

**Donor Bill of Rights - Antioch University**  
**www.theantiochpapers.org**

On November 4, 2007, the Antioch University Board of Trustees amended their *University Commitment Acceptance Policies* by adding the *Donor Bill of Rights*. At the Board meeting in which the University Trustees adopted the bill, it was stated, "there's nothing here we're not already doing." Given this statement, it is clear the *Donor Bill of Rights* extends these Rights to all Donors to Antioch College/University before and after the adoption date of these Rights. If you have donated to Antioch College/University, read the Bill and know your Rights.

We have included Antioch University Chairman Art Zucker's written comments to the Village of Yellow Springs from July 2007. We feel Chairman Zucker's comments need to be read carefully in relationship to a donor's first right - the right "to be informed of the organization's... capacity to use donations effectively for their intended purposes."

At the Village Council meeting Chairman Zucker stated:

—"In November 2006, the Board reviewed the cash flow challenges and it was clear that the financial situation was becoming increasingly more perilous."

—"At the Board's meeting in early February [2007]... the financial condition was still quite perilous... The Board further suggested that a consultant with financial "work-out" expertise be engaged...."

"Wall Street Words: An A to Z Guide to Investment Terms for Today's Investor" defines "workout" as:  
*1. The process of a debtor's meeting a loan commitment by satisfying altered repayment terms. For example, a firm in Chapter 11 bankruptcy proceedings might reach an agreement with its creditors for ways in which the firm's obligations can be worked out.*

**Index**

<b>Page 2</b>	<b>Antioch University's Donor Bill of Rights</b>
<b>Page 3</b>	<b>Antioch University Board of Trustee Minutes related to the Donor Bill of Rights</b>
<b>Pages 4-8</b>	<b>Art Zucker &amp; Toni Murdock - Key Talking Points to the Yellow Springs Village Council</b>
<b>Pages 9-10</b>	<b>Grants, Gifts, &amp; Pledges - Oct. 1 to Dec. 31 - Fiscal Year 2006/07</b>

-----

The documents in this exhibit were accessed through the *Timeline of Antioch College's Finances and Management*, an online resource "originally compiled by Laura Fathauer with some assistance from Matthew Baya." **Donor's can use this timeline as a tool to contextualize their philanthropic rights granted by the bill.** This timeline can be found here (<http://wiki.antiochians.org/index.php?title=Timeline>). The 2004-07 Antioch University Board of Trustee minutes can be found here <http://www.analyze.antiochians.org>

**ANTIOCH UNIVERSITY'S DONOR BILL OF RIGHTS**  
**Adopted November 4, 2006**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors,
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

**ANTIOCH UNIVERSITY -BOARD OF TRUSTEES MEETING MINUTES  
YELLOW SPRINGS, OHIO - November 2-4, 2006**

**Saturday, November 4, 2006**

Trustees present: Art Zucker/Chair, Bruce Bedford/Treasurer, Amy Chappell, Howard Coleman, Dan Fallon/Vice Chair, John Feinberg, Dianne Brou Fraser, Sherwood Guernsey/Secretary, Reuben Harris, Hal Joseph, Niels Lyster, Tom McNicol, Sharon Merriman, Jack Merselis, Larry Stone, and Barbara Winslow.

Absent: Michael Alexander, David Crippens, Everette Freeman, Jeff Kasch, and Paula Treichler

ULC: Toni Murdock, Chancellor; Laurien Alexandre, Vice Chancellor University Academic Affairs; Leslie Bates, Exec Assist't to the Chancellor & Assist't Sec'y of the Board; David Caruso, President, Antioch New England; Barbara Gellman-Danley, President Antioch University McGregor; Tom Faecke, Vice Chancellor and Chief Financial Officer; LucyAnn Geiselman, President Antioch University Southern California; Mark Hower, Interim President Antioch Seattle; MaryLou Lapierre, Vice Chancellor for University Advancement; Steve Lawry, President Antioch College.

Legal Counsel: David Weaver

Others present: Karen Ely, Secretary of the Board; Rick Jurasek, Antioch College Chief Operations Officer; College Community members included Tom Wamsley, Vice President Office of Institutional Advancement; McGregor: Michael Robinson, Iris Weisman.

