Ms. Churches expressed her appreciation to directors for their messages of support and their participation in the informal zoom calls during March and April as the coronavirus pandemic upended life in the United States and around the world. She reviewed and responded to director questions on the impact of the pandemic on AAUW's operations, including moving staff to working from home, moving planned in-person programs to online, actual and anticipated reductions in funding, as well as opportunities for enhanced online programming and communications in support of AAUW's mission. She commented on the physical and emotional toll of the pandemic on staff, and efforts she was taking to help ensure that staff would feel supported during these difficult times.

Referring to previously distributed articles on the impact of the pandemic on organizations and boards, she reported that many organizations had been forced to lay off or furlough staff almost immediately, and many others would face this need in the coming months. She noted that the work AAUW had done to right-size the organization in 2019 had not eliminated the possibility of future additional staff cuts but had made staff reduction less likely to be an immediate need. She noted that staff was still stressed from last year's reduction in force and stability was an important morale issue.

Ms. Churches reported that the transition to staff working at home had been successful and she noted efforts the leadership team was making to help ensure that staff were safe and healthy and supported in their work on behalf of the organization. She commented on plans to begin giving staff a ½ day off each Friday for the duration of the summer.

Ms. Churches noted that she planned to keep staff working from home until at least September, even if shelter-in-place orders were relaxed earlier, pointing out that the office would also need some reconfiguration prior to allowing staff to return in order to implement necessary precautions against spreading the virus in the workspace. She also noted that increased telecommuting for staff was also likely even after the office began phased reopening.

Ms. Churches reviewed and responded to director questions on AAUW's funding needs. She reported that all nonprofits would likely see a reduction in contributed income, perhaps as much as 50% in some cases, in the next 12 to 18 months. She noted that some potential AAUW funders, including some who had previously indicated they were planning to make grants to AAUW, had already indicated that all their funding has been put on hold. She pointed out the importance of continued fundraising from members, supporters, new audiences and existing donors and she reviewed and responded to questions on fundraising efforts. She commented on the status of the \$20,000 board matching gift initiative which commenced in early May, noting that approximately \$15,000 had been raised in response to the matching gift offer to-date. She pointed out that the limited level of unrestricted funding continued to hamper AAUW's operations, even though some expenses, such as travel and expenses associated with in person events, had been reduced as a result of the pandemic.

Ms. Churches commented on the launch of AAUW's new website despite the pandemic and she congratulated Laura Seagal, Senior Vice President, Communications and External Relations, and the work of her team. Ms. Churches encouraged directors who had not yet reviewed the site to do so. She reminded the board of the videos posted on the site that had been already been produced as part of AAUW's 2020 convening series, noting that the pandemic was offering AAUW the opportunity to communicate online with members and new audiences in greater numbers than before.

Ms. Churches reviewed and responded to questions on participation by affiliates in the 5 Star program, and on plans to alter some of the requirements going forward to encourage greater participation.

Ms. Churches reported on recent online programming for the Equity Network, a pilot donation-based program aimed at younger individuals, launched in early 2020.. She responded to questions on plans for further programming and the potential for the program to expand AAUW's outreach to new audiences as well as to increase AAUW's funding sources.

Financial Performance and FY 2021 Budgeting

Referring to the previously distributed Finance Memo dated March 31, 2020, a chart titled Year-end Advancement Pipeline FY 2020 as of May 12, 2020, and a chart detailing FY 16 through FY 20

membership and supporter trends, Ms. Churches and Shannon Wolfe, Managing Director and Chief of Staff, reviewed and responded to director questions on financial performance as of March 31, 2020 and commented on anticipated results for the remainder of the fiscal year. Ms. Churches noted that contributed income for the year would be below budget in light of the pandemic, but that expenses would also be under budget. Thomas Chappell, Vice President, Finance, responded to questions on the accounting requirements related to the subleasing of the 9th floor of AAUW's office space.

Referring to the previously distributed draft budget for FY 2021, Mses. Churches and Wolfe commented on the FY 2021 budget planning process, reviewing possible new sources of revenue and potential expense reductions for the year, within a framework that assumes a possible 30%-50% reduction in contributed income. Ms. Churches noted efforts to help ensure that the CARES Act funding received by AAUW would be utilized in accordance with requirements for the amount received to be treated as a grant rather than a loan. The board reviewed and discussed possible alternative scenarios for operations in light of the pandemic, including potential opportunities for greater collaboration with other organizations working on gender equity issues, the need to adjust and refocus AAUW's strategic plan, and various opportunities to adjust operations and staffing. Ms. Churches responded to questions on the level of dues income anticipated for FY 2021 as well as anticipated expenses related to systems and office infrastructure projects, and opportunities for possible outsourcing of various administrative functions. In response to questions, Ms. Wolfe noted that AAUW's landlord was not willing to make any rent concessions, or to assist with office reconfiguration needed to help guard against spread of the virus. Mses. Churches and Wolfe explained that the goal was to have a balanced budget for 2021, with no deficit in unrestricted funding, and without increasing the endowment spending rate.

