



VCU

Board of Visitors

FINANCE AND UNIVERSITY RESOURCES COMMITTEE

SEPTEMBER 13, 2024, 10:30 A.M.

CABELL LIBRARY, ROOM 303

RICHMOND, VIRGINIA

MEETING MINUTES

COMMITTEE MEMBERS PRESENT

Mr. Anthony Bedell, *Chair*

Mr. P2 Sandhu, *Vice Chair*

Mr. Steve DeLuca

Dr. Siobhan Dunnavant

Mr. Peter Ferrell

Ms. Ellen Fitzsimmons

Dr. Kenneth Lipstock

Mr. Randy Reynolds

Mr. C.J. Sailor

OTHER BOARD MEMBERS PRESENT

Mr. Todd P. Haymore, *Rector*

Dr. Dale Jones

OTHERS PRESENT

Dr. Michael Rao, *President*

Dr. Meredith Weiss, *Senior Vice President for Finance and Administration and CFO*

Mr. Jay Davenport, *Vice President for Development & Alumni Relations*

Mr. Matthew Conrad, *Vice President for Government and External Relations for VCU and VCU Health*

Ms. Karah Gunther, *Vice President for External Affairs and Health Policy for VCU and VCU Health*

Ms. Jessica Bryant, *Senior Director, Strategic Initiatives, Administration*

VCU Finance and Budget leadership team

VCU Presidential Cabinet

CALL TO ORDER

Mr. Anthony Bedell, chair of the Finance and University Resources Committee, called the meeting to order at 10:30 a.m.

OPEN SESSION ACTION ITEMS

Mr. Bedell reviewed the action items, noting that the items listed – the Approval of Minutes from May 9, 2024, the Charter and meeting planner for the Finance and University Resources Committee, custodial services contract, student health insurance rate increase, and the FY2025 Six-Year Plan affirmation and update and budget overview – had been provided to the committee



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in advance for review. He asked the committee members if they had any changes to the minutes, and hearing none, asked Dr. Meredith Weiss, Senior Vice President and CFO, to briefly present the proposed amendments to the committee charter and meeting planner and other action items.

Dr. Weiss presented information for the committee charter and meeting planner, the custodial services contract, and the student health insurance rate increase. As part of the FY2025 Six-Year Plan affirmation and update, Dr. Weiss provided a budget overview because the two items are closely tied together, noting that the university's Six-Year Plan is submitted each odd year and updated each even year, communicates VCU's strategies for the upcoming biennium, and serves as a tool for state and institutional planning. As this year is an update year, Dr. Weiss highlighted what was updated on the Six-Year Plan as well as this year's legislative priorities in the areas of academic, student success, infrastructure and operations, and high impact research.

On a motion duly made and seconded the following items: 1) May 9, 2024 meeting minutes; 2) Finance and University Resources Committee charter and meeting planner; 3) custodial services contract; 4) student health insurance rate increase; and 5) the FY2025 Six-Year Plan affirmation and update were approved unanimously.

The minutes are posted at <https://bov.vcu.edu/meetings/minutes/>. A copy of the other actions items is attached hereto as **Attachment A** and is made a part hereof.

FINANCE OVERVIEW AND TREASURY UPDATE

Dr. Weiss began her presentation with an overview of VCU Finance. She then shared information about the areas treasury encompasses: capital project funding, cash management, debt management, financial services and risk management, and discussed that VCU is diversifying providers and identifying areas of risks, investments and financial policy.

Dr. Weiss went on to discuss VCU's diversified portfolio, the debt picture and the capacity for new projects, investments, VCIMCO, and credit ratings. She concluded her report by sharing key financial metrics and priorities for aligning resources to drive VCU's success and value through advancing student success and growing research and innovation.

A copy of the items is attached hereto as **Attachment B** and is made a part hereof.

GOVERNMENT RELATIONS UPDATE

Ms. Gunther began her presentation by highlighting their summer engagement efforts. Government Relations was able to take advantage of the congressional recess period and host two sitting members of the Virginia Congress as well as a number of staff members. VCU hosted a two-day intensive, immersive experience for Virginia Congressional staff delegation from five different offices.

Ms. Gunther shared that on August 8, 2024, Representative Rob Wittman visited the VCU Health System where he met with the Trauma Center team as well as rotating providers from



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Portsmouth Naval Medical Center and then hosted a round table with VCU Health physicians and nursing leaders, as well as allied health professionals. She also told the committee that on August 28, 2024, VCU hosted Congresswoman Abigail Spanberger who, visited both the Massey Comprehensive Cancer Center and the new Children's Hospital of Richmond Inpatient Tower.

Mr. Conrad then provided a brief history and context for new board members regarding how VCU received its delegated authority through the Restructured Higher Education Financial and Administrative Operations Act of 2005, as well as the associated requirements of this autonomy, referencing the Six-Year Plan update Dr. Weiss presented earlier in the meeting. Mr. Conrad explained that the Six-Year Plan has become the most formal mechanism by which VCU communicates the needs of the institution to state policymakers in the executive and legislative branches.

A copy of the items is attached hereto as *Attachment C* and is made a part hereof.

DEVELOPMENT AND ALUMNI RELATIONS UPDATE

Mr. Jay Davenport, Vice President for Development and Alumni Relations, started by sharing VCU's fundraising structure. He then presented fundraising and engagement highlights from FY2024, noting that on the third-annual VCU Giving Day, VCU raised an unprecedented \$16.8M (up from \$7.8M in year two and \$2.7M in year one.) Mr. Davenport told the committee that the School of Medicine awarded more scholarships than ever before, with the McGlothlin Scholars Program providing 22 full-tuition scholarships. He also touched on the all-time record participation at the VCU African American Alumni Council reunion.

Mr. Davenport presented a summary of generational giving trends at VCU and the generational breakdown of the university's alumni population. In addition, he provided an overview of institutionally-related foundations.

A copy of the items is attached hereto as *Attachment D* and is made a part hereof.

CLOSED SESSION

On motion made and seconded, the Finance and University Resources Committee of the Virginia Commonwealth University Board of Visitors convened into closed session to discuss the award of a public contract related to design and involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body as permitted by Section 2.2-3711.A(29) of the Virginia Freedom of Information Act (FOIA); and for the discussion of gifts, bequests and fund-raising activities of



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the University, namely the Named Funds and Spaces Report, and the Approved Named Funds over \$50,000 Report, and other notable and significant gifts report as permitted by Section 2.2-3711.A(9) of the FOIA. The motion was approved unanimously.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Mr. Bedell called the meeting to order. On a motion duly made and seconded the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Board.

<u>Vote</u>	<u>Aye</u>	<u>Nay</u>
Mr. Anthony Bedell, <i>Chair</i>	X	
Mr. P2 Sandu, <i>Vice Chair</i>	X	
Mr. Steven DeLuca	X	
Dr. Siobhan Dunnivant	X	
Mr. Peter Ferrell	X	
Ms. Ellen Fitzsimmons	X	
Dr. Kenneth Lipstock	X	
Mr. Randy Reynolds	X	
Mr. C.J. Sailor	X	
Mr. Todd P. Haymore, <i>Rector</i>	X	

All members present responding affirmatively, the resolution of certification was adopted.

On a motion duly made and seconded the committee approved to recommend to the board of visitors the approval of a contract for design services and the named funds over \$50,000 as discussed in closed session.

REPORTS FOR INFORMATIONAL PURPOSES

Mr. Bedell noted the fourth quarter performance analysis, Treasurer's report, Agency Risk Management and Internal Control Standards, BOV Fund Annual Report, FURC Dashboard, and



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VCU Health Financial Report for FY2024 were included in the pre-read materials. A copy of the items is attached hereto as *Attachment E* and is made a part hereof.

OTHER BUSINESS

None

ADJOURNMENT

There being no further business, Mr. Bedell adjourned the meeting at 11:53 a.m.

DRAFT



VCU Board of Visitors

Finance & University Resources Committee

September 13, 2024

Approval of May 9, 2024 meeting minutes

Approval of
Finance & University Resources Committee
charter and meeting planner

Custodial services

Approval to execute a contract

Background

VCU seeks BOV approval to execute a contract for custodial services. Currently, SSC Service Solutions (SSC) provides custodial services to both campuses under an existing contract. VCU has leveraged a national cooperative agreement to negotiate a new custodial services contract with SSC. This allowed VCU to continue its custodial services for five years, with an additional five-year renewal option, and reduce costs.

Costs and funding

The services are funded by a mix of education and general (E&G) and auxiliary funds. SSC agrees to hold its current contract pricing for the first two years, with no consumer price index (CPI) increase; the first year's cost will be \$15,331,920. If renewed for the full 10 years, total expenditures are estimated to be between \$162,953,806 and \$179,390,322. Savings are estimated to be \$3.6M over the course of the first five-year term and, if renewed for the optional five-year term, are estimated to be over \$8M.

Recommendation

Approve the request to execute a custodial services contract with SSC, in accordance with the resolution of the board.



Student health insurance

Ratification of insurance rate

Background

VCU seeks BOV ratification for student health insurance rates. The VCU Student Health Insurance Program offers health insurance coverage to full-time Ph.D., first professional and international students. Insurance is required for this student group unless proof of comparable insurance is provided.

Considerations

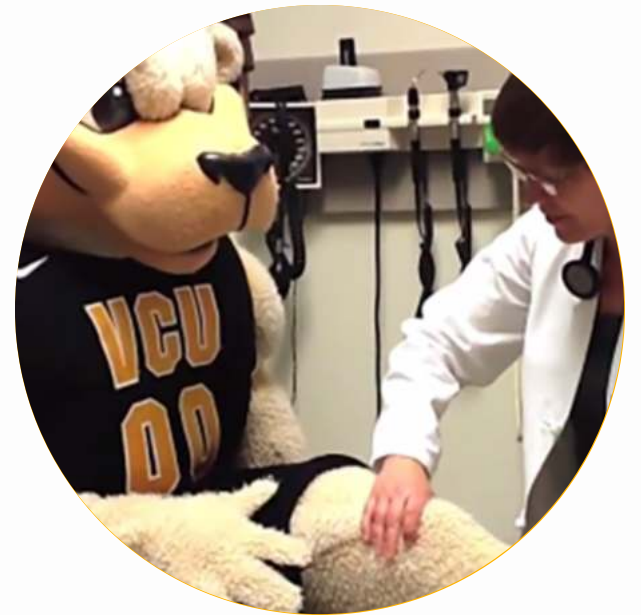
In FY2024, health insurance rates were \$797 for Ph.D. students and \$2,654 for first professional and international students.

Costs and funding

For FY2025, new annual rates are \$875 for Ph.D. students and \$2,916 for first professional and international students. An option was added for international students to elect fall and spring semester coverage only at a cost of \$2,181 (Ph.D. and first professional students enroll for a full year).

Recommendation

Ratify the FY2025 annual health insurance rates for full-time Ph.D., first professional and international students.

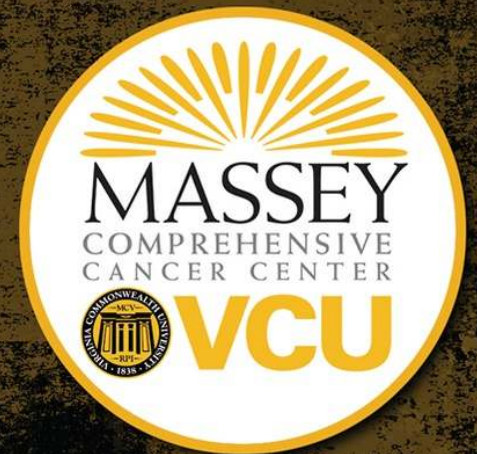


A modern university interior featuring glass partitions with geometric patterns, a ceiling with large, angular, illuminated light fixtures, and a carpet with a white geometric pattern on a yellow background. In the background, there are tables, chairs, and a digital display showing a group of people.

