

Summary of Meeting

Objective: To find a mechanism to allow individuals to make contributions to a University-managed endowment with distributions to be used to support Faculty Women's Club activities on behalf of the University.

Challenge: Currently the Faculty Women's Club is classified by the Internal Revenue Service as a 501 (c) 7 nonprofit "social" organization. As such it is limited in its ability to generate revenues or gifts beyond \$35,000 per year. Furthermore, its current bylaws make it quite independent of the University, even though its membership is selected from the spouses or women members of the faculty of the University.

Approach 1: To modify the bylaws of the Faculty Women's Club so that:

1. It becomes a 501 (c) 3 nonprofit organization, capable of soliciting and receiving gifts for its support.
2. It becomes directly associated with the University, similar to the University Musical Society or the University of Michigan Alumni Association (which would probably requiring having its executive board appointed by the Board of Regents), thereby allowing the University to manage its endowment.

Problems: This would be a complex task and could substantially change the character of the Faculty Women's Club.

Approach 2: To encourage gifts to be made directly to the University of Michigan, for the benefit of activities of the Faculty Women's Club, as managed by a FWC section that would function similar to the "Friends" groups of other University organizations, with a focus on service to the University.

Advantages:

1. This approach would allow contributions to be made to the University on behalf of Faculty Women's Club activities and managed as a component of its endowment.
2. Although the University would have final authority over such an endowment, the distribution of its income could be managed by through an advisory body of the Faculty Women's Club (similar to the management of similar endowments for several other University units).
3. By creating a "FWC Friends of the University" section that would focus on University service, the Faculty Women's Club could provide an outlet for those members who wished to serve while retaining its original social function for other members. This "Friends section" could play a significant role in both managing the distribution of and utilization of the endowment income.

4. This approach would not require any formal legal action on the part either of the Faculty Women's Club or the University. Rather it could be accomplished by creating a FWC section for this purpose, and then making it known to members that gifts to the University could be made for the support of these activities.
5. Note that like other "friends" groups in the University, the FWC Friends Section would have the capacity to organize fund-raising events on behalf of its service activities to the University (e.g., scholarships), although this would not be its primary function.

Next Steps:

1. To discuss with the broader Faculty Women's Club executive board this particular approach and gain their support for the general concept.
2. To design the FWC "Friends of the University" Section, under the assumption that it will eventually have resources provided by an specific endowment account in the University.
3. To determine an appropriate point of interaction between the FWC Friends Section and the University, e.g., the Office of the Provost, the Office of the Secretary, or the Office of the President.
4. To make it generally know that contributions or bequests could be made to the University's endowment for this purpose.