Ms. Churches responded to questions on the terms of the Coca Cola Foundation grant received in December of 2019 and activities in progress and to be funded in the future by that grant.

Ms. Wolfe and Mr. Chappell reviewed and responded to questions on accounting issues and the allocation of certain expenses to projects funded through temporarily restricted funds.

Ms. Wolfe reported that the budget information shared with the board at this meeting was preliminary and changes should be expected prior to board approval of the budget at the June 2020 meeting.

Investment Performance

Referring to the previously distributed report from Pavilion, AAUW's Investment Advisor, Peggy Cabaniss, Board Finance Vice Chair and Chair of the Finance and Investment Committees, reported on the performance of AAUW's investment portfolio for the third quarter. She noted that performance in April had been negatively affected by the overall market decline as a result of the pandemic. She reported that the Investment Committee was in regular communication with AAUW's investment Advisor and that AAUW's investment portfolio allocation was considered "moderate" with 60% allocated to equities, 35% allocated to fixed income investments, and 5% allocated to alternative investments. Mses. Churches and Wolfe noted that market performance appeared to be improving, although it was expected to be volatile for the foreseeable future.

Appointment of Investment Advisor

Referring to a previously distributed memorandum dated May 14, 2020, titled Review and Recommendation of Investment Advisor for AAUW from the Investment Committee, Ms. Cabaniss reported that the Investment Committee had requested proposals from several potential investment advisory firms as well as from Pavilion, AAUW's current investment management firm, noting that

periodic review of investment advisory fees and services were considered a best practice. She reported that as a result of that review, which included consideration of 5 different proposals for the job, the committee recommended continuation of Pavilion's contract, with a modification giving the firm the ability to place trades as directed by the committee. She reviewed and responded to questions on the reasons for the recommendation. Following discussion, on motion made, seconded and carried, the board adopted the following resolution:

Resolution Approving AAUW's Investment Advisory Firm

The Board of Directors of AAUW approves Pavilion, a Mercer practice, as AAUW's Investment Advisory firm and authorizes Pavilion for trading and execution services.

Edwina Martin left the meeting at this time.

Appointment of New Director

The Chair referred the board to the dated May 14 and titled Recommendation for Appointed Board Member, noting that the committee recommended the appointment of Edwina Martin for a second term. On motion made, seconded and carried, the board adopted the following resolution:

Appointment of Director

The board of directors of AAUW appoints Edwina Martin as a director commencing July 1, 2020 for a three-year term and until her successor is appointed or her earlier resignation, retirement or removal.

The Chair congratulated Ms. Martin on her reappointment.

National Committee Recommendations

Referring to a previously distributed memorandum dated May 14, titled National Committee Recommendations from directors Dia Cirillo, Elizabeth Haynes, Eileen Menton and herself, Cheryl Sorokin, Board Secretary, reviewed suggested procedural changes outlined in the memorandum to increase the board's engagement in directing and monitoring AAUW committee work, particularly the work of the board appointed advisory committees. She noted that the recommendations did not require formal board approval, but assuming no objection, would be implemented as a matter of course in board agendas for the coming year.

Ms. Sorokin reviewed the recommendation in the memorandum that the Legal Advocacy Fund be eliminated as a standing committee given that the work of the committee was administrative in nature and could be more efficiently handled by staff. She noted that the elimination of the committee should not be viewed as a reduction of AAUW's commitment to providing assistance to plaintiffs through the Legal Advocacy Fund. Following discussion, on motion made seconded and carried, the board adopted the following resolution:

Resolution Approving Disbandment of the Legal Advocacy Fund Committee

The board of directors approves disbandment of the Legal Advocacy Fund Committee effective July 1, 2020.

Ms. Sorokin suggested that board discussion on the remaining recommendations and questions contained in the memorandum be deferred to the June meeting to allow adequate time for discussion.

Approval of Minutes

On motion made, seconded and carried, the board approved the minutes of the February 7, 2020 board meeting and acknowledged receipt of the Membership Consent Calendar memorandum dated May 15, 2020 covering the period January 31, 2020 through May 15, 2020.

Adjournment

There being no further business, the meeting was adjourned.

Cheryl Sorokin
Board Secretary