Budget overview & approval of the Six Year Plan update

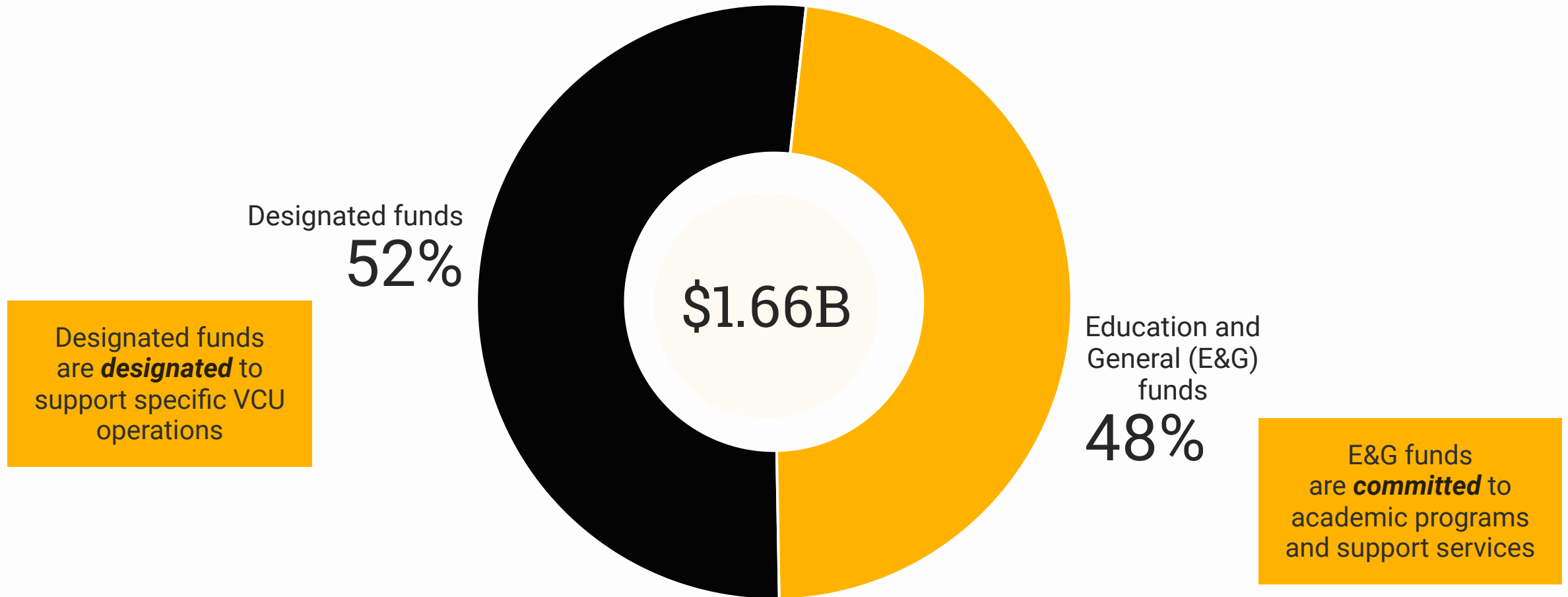
Dr. Meredith Weiss, Senior Vice President for Finance and Administration and CFO

Investing in the **UNSTOPPABLE**



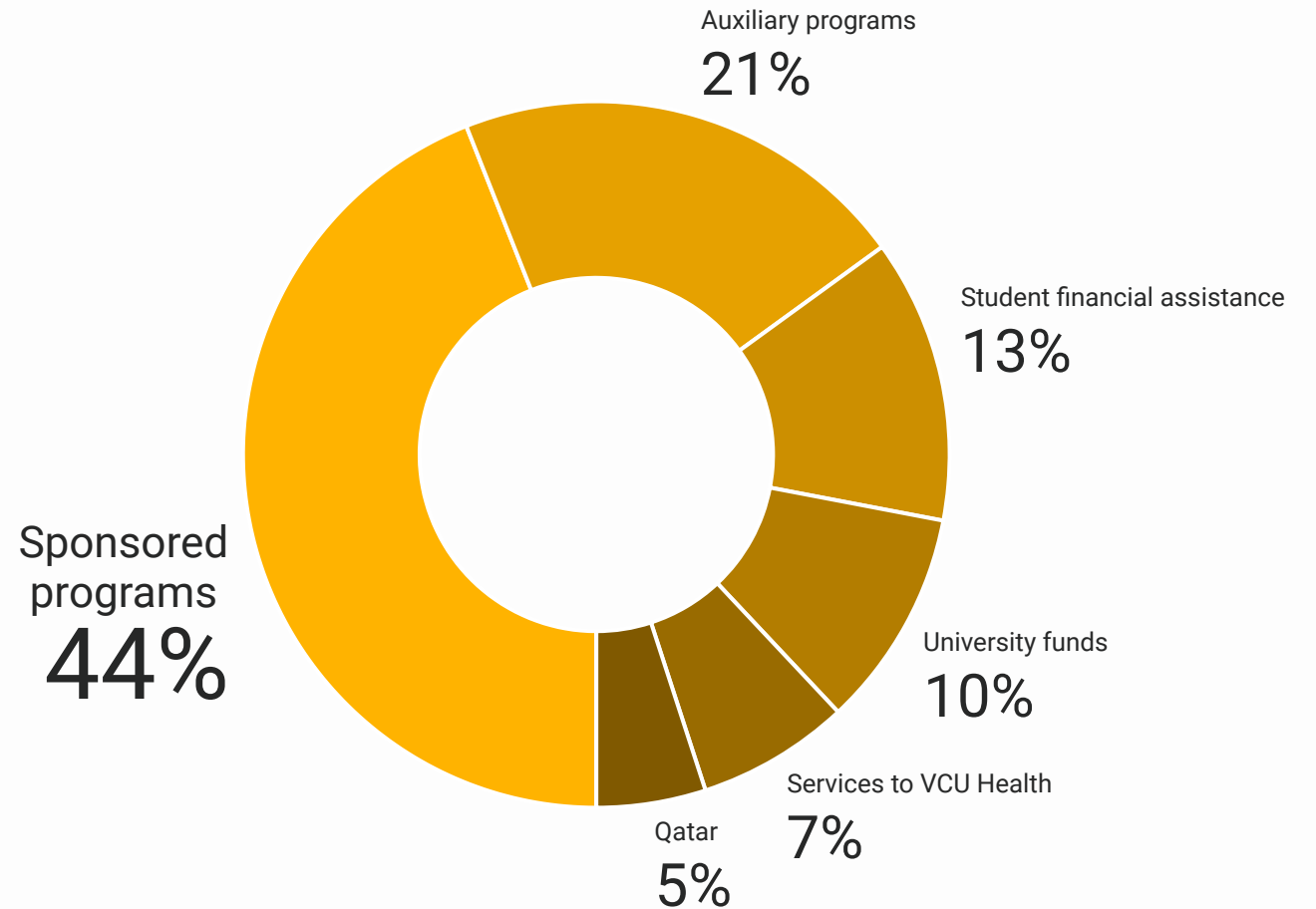
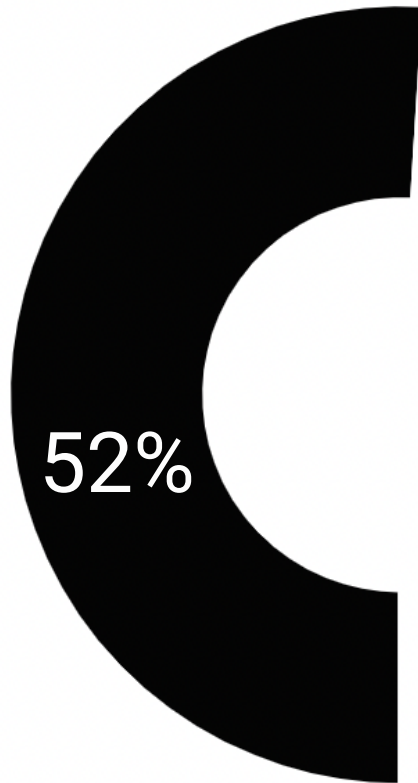
Aligning resources to drive VCU's success and value

VCU FY2025 all funds operating budget



FY2025 designated funds - 52%

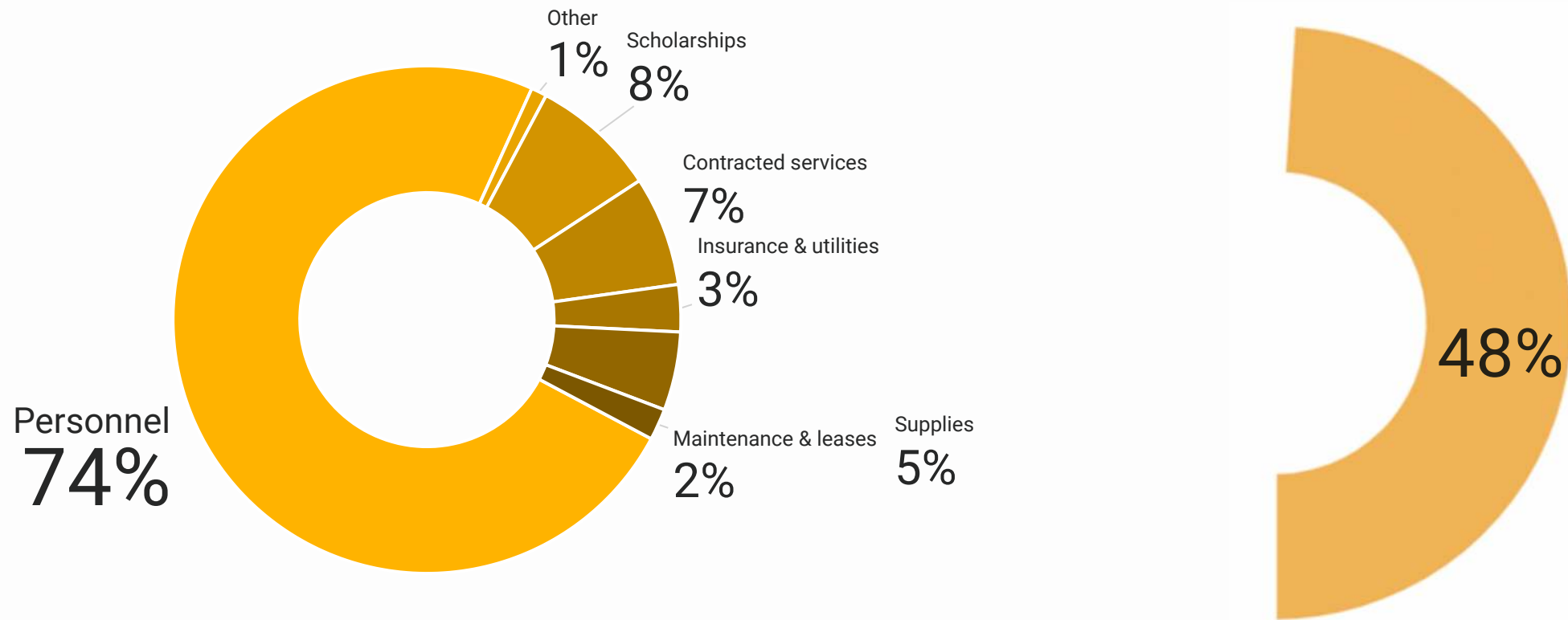
Designated funds are ***designated*** to support specific VCU operations