**Donor Bill of Rights.** David W was asked to speak to the Donor Bill of Rights. It was initially suggested by the College Development Office as beneficial when speaking with donors. It is widely used by non-profits and is consistent with current University practices. Following is the bill in its entirety:

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors,
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

If we adopt these bullet points, we accept these principles, we as trustees should feel comfortable that these are being adhered to. Although it imposes obligations on us, there's nothing here we're not already doing; i.e., recognition of gift receipts, access by donors to our audit, etc.

**RESOLUTION 11.4.06:7 (J. Merselis/D. Fraser)**

RESOLVED, that the upon the recommendation of the Development Committee, the Board hereby amends the University Commitment Acceptance Policies as needed to incorporate into and make a part of said policies the "Donor Bill of Rights" by the Council for the Advancement and Support of Education (CASE).

*Passed by unanimous voice vote.*

**The Yellow Springs Village Council invited Board Chair, Art Zucker and Chancellor Toni Murdock to attend Council meeting on July 16, 2007. Council allotted time on their agenda for Art Zucker and Toni Murdock to address the audience.**

**Below are their comments:**

**Yellow Springs Village Council  
Key Talking Points  
Opening Statement  
July 16, 2007**

**Arthur Zucker  
Chair, Board of Trustees**

Chancellor Toni Murdock and I appreciate the opportunity to speak with you this evening. The past 45 days have been very difficult and challenging for Antioch College and its many constituents. The Board's decision to suspend operations at the College will be remembered throughout her illustrious history.

We are very sensitive to the obvious economic impact it will have on the Yellow Springs Village. Re-opening the College will require the cooperation and assistance of the Village and its residents.

This was one of the most difficult decisions many of us have been forced to make in our personal and professional lives. That decision has been met with some acceptance; and with much resentment. I understand and appreciate both reactions very well.

We are pleased to have the opportunity to join you this evening to explain what was done, how and why. But first, I have one request: Members of this Board have deep, compelling reasons for having joined this governance body and contributing to the leadership of Antioch: Many of us have spent the formative years of our lives on this campus, remain closely connected since graduation, are loyal donors, and care deeply – *deeply* – about Antioch. I am dismayed by the personal attacks aimed at Board members and would ask that we return to a more civil discussion.

I am asking that all Antiochans, from faculty and students to graduates and supporters, come together as a family, as we have done so many times before, to help us develop a plan to resume the operations of the campus at the earliest possible date. When that day comes, Antioch College will re-emerge as one of the nation's most innovative, progressive institutions, from its dramatically strengthened infrastructure to its revamped curriculum and, as always, very close ties to this most important community.

While the Board of Trustees declared financial exigency for Antioch College on June 9, 2007, that decision actually goes back many months, years and even decades. Each of you knows the College never rebounded from the difficult student strike of a generation ago. Since then, the enrollment has steadily dropped. With each passing year, the financial model of Antioch became more difficult to sustain.

You are well aware that the declining full time enrollment, the lifeblood of Antioch, has been on a sharp decline for a generation. Since 2000-01, the number of matriculating students has fallen from around 600 to a projected 300 for 2007-08. For a number of reasons, fund-raising has also not met expectations. Over the last seven years, the College has raised \$42 million; over half of which was designated to cover operating deficits.

The College has been operating at a loss for many years. From 1995 to 2005 we experienced deficits every year. These were offset by reserves from the other five campuses, budget cuts and private support. For the year 2006-07 the deficit was \$5.4 million, and for the 2007-08 operating year, we projected a deficit of \$5.3 million. These budgets will be balanced by a \$10 million gift from a donor who agreed to re-direct his gift from the endowment to cover operating deficits. The university management team estimated the cash deficit at the College would exceed \$5.6 million for the 2008-09 fiscal year had operations not been suspended – a level the university could not have absorbed and which would have jeopardized its future.

By not acting promptly, it was clear that, in 18 months time, Antioch University would not be able to pay the salaries of faculty, staff or administration at any of our campuses, and there was the high probability that the assets of the University would be turned over to creditors.

Conversely, since the early 1990s, Antioch's five other campuses have directly contributed \$740,000 per year as an income stream toward the operational expenses of the College. In addition, during that time almost \$7 million in reserves from the other campuses have been used to balance the College budget and finance its 1990s capital campaign. All together, the current support to the College by the other five campuses is approximately \$1.5 million annually since the College does not contribute to management operations of the university. This is a business model that simply cannot be sustained.

