

**VIRGINIA STATE UNIVERSITY
BOARD OF VISITORS**

NOVEMBER 12, 2004

**RESOLUTION TO AUTHORIZE THE CHAIRMAN OF THE BOARD
OF VISITORS' FINANCE AND AUDIT COMMITTEE, WITH THE
ASSISTANCE OF THE UNIVERSITY'S INTERNAL AUDITOR, UNIVERSITY
COUNSEL, VICE PRESIDENT OF DEVELOPMENT AND VICE PRESIDENT FOR
ADMINISTRATION AND FINANCE, TO THOROUGHLY REVIEW THE
RELATIONSHIPS NOW IN EXISTENCE BETWEEN THE UNIVERSITY AND THE
VIRGINIA STATE UNIVERSITY FOUNDATION AND VIRGINIA STATE
UNIVERSITY REAL ESTATE FOUNDATION**

WHEREAS, the Board of Visitors (the Board) is fully committed to providing support for the fundraising efforts of each University-related foundation, and to that end, seeks to promote efficiency and integrity with its affiliated foundations, namely the Virginia State University Foundation and the Virginia State University Real Estate Foundation; and

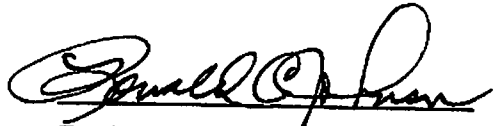
WHEREAS, the Board is advised by its Internal Auditor and University Counsel that the Board has a fiduciary and legal responsibility to review, from time-to-time, the University's relationship with its affiliated foundations to ensure that operational efficiencies and timely reports of foundation fundraising and fund management are reported to the Board at every meeting of the Board; and

WHEREAS, University Counsel recommends to the Board that the Virginia State University Foundation, which operates under the University's name and/or receives, solicits or manages private gifts or endowments on behalf of the University and its students, should: (a) keep the University apprised of compensation paid by the Foundation to any persons or entity, including any University employee doing any work for it; (b) regularly provide descriptions of all private gifts and contributions received for the University's benefit, together with descriptions of any restrictions or conditions on such gifts or contributions; (c) provide, at least annually, a description of all Foundation expenditures; (d) identify all investments and those planned or considered; (e) identify all private firms responsible for the daily management of funds under the Foundations' care, and any fees associated with such management; (f) notify the University of any litigation, or threat of litigation, brought by or against the Foundation; (g) provide to the University's Board periodic statements of the Foundations' current financial condition, certified by an external and independent auditor; and (h) notify the University's Board of any audit or review by tax authorities or any other action that could adversely affect the tax-exempt status of the foundation;

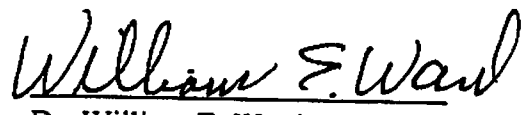
NOW THEREFORE, BE IT RESOLVED THAT the Board of Visitors hereby authorizes the Chairman of the Board's Finance and Audit Committee to conduct a thorough review of the University's relationships with its affiliated foundations, including the Virginia State University

Foundation and the Virginia State University Real Estate Foundation, with the assistance of the University's Office of Internal Audit and the University Counsel, together with the Vice President for Development and Vice President for Administration and Finance, and

BE IT FURTHER RESOLVED THAT the Board herewith authorizes the Chairman of the Finance and Audit Committee, or his designee, to raise and discuss any issue with the boards and staff of the University's affiliated foundations, and to recommend to those entities changes in operational procedures, governance, or in any other matter which the Chairman, in his discretion, determines is necessary.


Dr. Ronald C. Johnson, Rector

11-12-04
Date


Dr. William E. Ward, Secretary

11-12-04
Date