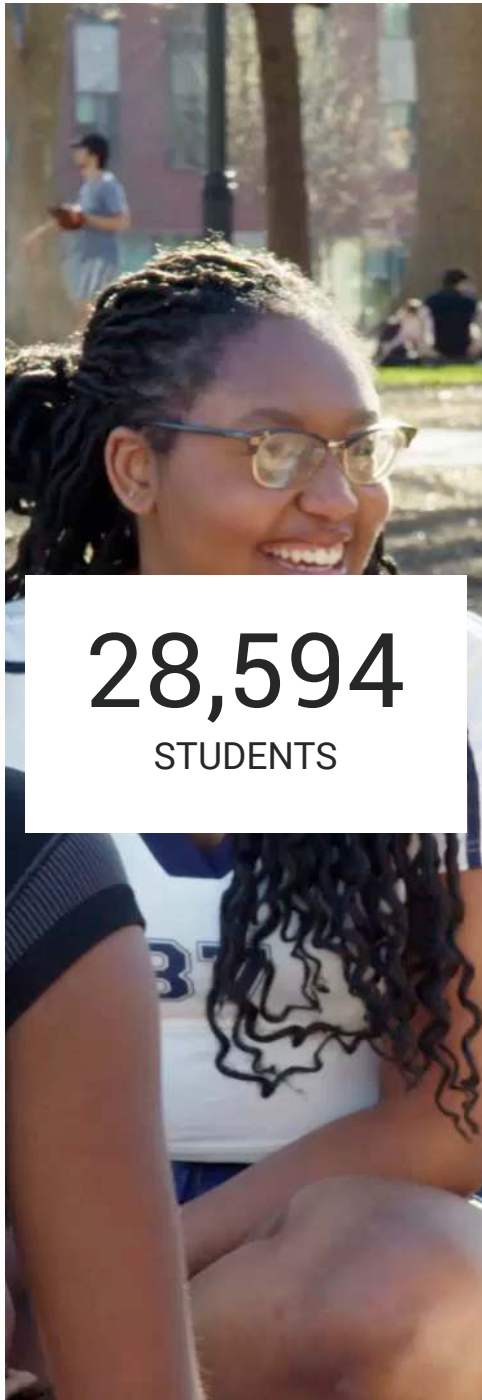
FY2025 Education & General (E&G) funds - 48%

E&G funds are ***committed*** to **academic programs and support services**

Tuition and fees (58%), state funding (39%), other (3%)



Our students



28,594
STUDENTS

37%

Fall freshman who
are 1st generation
college students

33%

Undergraduates
who are Pell grant
eligible

91%

of students are
Virginia residents

59%

VCU graduates
with a bachelor's
degree earn
59% more than VA
high school
graduates

103%

VCU graduates
with a master's
degree earn
103% more than
VA high school
graduates

66%

of VCU's 226,800
alumni live in
Virginia

Accessibility & affordability is a priority

Borrowing per student has remained flat

Family Income	FY18 Net Price	FY22 Net Price	\$ Change	% Change
\$0-\$29.9k	\$14,264	\$14,188	-\$76	-.5%
\$30k-\$47.9k	\$18,411	\$15,435	-\$2,976	-16%
\$48k-\$74.9k	\$21,559	\$18,675	-\$2,884	-13%
\$75k-\$109.9k	\$24,597	\$23,433	-\$1,164	-5%
\$110k and above	\$27,310	\$28,236	\$926	3%
Tuition & mandatory fees	\$13,624	\$15,028	\$1,404	10%
Financial aid (Federal, state & institution per UG student)	\$9,846	\$12,965	\$3,119	32%
Mean reported debt at graduation	\$30,272	\$30,435	\$163	0.5%

Accessibility, affordability & innovation

VCU's financial strategy



Keeping tuition and fee increases below higher education & consumer price indexes



Cuts & realignment to address priorities, inflation & state mandates (e.g., salary increases and military waivers)



Investments in financial aid



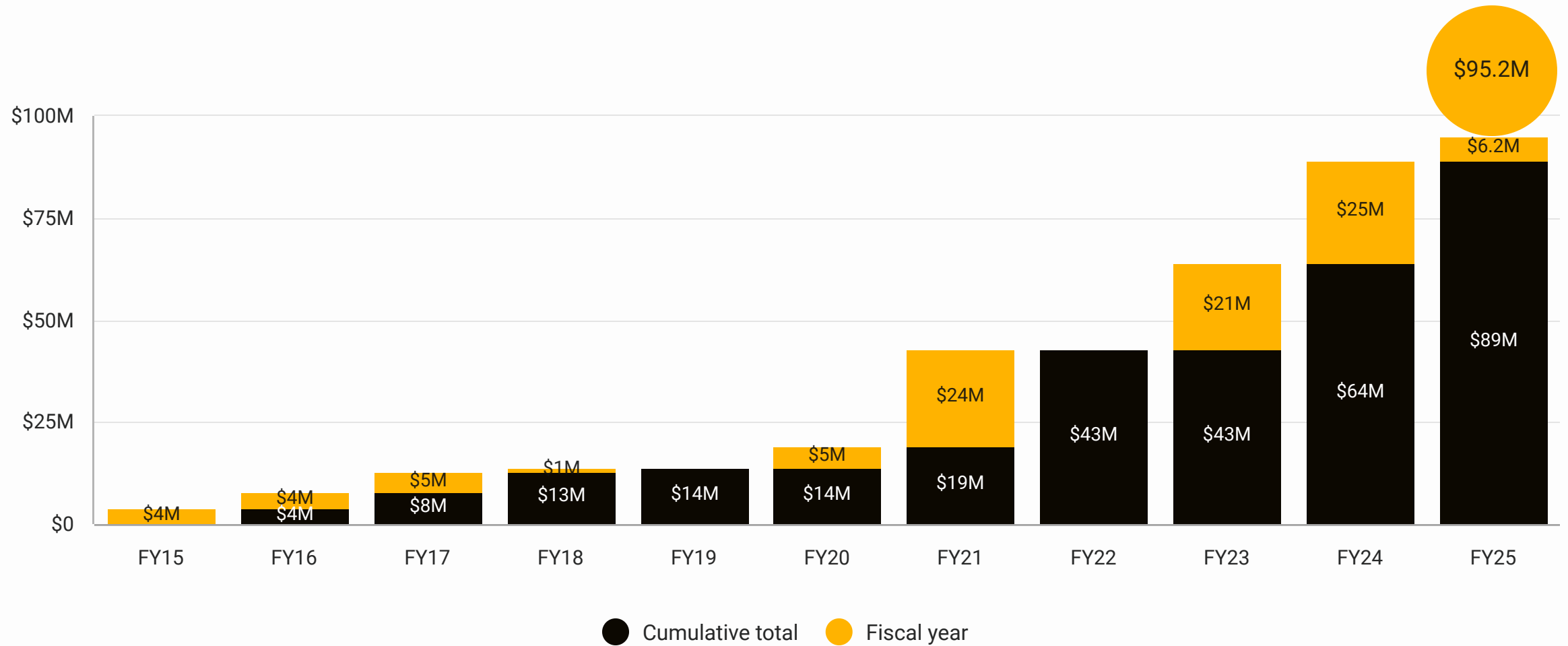
Launch innovative programming

Tuition & fees lag inflation

Consumer Price Index (CPI) & Higher Education Price Index (HEPI)

Fiscal year	Consumer Price Index (CPI)	Higher Education Price Index (HEPI)	VCU % Tuition & fee increase	VCU \$ Tuition & fees
2019-20	1.6%	1.9%	0.7%	\$14,596
2020-21	2.3%	2.7%	0.8%	\$14,710
2021-22	7.2%	5.2%	2.2%	\$15,028
2022-23	6.3%	4.0%	4.1%	\$15,642
2023-24	3.0%	3.4%	3.8%	\$16,233
Avg. increase	4.1%	3.4%	2.3%	

Cuts & realignments



Lean management

Administrative efficiencies

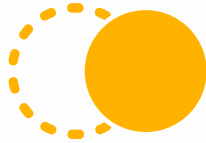
Peer universities	% Management employees (FTE)/all employees
University of Alabama at Birmingham	5%
Virginia Commonwealth University	6%
George Mason University	6%
University of Louisville	12%
University of Cincinnati (Main Campus)	13%
University of Virginia	13%
University of South Carolina (Columbia)	16%
Mean	11%
Median	12%

Align & grow Educational & General funds to further advance the value of a VCU degree



Enrollment growth & retention

1% = \$4.5M



Realignment & efficiency

1% E&G cut = \$6.2M



State support

1% State = \$3.1M



Tuition

1% = \$4.5M

Build on momentum

Invest in the value of a VCU degree

\$11.6M
FY25 value investment



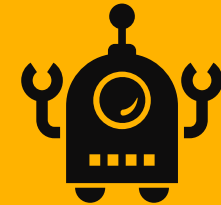
Drive academic & research excellence

Innovative academic programs
World-class faculty



Transform applied learning

Every Ram's a researcher!
Every Ram is career ready!



Champion AI in teaching & learning

Convergence Labs @ VCU

About the Six Year Plan

- Requirement under the Virginia Higher Education Opportunity Act of 2011
- Submitted every odd year and updated every even year (this is an update year)
- Communicates strategies for the upcoming biennium, focusing on E&G
- Strategies in the plan have been presented and discussed with the BOV
- Serves as a tool for state and institutional planning
- Separate from the Six Year Capital Plan (also a required state document)



Updates to the Six Year Plan



Academic repositioning progress



Student success initiatives & metrics



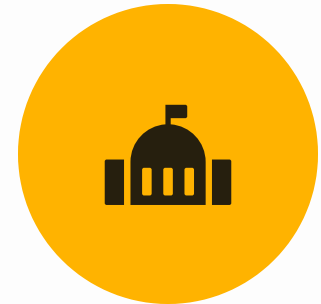
Strategic enrollment management



Operational efficiencies



Capital priorities



Legislative priorities

Legislative priorities

Academic

- Grow innovative academic programs (\$6.4M)
- Bring faculty salaries to the Virginia R1 average (\$19.7M over two years)
- Expand the Commonwealth's healthcare workforce and support higher cost academic programs (\$19.5M over two years)

Student success

- Financial aid (\$4M)
- Support our military students -- VMSDEP (\$19.1M)

Infrastructure & operations

- Provide updated academic and student space (\$4M)
- Address rising costs of operations (\$4.5M)

High impact research

- Advance cancer research in the Commonwealth - Massey Comprehensive Cancer Center (\$5M)
- Advance environmental sciences research - Rice Rivers Center (\$750K)
- Advance heart health in the Commonwealth - Pauley Heart Center (\$2.75M)

Approve Six Year Plan Affirmation and Update

Background

VCU seeks BOV approval for the FY2025 Six Year Plan Affirmation and Update as required by TJ21, which mandates that the governing board of each Virginia public institution of higher education develop and adopt biennially, and affirm and/or update annually, a six year plan for their institution.

Timeline

The act requires plans to be submitted to the State Council for Higher Education of Virginia (SCHEV) in the summer of odd-numbered years and also requires any amendments or affirmations to existing plans to be submitted in the summer of even-numbered years.

Considerations

VCU's FY2025 Six Year Plan Affirmation and Update is an update to the plan submitted in July 2023 and includes responses to specific questions provided by SCHEV, as well as updates on student success metrics and new initiatives, strategic enrollment management, the One VCU Academic Repositioning Task Force, operational efficiencies, legislative priorities, and capital projects.

Recommendation

Approve the VCU FY2025 Six Year Plan Affirmation and Update.

A modern office interior with glass partitions and a digital display. The ceiling features a complex, geometric lighting fixture. The floor is covered in a patterned carpet. A digital display in the background shows a group of people and the text "READY to apply?".