In November 2006, the Board reviewed the cash flow challenges and it was clear that the financial situation was becoming increasingly more perilous. The Board directed the Chancellor to study the matter in much further detail, to consider what actions could take place to correct the condition, and to report back to the Board at the February meeting. An *ad hoc* committee was formed, consisting of Trustees and senior management, who worked on the effort between November and the end of January.

At the Board's meeting in early February, the Chancellor provided the trustees with a report summarizing the work of the *ad hoc* committee. Considering that the financial condition was still quite perilous, the Board then directed the Chancellor to continue the in-depth studies and provide options and recommendations to the Board at its June meeting. The Board further suggested that a consultant with financial "work-out" expertise be engaged to provide verification and assistance with the situation.

In March, after considering several firms, Chancellor Murdock hired Porter, Wright, Morris & Arthur, a Columbus-based law firm with national expertise in institutional financial matters. After an in-depth review by Porter, Wright they strongly recommended bringing in a second firm, Gateway, which has been used by banking organizations to evaluate the financial condition of higher education institutions. Both firms were asked to objectively analyze the financial condition of the College and to work in conjunction with our management in developing options for getting back on a sustainable financial footing.

In late March, during a conference call, the Board reviewed the information we had at the time and it was clear that the viable options were few, particularly in light of the dismal projections for fall FTE enrollment. What we discussed focused on the aforementioned deficits that now threatened the

existence of the university. The private support that had sustained us the previous few years had ended, and enrollment numbers did not meet the forecast. Contributions from the other Antioch campuses have been increasingly difficult for those institutions. This business model, as mentioned, was simply no longer sustainable.

In April, the Chancellor convened a group comprised of college administrators and a financial team. They met for three days to review the financial reports and determine options the Board would consider at its June meeting.

Both Porter Wright and Gateway validated and confirmed Antioch management's findings. ■

The June 2007 BOT meeting was devoted almost entirely to the financial condition of the College. After months and months of deliberations, hundreds and hundreds of hours of analysis by our senior staff, two outside expert consulting firms, and members of the Board's Finance Committee, we were left with no other viable option. We also believed strongly that if we were going to suspend operations, we had a moral obligation to notify faculty, staff and students 12 months before the suspension was to take place. The Chancellor and campus presidents were unanimous in their decision to recommend this action to the Board.

Again, this was one of the most difficult personal and professional decisions our Board members have been forced to make. The Trustees love Antioch. We had to make this decision when we made it, or we would lose the entire University and thereby relinquish any hope of ever re-opening the College. There was no other viable option.

Now I would like to ask Toni to make a few comments.

**Toni Murdock**  
**Chancellor, Antioch University**

I have been instructed by the Board to develop a plan to reopen the College at the earliest possible time, with a target date of 2012. No one characterizes I have been instructed by the Board to develop a plan to re-open the College that work as easy. It is going to take considerable faith, trust and money on the part of a number of people, including yourselves.

We understand the economic impact that suspending operations has on the Yellow Springs village. I have already been meeting with various village organizations and learn more and more the interdependency of the village and the college. It is obvious that the village cares about the college and its future.

It is important to recognize that the decision has been made to suspend operations of the College; the Board has no intention of reversing that decision. We need to focus our attention on the students coming here next year to ensure they have an outstanding year and that we graduate as many students as possible. After that, the College needs to rest in order for us to focus then on its rebuilding---and I'm optimistic because of the fact that there are 5 other campuses committed to its reopening and willing to financially support that the period of rest while we focus on planning. We need to dramatically enhance our facilities and design our curriculum to meet the needs to tomorrow's students. With your help, we can achieve these goals, and allow Antioch to emerge as a competitive, comprehensive liberal arts institution.

WHEREAS, since the said parcel is surplus property not needed for University purposes, the University believes it is in its best interest to convey the fee simple title to the entire parcel to the City of Cincinnati.

BE IT THEREFORE RESOLVED, that the Vice Chancellor and Chief Financial Officer is hereby authorized to execute the documents necessary to terminate of record the lease of the said parcel with The Penn Central Corporation, to undertake the sale of the said parcel to the City of Cincinnati at a price of \$4,565.00 and on such other terms and conditions as he deems best, and to execute any and all documents necessary to complete this sale, including the Contract, Settlement Statement, and Deed.