Finance Overview & Treasury Update

Dr. Meredith Weiss, Senior Vice President for Finance and Administration and CFO

About VCU Finance



Budget

State and internal budget development, review, analysis, implementation, monitoring and reporting



Business Services

Dining, mail services, and retail



Financial Reporting/Controller

Financial reporting, cost accounting, fixed assets, general accounting, post-award accounting for grants and contracts, effort reporting, and payroll



Procurement

Procurement, vendor payment, travel, reimbursement, issuance and risk management activities



Treasury

Cash, investment, debt and loan management, bank operations, cashiering, disbursing and designated collection functions

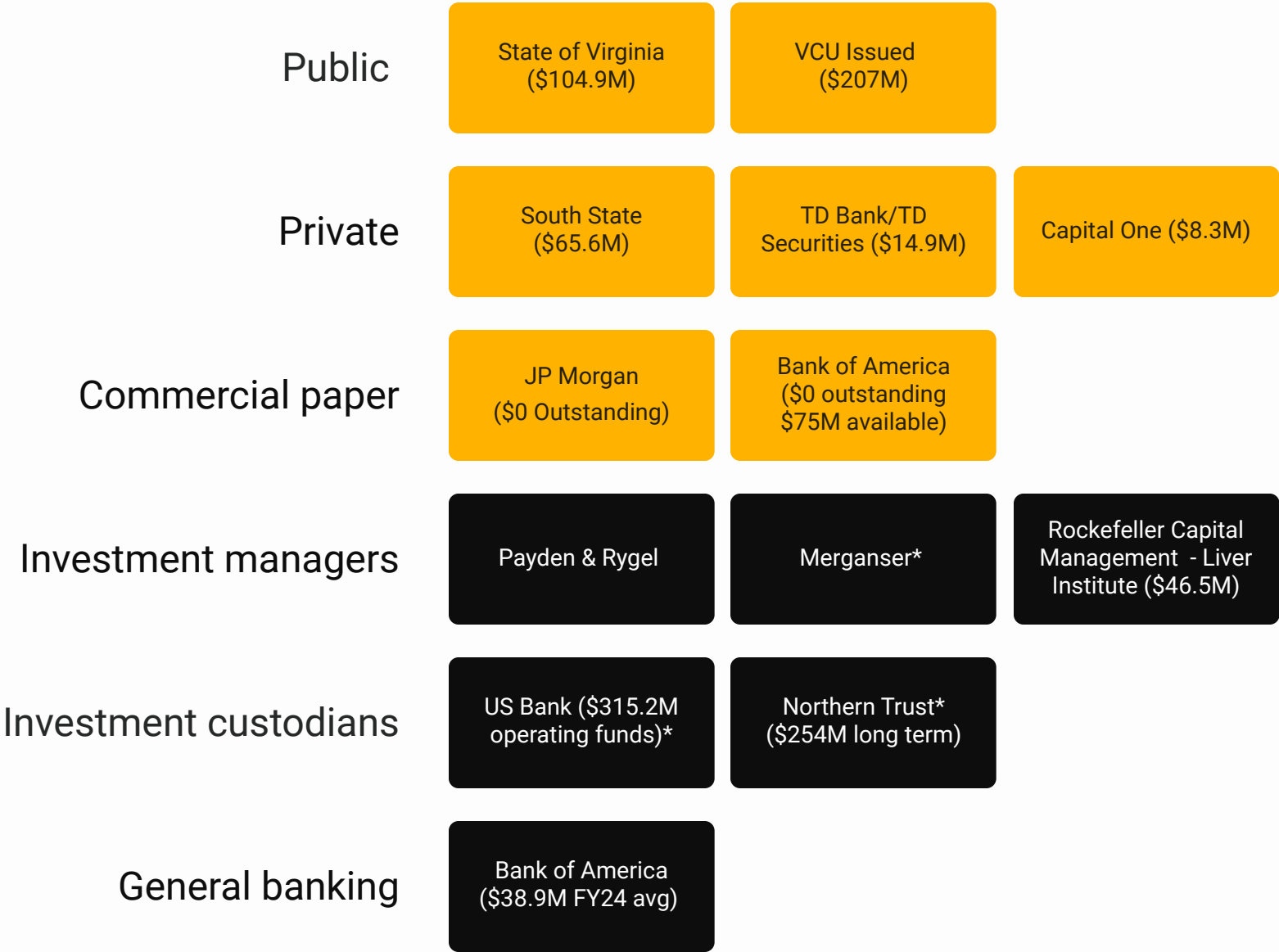
A wide-angle photograph of a modern office interior. The space is divided into several functional areas. In the foreground, there are white, angular tables on wheels with black chairs. A glass partition with a white geometric pattern separates this area from the rest of the office. In the background, there are more tables and chairs, a large screen displaying a presentation, and a curved orange sofa. The ceiling is dark with many long, thin, white light fixtures. The floor is covered in a grey carpet with a yellow geometric pattern. A white text box is overlaid in the center of the image.

Treasury update

Debt & investments

VCU has a diversified portfolio of credit services, investments, custody services and banking.

We work with a range of financial partners to spread risk, protect against market fluctuations, and get the best services and rates.



*VCIMCO acts as an investment advisor

Total debt

Long-term debt has been used to fund major capital and real estate projects.

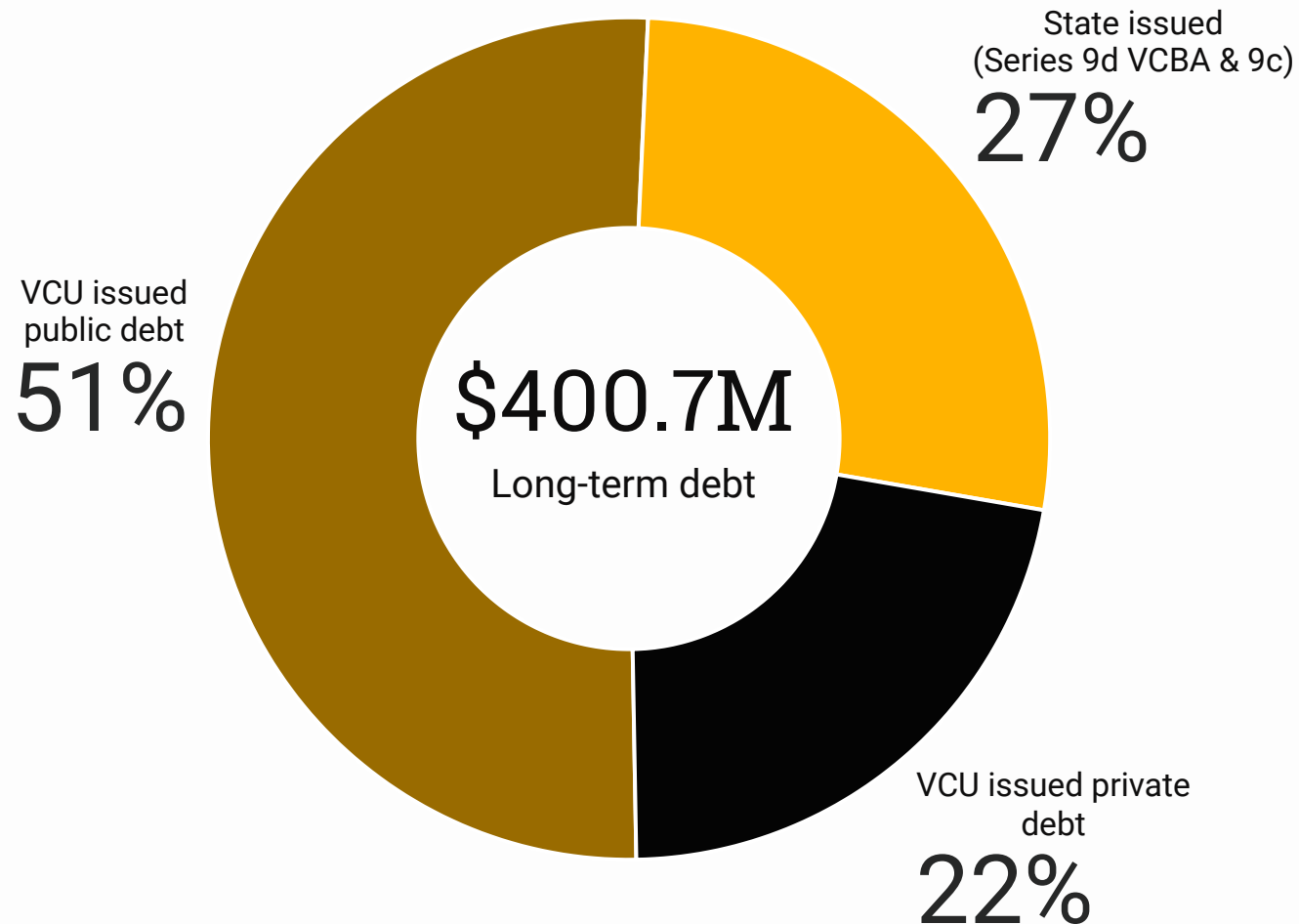
\$400.7M

Long-term debt (as of June 30, 2024)

FY25 debt payment: \$39.7M

VCU's debt picture

All long-term debt is at a fixed rate | Average rates: Taxable 3.46% / Tax-Exempt 2.95%



55%

Tax-exempt debt

45% of debt is taxable which allows more flexibility in external research and other industry partnerships.

87%

Committed debt

Per VCU's debt management policy, no more than 70% of the university's total committed debt can have a maturity date of less than two years. Currently, only 13% of VCU's debt is set to mature within two years.

Credit ratings

Credit ratings reflect financial health. Maintaining a strong credit rating is essential for keeping borrowing costs low and accessing capital.

A rating from a national rating agency of AA- or better is required to obtain Tier III status* (per the Restructuring Act of 2005).



Current rating: Aa3**

Rating scale: Aaa to C



Current rating: AA-

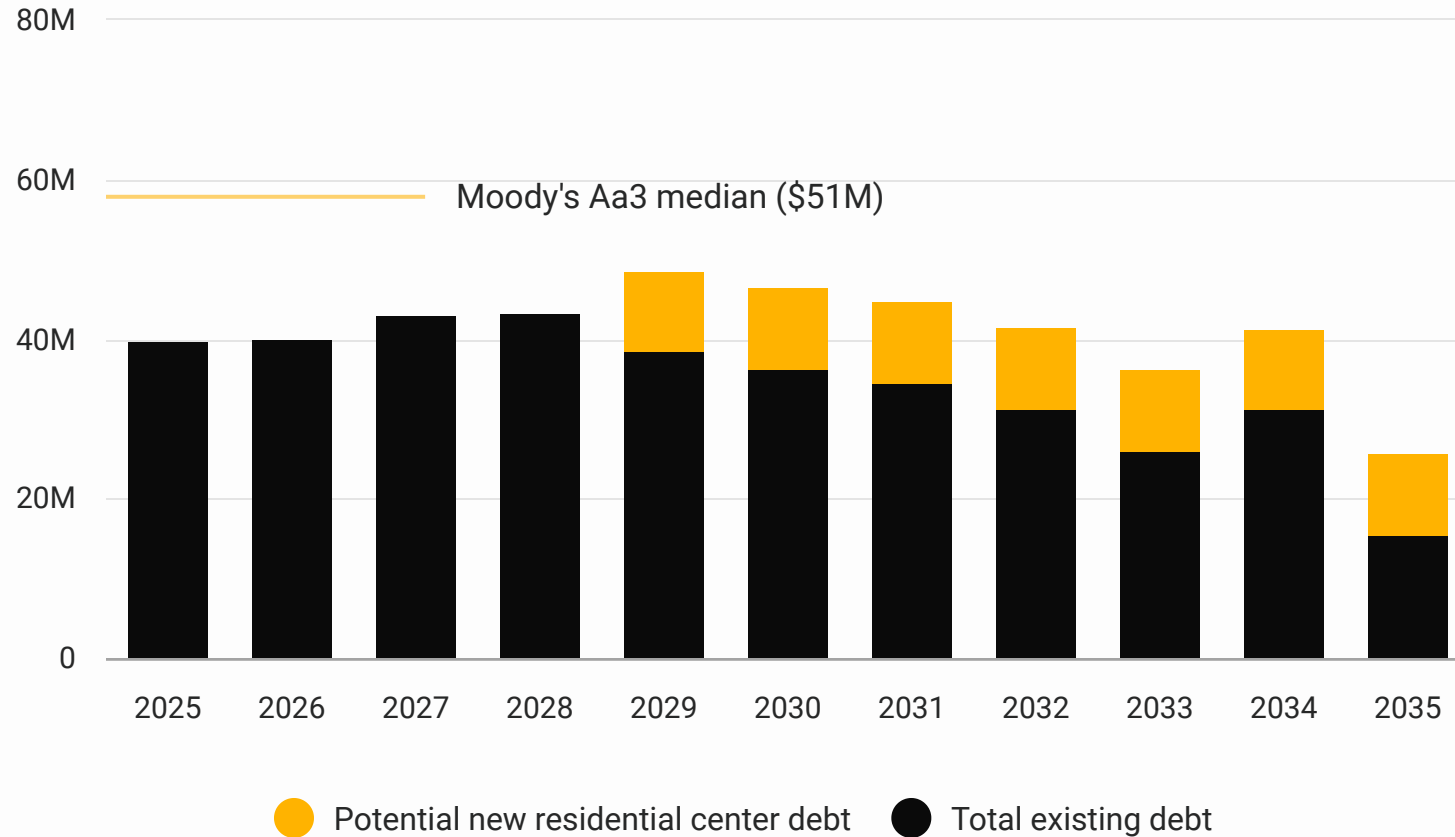
Rating scale: AAA to D

**Provides financial and administrative operational authority and financial benefits*

***Although VCU and VCU Health are separate entities, Moody's evaluates VCU using combined financials, which influences VCU's overall credit rating and financial metrics.*

VCU has capacity for new projects

VCU's has room for debt related to new facility projects before meeting the Aa3 median for debt capacity



\$211M

Estimated current available debt capacity for new projects to remain at the Aa3 median for debt service as a % of operating expenses

2015

VCU INVESTMENT MANAGEMENT
COMPANY (VCIMCO) FOUNDED

Serves and supports VCU by investing
endowment and other assets with the long-
term goal of enhancing financial strength.

\$2.036B

**TOTAL VCIMCO ASSETS UNDER
MANAGEMENT (as of June 30, 2024)**

\$1.196B of which is
VCU Health System

9.2%

DELIVERING STRONG RESULTS

Annualized return over the last five years
Top quartile performance FY23 and FY24

Key financial metrics



Debt service to operating expenses

How much of VCU's total operating costs are spent on paying off debt each year

Below Aa3 median indicating capacity for new debt



Total cash & investments to total adjusted debt

How much cash and investments VCU has compared to its total debt

Above Aa3 median indicating VCU has the resources to meet its debt obligations



Annual debt service coverage to operating income

How much of VCU's total operating costs are spent on paying off debt each year

Above Aa3 median indicating income to cover debt payments



Days cash on hand

How many days VCU can keep operating with the cash on hand

Below median due to lower levels of cash reserves - an area to monitor



Total cash & investments to operating expense

How much of VCU's spending is covered by total cash and investments

Above Aa3 median indicating positive cash and investment levels relative to operating expenses; however, when combined with VCU Health, by Moody's methodology, this metric falls below the peer median - an area to monitor

Looking ahead

Aligning resources to drive VCU's success and value



Advance student success



Grow research & innovation



Government Relations update

Mr. Matt Conrad, Vice President for Government and External Relations for VCU and VCU Health System

Ms. Karah Gunther, Vice President for External Affairs and Health Policy for VCU and VCU Health System



Development and Alumni Relations update

Mr. Jay Davenport, Vice President for Development and Alumni Relations

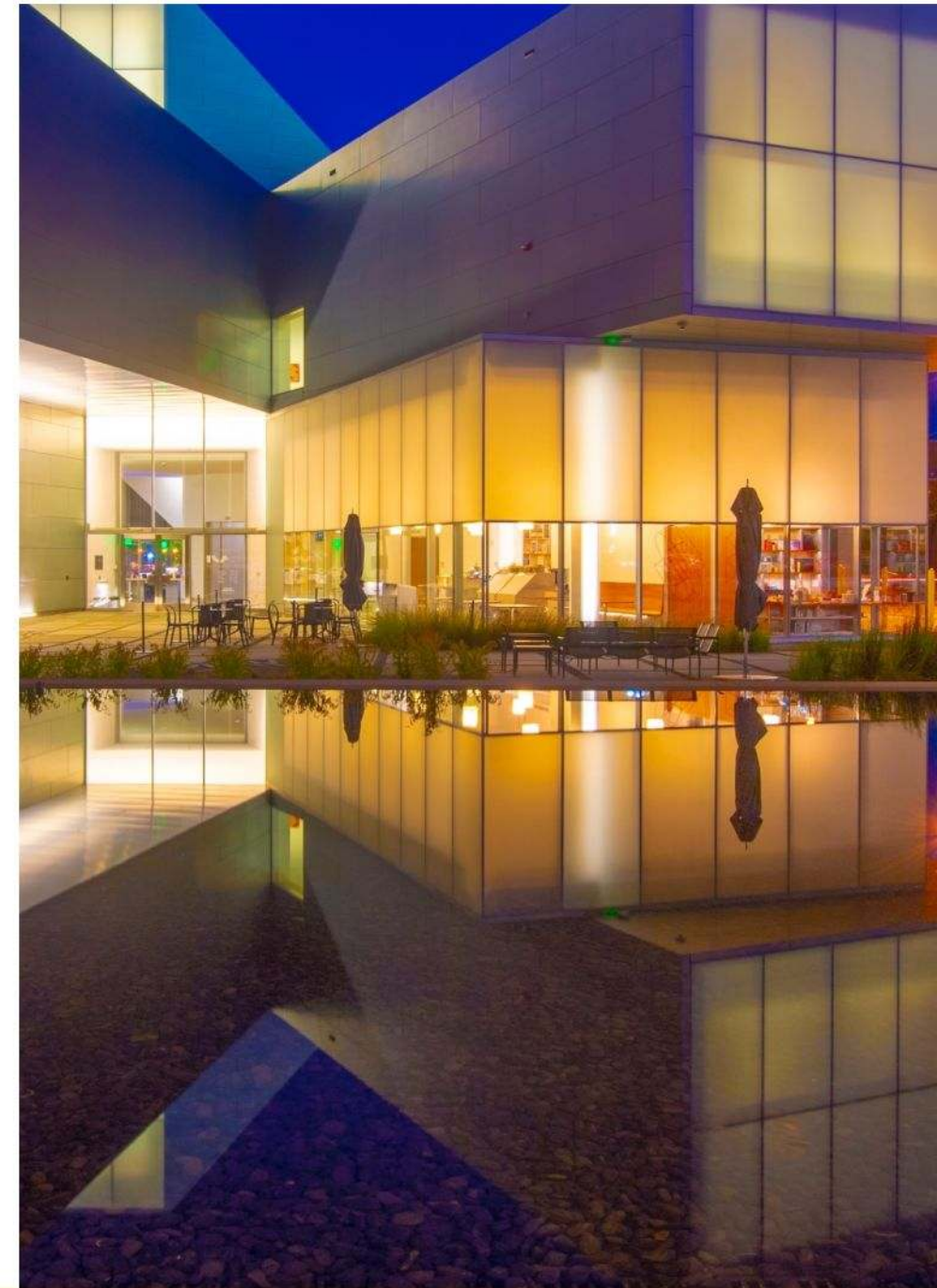
Board of Visitors

Jay Davenport

Vice President

Development and Alumni Relations

September 13, 2024



VCU Fundraising Structure

DAR supports the fundraising objectives of President Rao, the VCU cabinet and the VCU and VCU Health governing boards

#OneVCU Quest 2028: Together We Transform



Diversity driving
excellence

Student success

Research and
innovation

Thriving
communities



Workforce
wellness

Patient-centered
care

Innovative
research and
education

Advance health
equity



WE ARE THE UNCOMMON.

FY24 Highlights

Two VCU colleges, schools and units set annual fundraising records



VCU
Health™

\$45.2M



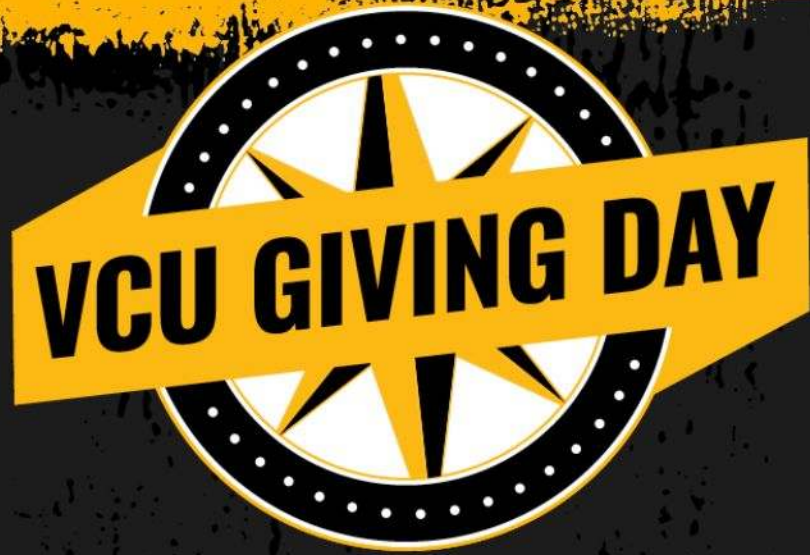
VCU
College of Health
Professions

\$4.7M



VCU

WE ARE THE UNCOMMON.



\$16,833,641
TOTAL RAISED



5,313
DONORS

5,286
GIFTS



1,396
1ST TIME DONORS

77
AREAS OF IMPACT

400+
FUNDS

FY24 Highlights



McGlothlin Scholars Program

- The School of Medicine awarded more scholarship funding than ever before in its history, thanks to a generous gift and extraordinary vision from James W. and Frances G. McGlothlin
- McGlothlin Scholars Program provided 12 full-tuition medical school scholarships in FY24 and 10 full-tuition scholarships in FY25

FY24 Highlights



Investiture Celebration honored 78 faculty members awarded endowed professorship and chair positions thanks to generous VCU donors



Record participation at the VCU African American Alumni Council (AAAC) Reunion



VCU Magazine garnered national acclaim as the 2024 Robert Sibley Magazine of the Year winner for the CASE Circle of Excellence awards

FY24 Highlights



Inclusive Engagement and Philanthropy

- Women's Impact Network
- Black and African American Initiative
- Rams for P.R.I.D.E. (philanthropy, resource sharing, inclusivity, diversity, engagement/equity)
- VCU Family Leadership Circle

VCU Generational Giving Summary

Generation	Birth Years	All Constituents	Living Constituents	# of Donors All Years (Recognition)	Living Alumni	Total Lifetime Giving	Total Giving in MIR Campaign	Total Giving in Current Campaign	Total Giving in Fiscal Year 2024
G.I.	1901-1923	2,656	261	1,859	126	\$37.73M	\$10.41M	\$6.06M	\$0.76M
Silent	1924-1942	15,389	8,172	10,966	4,847	\$307.93M	\$140.85M	\$60.71M	\$14.71M
Baby Boomer	1943-1962	65,215	59,920	36,040	49,256	\$488.00M	\$199.42M	\$122.75M	\$39.68M
Generation X	1963-1980	70,554	69,439	23,605	60,502	\$43.98M	\$21.96M	\$13.47M	\$3.06M
Millennial	1981-2000	121,243	120,907	14,407	97,695	\$6.08M	\$3.12M	\$2.33M	\$0.72M
Generation Z	2001-2020	31,153	31,135	641	4,437	\$0.07M	\$0.02M	\$0.03M	\$0.01M
Generation Alpha	2021-present								