**RESOLUTION 2.3.07:3 (A. Zucker/J. Merselis)**

RESOLVED, that the Board of Trustees of Antioch University hereby ratifies and confirms the actions of the Executive Committee as reported in the minutes of the meetings held by conference call on July 18, September 6, and September 22, 2006.

*Passed by unanimous voice vote.*

**Development Committee Report.** Jack Merselis reported on the following resolutions. On behalf the Board, Art expressed great appreciation for these gifts and grants.

**RESOLUTION 2.03.07:4 (J. Merselis/S. Guernsey)**

RESOLVED, that the following new endowment gifts and pledges received from October 1, 2006, through December 31, 2006, are gratefully accepted acknowledged by the Antioch University Board of Trustees:

<u>Donor</u>	<u>Amount</u>	<u>ANTIOCH UNIVERSITY NEW ENGLAND Restriction / Type</u>
[REDACTED]	\$115.00	ESMS Endowed Scholarship
[REDACTED]	\$25.00	ESMS Endowed Scholarship
[REDACTED]	\$85.00	ESMS Endowed Scholarship

<u>Donor</u>	<u>Amount</u>	<u>ANTIOCH COLLEGE Restriction / Type</u>
[REDACTED]	\$12,000.00	Coretta Scott King Endowed Scholarship
[REDACTED]	\$11,722.50	Patterson Endowed Scholarship Fund
[REDACTED]	\$2,000.00	Anne Fischer Endowed Scholarship Fund
[REDACTED]	\$1,500.00	Abrams Endowed Peace Fund
[REDACTED]	\$1,288.50	Glen Endowment - general operations
[REDACTED]	\$1,134.00	Glen Endowment - general operations
[REDACTED]	\$1,000.00	Patterson Endowed Scholarship Fund
[REDACTED]	\$1,000.00	Paul A. Coney Endowed Scholarship Fund
[REDACTED]	\$1,000.00	Abrams Endowed Peace Fund
[REDACTED]	\$250.00	General Purpose Endowment
[REDACTED]	\$250.00	Coretta Scott King Endowed Scholarship

[REDACTED]	\$250.00	Coretta Scott King Endowed Scholarship
[REDACTED]	\$150.00	Glen Endowment - general operations
[REDACTED]	\$100.00	Endowed Scholarships
[REDACTED]	\$50.00	Alice Bingle Endowed Scholarship Fund
[REDACTED]	\$25.00	Meredith Dallas Endowed Scholarship Fund
[REDACTED]	\$20.00	Coretta Scott King Endowed Scholarship
[REDACTED]	\$20.00	Endowed Scholarships
[REDACTED]	\$10.00	Endowed Scholarships

<u>Donor</u>	<u>Amount</u>	<u>ANTIOCH UNIVERSITY SEATTLE Restriction / Type</u>
[REDACTED]	\$200.00	Scholarship Endowment
[REDACTED]	\$100.00	Scholarship Endowment
[REDACTED]	\$100.00	Scholarship Endowment
[REDACTED]	\$250.00	Scholarship Endowment
[REDACTED]	\$31.00	Scholarship Endowment
[REDACTED]	\$100.00	Scholarship Endowment
[REDACTED]	\$110.00	Scholarship Endowment
[REDACTED]	\$40.00	Scholarship Endowment
[REDACTED]	\$31.00	Scholarship Endowment

*Passed by unanimous voice vote.*

**RESOLUTION 2.03.07:5 (J. Merselis/S. Guernsey)**

**RESOLVED**, that the following new foundation grants and pledges received from October 1, 2006, through December 31, 2006, of \$50,000 or more are gratefully accepted and acknowledged by the Antioch University Board of Trustees:

<u>Foundation Name</u>	<u>Amount</u>	<u>Restriction / Type</u>
[REDACTED]	\$125,000	Antioch University Seattle Early College High Schools for Native Youth
[REDACTED]	\$160,000	Antioch College Waste Water Treatment Grant for Glen Helen
[REDACTED]	\$79,775	Antioch College Bonner Scholarship Program
[REDACTED]	\$100,000	Antioch University Southern California Funding for Student Scholarships

*Passed by unanimous voice vote.*

With regard to the sale of the property known as G. Stanley Hall hall, Tom provided background to the \$200K appraised value which appears in the budget. Bruce asked for a modification to the resolution to include that the university seek independent appraisal; involve the Antioch School as a way of addressing the politics of the situation. The resolution was modified and David Weaver read the new version.