*Live (Current) Giving Table

*Individual Giving, organizations excluded

*Primary Household Member Generation represented

*DAFs and Family Foundations represented if an individual household is soft-credited

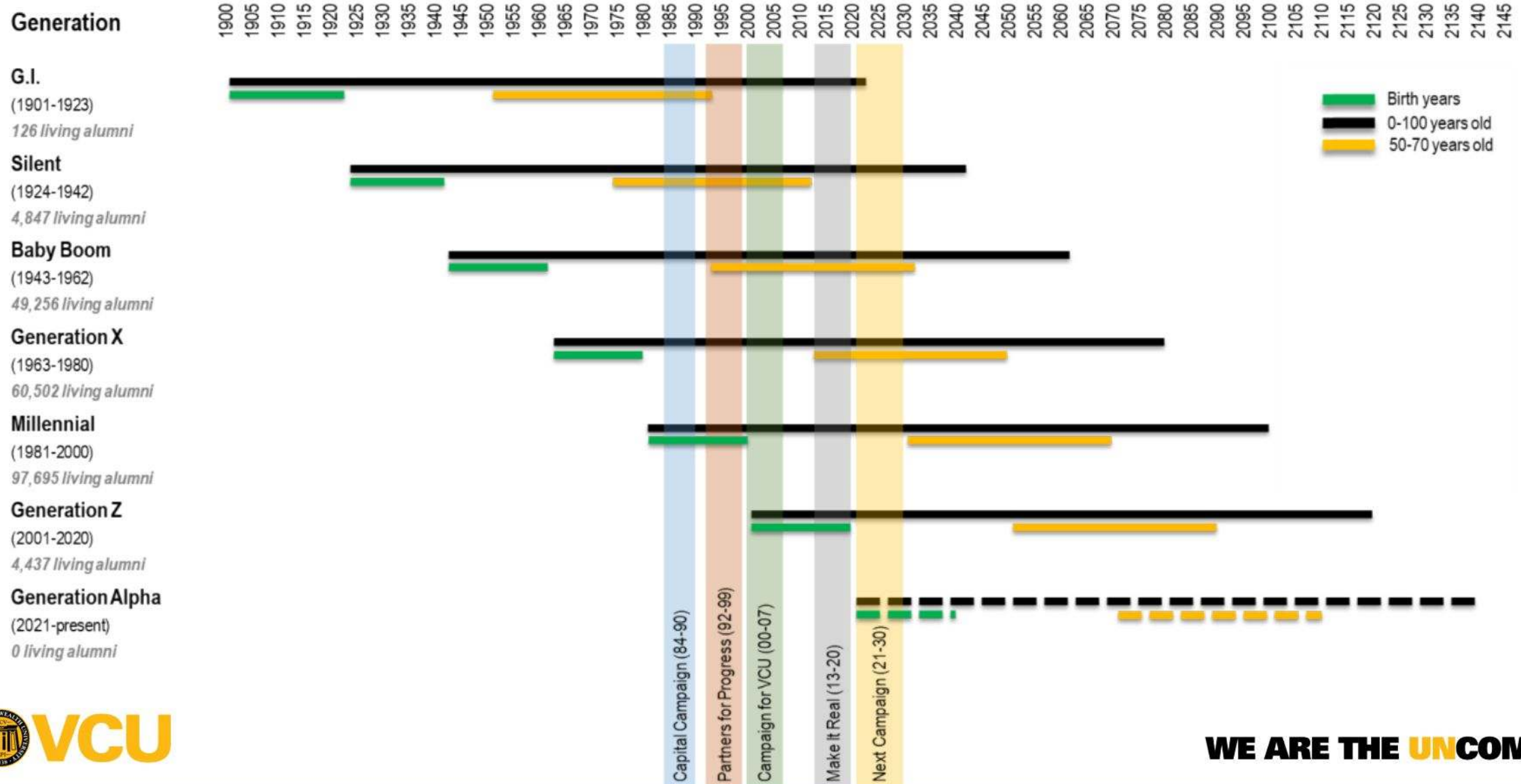
*Giving \$s shown are Hard Credit

Report date: 8/14/2024



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VCU Alumni by Generation



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Institutionally Related Foundations (IRF)



- College and university foundations are typically incorporated as public charities under section 501(c)(3) of the Internal Revenue Code
- The primary purpose of VCU's foundations is to hold and manage contributed assets
- The foundations were established to receive and steward private gifts, help segregate private and public funds, manage endowments, and facilitate financial transactions or entrepreneurial ventures that could not be undertaken effectively by state entities

Institutionally Related Foundations (IRF)

IRF	Endowment/Quasi Assets (as of 6/30/2024)	Current Assets (as of 6/30/2024)	Funds Transferred in Support of VCU/VCUHS (FY24)
MCV Foundation	\$821,935,363	\$128,630,897	\$57,492,285
VCU Foundation	\$83,566,260	\$74,855,375	\$11,872,245
College of Engineering Foundation	\$75,365,806	\$0*	\$6,568,317
School of Business Foundation	\$59,696,114	\$7,795,144	\$4,581,686

**All COEF current funds deposited into quasi endowment*



Miscellaneous reports

FY 2024 4th Quarter Performance Analysis

Dollars in Thousands

	Actuals FY23 Q4	Actuals FY24 Q4	\$ Change	% Change	FY24 Budget Book	Actuals FY23 YE	Actuals FY24 YE
Revenue							
Tuition and Fees E&G	434,667	455,393	20,727	4.8%	444,804	434,667	455,393
State General Fund E&G	252,492	278,324	25,831	10.2%	264,531	252,492	278,324
Other Income E&G	72,051	82,809	10,758	14.9%	66,651	72,051	82,809
Educational and General Programs	759,210	816,526	57,316	7.5%	775,986	759,210	816,526
University and Student Health Fee	61,166	65,093	3,926	6.4%	65,053	61,166	65,093
Other Auxiliary Income	92,774	102,081	9,306	10.0%	97,633	92,774	102,081
Auxiliary Enterprises	153,941	167,173	13,232	8.6%	162,686	153,941	167,173
Sponsored Programs	290,069	312,583	25,015	8.6%	301,618	290,069	312,583
FACR	40,783	45,336	4,553	11.2%	38,966	40,783	45,336
University Funds	94,489	134,556	40,068	42.4%	72,267	94,489	134,556
Student Financial Assistance	80,788	103,296	20,007	24.8%	87,137	80,788	103,296
Hospital Services	40,669	47,216	6,547	16.1%	51,900	40,669	47,216
Total Revenue	1,459,948	1,626,686	166,738	11.4%	1,490,560	1,459,948	1,626,686
Expenses							
Academic Programs E&G	427,516	435,432	7,916	1.9%	382,219	427,516	435,432
Support Programs E&G	339,672	381,996	42,324	12.5%	393,767	339,672	381,996
Educational and General Programs	767,188	817,428	50,240	6.5%	775,986	767,188	817,428
Auxiliary Enterprises	159,525	170,061	10,536	6.6%	162,686	159,525	170,061
Sponsored Programs	294,158	304,699	10,541	3.6%	301,618	294,158	304,699
FACR	45,188	52,880	7,692	17.0%	38,966	45,188	52,880
University Funds	85,750	116,779	31,029	36.2%	72,267	85,750	116,779
Student Financial Assistance	79,204	103,369	24,165	30.5%	87,137	79,204	103,369
Hospital Services	39,906	46,175	6,269	15.7%	51,900	39,906	46,175
Total Expenses	1,470,919	1,611,390	140,472	9.5%	1,490,560	1,470,919	1,611,390
Net Position	(10,971)	15,296	26,267			(10,971)	15,296

Treasurer's Report

As of June 30, 2024

Finance and University Resources Committee

September 13, 2024



Board Level Policies for Treasury








Policy Title	BOV Last Reviewed/Next Review	Policy Description	Board Review
Debt Management	Last Reviewed: 7/23/2024 Next Review: 7/23/2027	The university's debt policy outlines the use of debt and interest rate swaps to fund projects, guided by a strategic and campus master plan, and supporting financial stability to execute the university's mission in teaching, learning and research.	Annual BOV presentation through the <i>Treasury Update</i>
Investment and Liquidity	Last Reviewed: 12/8/2022 Next Review: 12/8/2025	The Investment and Liquidity Policy outlines the financial goals, objectives, legal limitations and responsibilities for managing VCU's funds, including performance measures and reporting requirements.	Annual BOV presentation through the <i>VCIMCO Update & Quarterly Treasurer's Report</i>
Tax-Exempt Debt Compliance	Last Reviewed: 12/10/2021 Next Review: 12/10/2024	This policy outlines the framework for complying with federal laws on tax-advantaged or tax-exempt bonds, detailing compliance areas, requirements and guidance for university employees involved in these financings.	Annual BOV presentation through the <i>Treasury Update</i>

All policies are available at policy.vcu.edu



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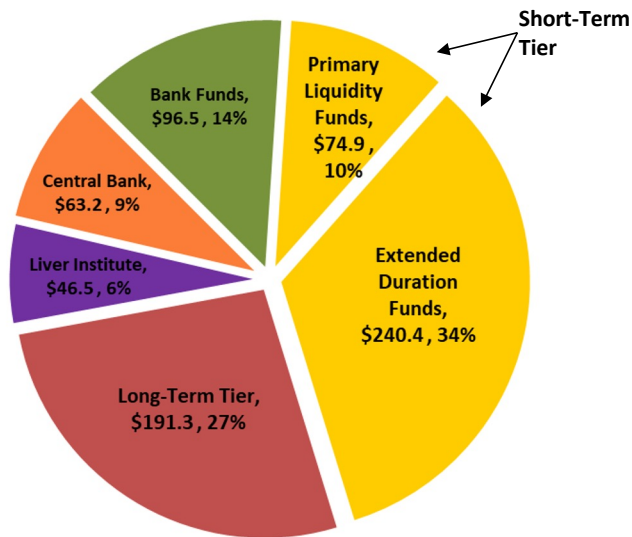
Investment Compliance Dashboard As of June 30, 2024

	Short-Term Investments	Long-Term Investments	
Short-term and long-term tier investment performance (pages 4 – 6)			 No issue
Investment manager compliance statements and Management Notification (page 7)*			 Watching
			 Concern

Total University Funds Overview for the Period Ending June 30, 2024

Approximately 57% managed in interest-bearing cash and fixed income securities; the balance is invested in diversified long-term strategies with a focus on equity securities.

Total Funds
Market Value (Millions)

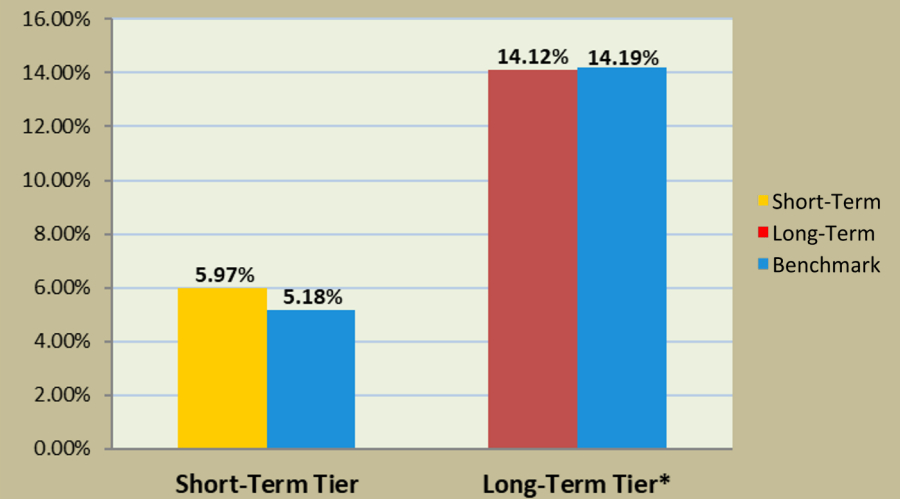


Total University Funds
\$712.8M

Does not include VCU Health or Foundations



1-Year Investment Funds Performance



*Long-term tier for VCIMCO-managed only; VCIMCO manages 99.8% of the long-term market value at 6/30/2024. Total one-year returns for long-term tier are 14.05%.

Short-Term Tier Performance Summary As of June 30, 2024

Performance Summary (Net of Fees)

	Market Value (M)	Current Allocation	1 Month	QTD	FYTD	1 Year	Annualized		
							3 Years	5 Years	Since 7/2009
Primary Liquidity Funds / Payden & Rygel	\$74.9	23.7%	0.41%	0.74%	5.54%	5.54%	3.05%	2.22%	1.10%
<i>iMoneyNet MM All Taxable</i>			<i>0.40%</i>	<i>1.21%</i>	<i>4.97%</i>	<i>4.97%</i>	<i>2.80%</i>	<i>1.91%</i>	<i>0.86%</i>
Extended Duration Funds / Merganser	\$240.4	76.3%	0.60%	1.13%	5.84%	5.84%	1.27%	1.75%	1.66%
<i>BofA ML US Corp & Govt 1-3 Year Blended¹</i>			<i>0.56%</i>	<i>0.99%</i>	<i>4.94%</i>	<i>4.94%</i>	<i>0.55%</i>	<i>1.26%</i>	<i>3.73%</i>
Total Operating Funds	\$315.2	100.0%	0.55%	1.02%	5.97%	5.97%	2.04%	2.14%	1.53%
<i>Short-Term Tier Composite²</i>			<i>0.52%</i>	<i>1.10%</i>	<i>5.18%</i>	<i>5.18%</i>	<i>1.46%</i>	<i>1.70%</i>	<i>1.58%</i>

¹ BofA ML US Corp & Gov 1-3 Year Blended Index = Citi 6-Month T-Bill 7/31/2009 to 2/28/2010; BofA ML US Corp & Govt 1-3 Year AAA-A 3/31/2010 to 4/30/2016;

BofA ML Treasury 1-5 Year 5/31/2016 to 3/31/2017, BofA ML US Corp & Govt 1-3 year 4/30/2017 to present

² Short-Term Tier Composite = Weighted Average of iMoneyNet MM All Taxable/BofA ML US Corp & Gov 1-3 Year Blended Index



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Long-Term Tier Performance Summary Estimated as of June 30, 2024

VCU Long-Term Tier									
Estimated June 30, 2024	Mkt Value (M)	% Allocation	Since Inception						
			4/30/2016	5 Years	3 Years	1 Year	CYTD	FYTD	3 Mos
VCIMCO Funds	\$190.8	100.0%	7.74%	9.22%	3.29%	14.12%	7.18%	14.12%	0.96%
<i>Long-Term Policy Benchmark ¹</i>			7.83%	7.39%	2.98%	14.19%	7.60%	14.19%	2.03%
Equity	\$113.3	59.3%	9.75%	10.05%	1.12%	15.07%	8.30%	15.07%	1.36%
<i>MSCI All Country World</i>			10.77%	10.74%	5.43%	19.38%	11.30%	19.38%	2.87%
Credit and Absolute Return	\$47.2	24.7%	7.64%	11.41%	11.42%	16.64%	7.25%	16.64%	0.12%
<i>Bloomberg US Corporate High Yield</i>			4.95%	3.91%	1.64%	10.44%	2.58%	10.44%	1.09%
Real Assets	\$15.7	8.2%	1.58%	1.47%	6.08%	6.17%	2.12%	6.17%	1.32%
<i>Long-Term Real Estate Benchmark ²</i>			2.20%	-0.71%	-5.31%	5.71%	-2.83%	5.71%	-2.15%
Treasuries	\$0.0	0.0%	-0.04%	-0.75%	-5.12%				
<i>Bloomberg US Treasury</i>			1.73%	1.47%	-4.31%				
Cash and Equivalents	\$14.7	7.7%							
VCU Long-Term Tier	\$191.3		7.61%	9.17%	3.32%	14.05%	7.15%	14.05%	0.96%

Total VCU Long-Term Tier includes residual investments held by JP Morgan.

JP Morgan valuation is based on manager reporting. Totals may not sum due to rounding. Past performance is not predictive of future results.

Returns for periods greater than one year are annualized. Performance is estimated based on best available data as of July 5, 2024.

Performance includes reporting by 57 of 58 underlying private investments, which, with cash, represent 99.8% of Ram Private Assets Fund's net asset value as of March 31, 2024.

¹ As of 7/1/2021, 70% MSCI All Country World, 30% Bloomberg US Aggregate; prior to 7/1/2021, 65% MSCI All Country World, 25% Bloomberg US Aggregate, 10% MSCI All Country World Real Estate

² As of 6/1/2023, MSCI ACWI IMI Core Real Estate Index; prior to 6/1/2023, MSCI All Country World Real Estate.



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Investment Manager Compliance Statements with the VCU Investment & Liquidity Policy June 30, 2024

Investment manager compliance statements are annual attestations that ensure investment managers adhere to the university's investment policies and legal requirements. They are crucial to ensure that the manager's portfolios comply with the regulatory requirements and university policy to mitigate risk and avoid penalties and reputational loss.

VCU has three fund managers:

- Payden & Rygel (focused on primary liquidity funds of up to 1 year)
- Merganser (focused on extended duration funds of 1 to 3 years)
- VCIMCO (focused on long-term duration funds of 10+ years)



All three fund managers have provided statements attesting to compliance with the VCU Investment Policy as of June 30, 2024. These statements acknowledge that all investments for VCU follow VCU's investment policy and the management of funds as described in the Virginia Investment of Public Funds Act with only one exception:

In 2022, three (one is remaining until November 13, 2024) Canadian securities were identified at Merganser that did not fall under the non-U.S. government-related entities outlined in the Investment Management Policy. Since these securities held Canadian federal credit ratings, VCIMCO, the former CFO and the Treasurer approved these exceptions as retaining them would avoid a loss without adding any additional risk.



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Monitoring Report as of August 31, 2024 (Preliminary)

Cash and Investments			
		(in millions)	
	Quarter Ended	As of	As of
	6/30/2024	8/23/2024	8/31/2024
Bank Funds			
Bank of America Checking	\$ 83.81	\$ 67.44	\$ 33.12
Restricted Cash Funds	28.84	47.18	40.76
Unspent Bond Proceeds	3.52	3.34	3.36
Less: Outstanding Checks - Bank of America ^A	(19.68)	(21.75)	(16.07)
Total Bank Funds	\$ 96.49	\$ 96.21	\$ 61.17
Short-Term Tier			
Primary Liquidity Fund (Payden & Rygel)	\$ 74.86	\$ 104.68	\$ 124.79
Extended Duration Fund (Merganser)	240.35	243.82	243.89
Total Short-Term Tier (VCIMCO)	\$ 315.21	\$ 348.50	\$ 368.69
Long-Term Tier ^B			
Ram Fund + PA Fund	\$ 133.93	\$ 134.24	\$ 134.24
Central Bank Capital Reserve (VCIMCO)	47.07	48.20	48.20
Central Bank Unrestricted (VCIMCO)	16.15	16.54	16.54
Total Long-Term Tier (VCIMCO)	\$ 197.15	\$ 198.97	\$ 198.97
Glasgow Endowment ^B			
Total Glasgow Endowment (VCIMCO)	\$ 57.39	\$ 57.74	\$ 57.73
Liver Institute ^{B,C}	\$ 46.53	\$ 45.49	\$ 46.34
Total University Funds:	\$ 712.78	\$ 746.91	\$ 732.89
<i>Indicates restricted funds</i>			
	As of	As of	As of
Comparative Federal Interest Rate:	6/30/2024	8/23/2024	8/31/2024
1-year	5.09	4.36	4.38
10-year	4.36	3.81	3.91
^A At FYE, the Controller's Office also adjusts the University's cash position with additional current year cash accruals.			
^B Reflects most recent end of month.			
^C Brunchhorst Gift for Liver Institute, received to date \$50MM of \$100MM; includes distributions made to date to the Institute of \$12.73MM.			



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Monitoring Report as of August 31, 2024 (Preliminary)

Debt			
	As of FY 2023	(in millions) Quarter Ended 6/30/2024	As of 8/31/2024
VCU Long-Term Debt:			
Outstanding Bonds			
VCBA 9d	\$ 72.69	\$ 61.25	\$ 49.55
VCBA 9d balances covered by Financing Agreements	\$ 2.45	\$ 1.38	\$ 0.32
VCU 9c	\$ 45.54	\$ 42.30	\$ 42.30
VCU 9d	\$ 238.31	\$ 234.21	\$ 234.21
VCU 9d balances covered by Financing Agreements	\$ 66.93	\$ 61.58	\$ 61.58
	\$ 425.92	\$ 400.72	\$ 387.95
Debt Ratio:			
Debt Ratio (preliminary)	2.97%		
Estimated Unaudited Debt Ratio (excludes leases & installment purchases)		2.94%	2.94%
		(in millions)	
	As of FY 2023	Quarter Ended 6/30/2024	As of 8/31/2024
VCU Commercial Paper (JP Morgan):			
Current Outstanding [Refinanced- shown for historical comparison]:			
[ICA] - Tax-Exempt	\$4.23	\$0.00	\$0.00
REF Broad & Belvidere Renovation - Taxable	\$4.27	\$0.00	\$0.00
Subtotal	\$8.50	\$0.00	\$0.00
Anticipated Future Draws (FY 2024)	-	\$0.00	\$0.00
Commercial Paper Program Authorization:	\$75.00	\$75.00	\$75.00
Projected Available Commercial Paper Balance:	\$66.50	\$75.00	\$75.00
^u Total cost of CP program also includes \$193K for ongoing standby liquidity facility, rating agency surveillance, and paying agent fees.			

Agency Risk Management and Internal Control Standards (ARMICS)

Finance and University Resources Committee

September 13, 2024

About ARMICS

- ARMICS is a directive of the State Comptroller that mandates the implementation and annual assessment of agency internal controls to provide a reasonable assurance of the integrity of all fiscal processes
- Annual certification is done in September by the SVP/CFO and the President
 - Agency Level Internal Control Assessment
 - Process and Transaction Level Internal Control Assessment
 - Corrective Action Plan, if needed

ARMICS – Agency Level Assessment

VCU conducts the Agency Level Assessment through the Enterprise Risk Management (ERM) process

- 19 enterprise risks have been identified, evaluated and approved by the ERM Steering Committee
- Risks are monitored on an ongoing basis
- Recommendations for risk tolerance are made to Cabinet
- Following Cabinet review proposed changes are brought to the Audit, Integrity and Compliance Committee

ARMICS – Process and Transaction Level Assessment

- All departments and central units are required to sign a certification statement:
 - Risk assessments are accurate and current
 - Internal controls are operating effectively
 - Testing of controls has been documented
- VPs for each unit certify that their operations have met the process and transaction level requirements
- Controller's Office consults with units to assist with risk assessments and monitoring controls

Summary

- VCU will have met ARMICS requirements for FY2024 through the following:
 - Completion of the certifications by the departments to the Vice Presidents by June 30, 2024
 - Focused testing of internal controls by the Controller's Office
 - Identification of agency level risks and current mitigation strategies
 - Final certification to the Department of Accounts on October 31, 2024
- VCU conducts the Agency Level Assessment through the Enterprise Risk Management process

**Virginia Commonwealth University
Board of Visitors Fund Annual Report**

The VCU Board of Visitors (BOV) established a donor-advised, restricted fund known as the Board of Visitors Fund at the May 2012 meeting. Direct contributions from members of the BOV or friends provide the monies for the fund. The monies in this fund shall only be used for scholarships, faculty and staff recognitions, and other projects or undertakings which the BOV deems to be in the best interests of VCU.

Scholarship applicants are reviewed by a screening committee made up of representatives from VCU Divisions of Student Affairs and Strategic Enrollment Management and Student Success, VCU's National Scholarship Office, and at least one faculty member. Three finalists are invited to meet with the BOV selection committee. In FY24, one student was awarded \$8K in scholarships and two students received full scholarships.

BOV Fund Activity for FY2024

Adjusted Beginning Balance* 7/1/2024	\$39,000
Transfer from VCU Foundation	\$30,087
Expenses (Scholarships)	\$25,982
Ending Balance 6/30/2024	\$43,105

*Beginning balance was adjusted for pending transfer from VCU Foundation
The VCU Foundation fund is now closed. All funds reside at VCU.

Finance and University Resources Committee

Dashboard Metrics for Quarterly Review - September 2024

Finance

Area/Metric	Target/Goal/Benchmark	Actual/Outcome	Information/Notes
Bond ratings (AA- credit rating is minimum to achieve Tier III designation)			
Moody's	Aa Category	Aa3	Rating reaffirmed March 2023, met goal
S&P	AA Category	AA-	Rating reaffirmed September 2023, met goal
Debt ratio (Debt policy requires 6% limit based on debt ratio)			
Calculated debt ratio	Threshold is S&P (6%) or Moody's rating group median (4.3%; FY2023) Annual debt service/operating expense (as defined by each S&P and Moody's)	FY2024 debt ratio is 2.94% (estimated per Moody's calculation from 2023 financial statements); S&P calculation not available	Current estimated debt ratio is within debt policy expectations. Debt ratios are calculated differently by S&P and Moody's.
Investment performance (calculated over previous 12 months as of June 30, 2024)			
Short-term tier	5.18%	5.97%	Short-term tier investments are in fixed income assets and are managed by external managers. Performance exceeds benchmark. See treasurer's report for more detail.
Long-term tier	14.19%	14.12%	Long-term tier investments include the Quasi endowment, central bank funds and Glasgow endowment, and all investments under the management of VCIMCO. Performance slightly under benchmark. See treasurer's report for more detail.
Quarterly review of budget to actual performance			
Revenues	For FY2024: Q1 - 36%, Q2 - 66%, Q3 - 88%, Q4 - 109.13%	FY2024 Q4 - \$1,626,686 (109.13% of budget)	Revenues continued to trend positively for FY2024 ending the year 11.4% above FY2023. Revenues include tuition, state funds, research, gifts, housing, dining, financial aid and other operating funds.
Expenses	For FY2024: Q1 - 29%, Q2 - 49%, Q3 - 84%, Q4 - 100%	FY2024 Q4 - \$1,611,390(108.11% of budget)	Growth in expenses for FY2024 was 9.5% above FY2023 expenditure levels. Expenses include academic, personnel, research, financial aid and

			other categories. See quarterly performance analysis for further information.
Supply chain diversity			
1. Percentage of discretionary spend with Small, Woman and Minority owned (SWaM) businesses certified by Virginia	40%	31%	Goals for FY2025/Actual for FY2024
2. Percentage of discretionary spend with SWaM businesses certified by all certifying entities	52%	51%	Goals for FY2025/Actual for FY2024

Development & Alumni Relations¹

Campaign progress

Primary giving by household/entity (< \$50,000)

Major giving by household/entity (\$50,000 - \$999.9K)

Principal giving by household/entity (\$1M+)

Donors

New donors

Government Relations Priorities

Reduce financial impact of military waivers (VMSDEP)

Increase undergraduate financial aid

Increase funding for faculty salaries

Increase state support for university research priorities

Secure authorization for VCU Dentistry Center planning

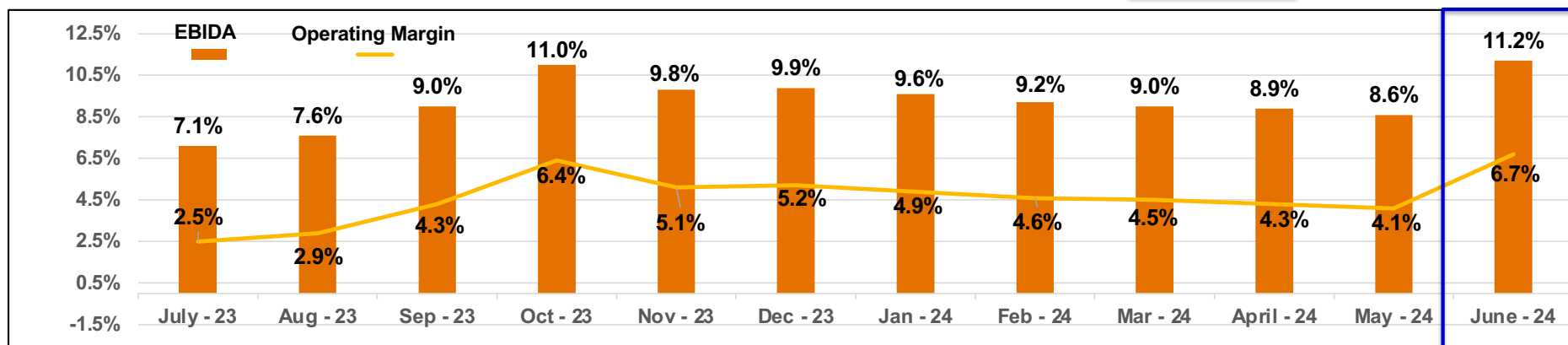
¹ Information is discussed during closed session under Section 2.2-3711(A)(9) of the Virginia Freedom of Information Act for the discussion of gifts, bequests, and fund-raising activities of the University.

FY2024 VCUHS Strategic Finance
Update - Twelve months ending June 30, 2024
(preliminary - unaudited)

VCUHS – Consolidated Operating Margin & Liquidity

12-months ending June 30, 2024 (Preliminary) with 12-month Trending Performance

(\$s in 000s)	Actual FY21	Actual FY22	Actual FY23	Budget June YTD FY24	Actual June YTD FY24	S&P AA- Medians	Moody's Aa3 Medians
Total Operating Revenue	\$ 2,553,422	\$ 2,778,395	\$ 3,063,278	\$ 3,209,890	\$ 3,522,400	N/A	N/A
Income for Operations	\$ 46,774	\$ (53,321)	\$ (19,549)	\$ 44,104	\$ 234,318	N/A	N/A
Operating Margin %	1.8%	-1.9%	-0.6%	1.4%	6.7%	0.1%	1.9
Operating EBIDA	\$ 160,734	\$ 98,357	\$ 133,857	\$ 165,120	\$ 394,212	N/A	N/A
EBIDA %	6.3%	3.5%	4.4%	5.1%	11.2%	5.2%	6.1%
Debt to Capitalization	18.6%	21.7%	20.6%	19.4%	19.3%	25.8%	24.0%
Days Cash on Hand	339	234	225	229	235	238	258
Unrestricted Cash to Debt	337%	221%	238%	254%	256%	229%	259%
Maximum Annual Debt Service Coverage	4.9	2.3	3.4	3.4	8.4	3.2	5.6

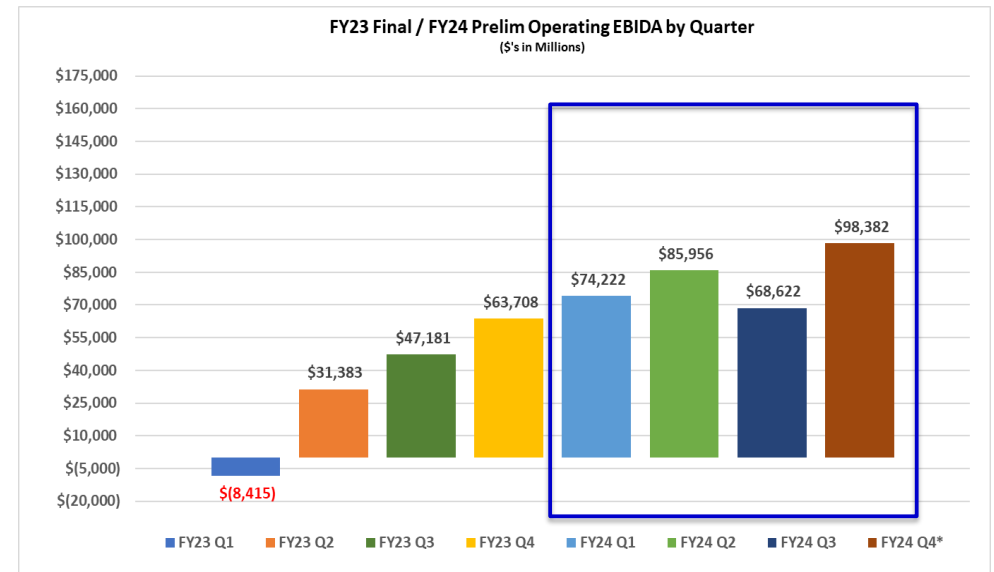
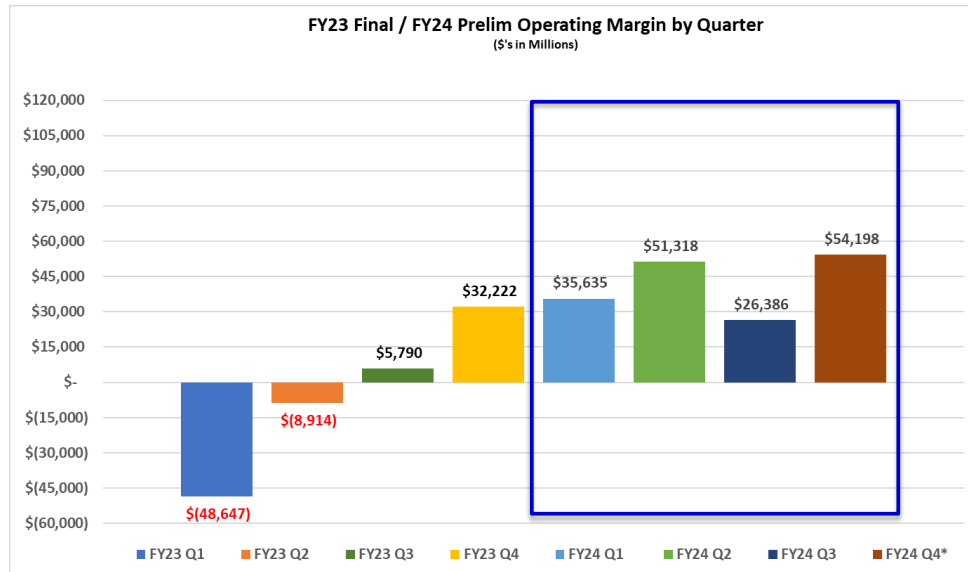


Note: October-23 operating a favorable Medicare 340B settlement and June-24 includes a favorable release of 2020 DMAS liability.

VCUHS – Operating Performance Trends

FY23 Actual & FY24 Preliminary, Trends by Quarter

FY24 operating performance, adjusted for quality of earnings, was accretive over both prior year and budget as the Health System experienced performance stabilization from FY22 / 23 challenges.



Note: Quarterly performance adjusted for quality of earnings to better reflect comparative operating trends.

VCUHS – Days Cash on Hand

As of June 30, 2024 (Preliminary as of 8.19.2024)

S&P	Moody's
AA-	Aa3
238.1	257.8

Average Daily Expense increased by \$548K since June 30, 2023 or 23 Days Cash on Hand

