

FAU
BOARD OF TRUSTEES
Florida Atlantic University

Item: IX.b.

Tuesday, June 17, 2014

SUBJECT: Authorization to Accept Operating Grant and Initiate Engagement with The Bernard Osher Foundation

PROPOSED BOARD ACTION

Authorize the President to (i) accept a one-year, \$150,000 grant (the “Operating Grant”) from The Bernard Osher Foundation (“Osher” or the “Osher Foundation”) and (ii) confirm the University’s agreement to change the name of the FAU Lifelong Learning programs (the “FAU LLS”) to the “Osher Lifelong Learning Institute at Florida Atlantic University” in the event that Osher awards FAU a \$4 million endowment award pursuant to a mutually acceptable endowment agreement.

BACKGROUND INFORMATION

The Osher Foundation was founded in 1977 by Bernard Osher, a respected businessman and community leader. The Osher Foundation seeks to improve quality of life through support for higher education and the arts. One arm of the Osher Foundation supports a national lifelong learning network for seasoned adults. The Osher Lifelong Learning Institutes operate on nearly 120 campuses of higher education from Maine to Hawaii and Alaska. The Osher Foundation invited FAU to submit a grant proposal to create an endowed fund to support the FAU LLS. Osher has preliminarily determined that it may award FAU LLS an endowment of \$4 million, which would be the highest amount it has ever awarded.

The Osher Foundation has five requirements for LLS programs that it endows:

- The program must offer a diverse and intellectually-stimulating array of non-credit education offerings in an array of academic disciplines.
- The program must be specifically for seasoned adults.
- The host institution must demonstrate strong support of the program and materially contribute to its ongoing development and success.
- The program must offer opportunities for volunteer leadership, have sound organizational structure, and a mechanism to evaluate participant satisfaction.
- Program offerings must occur in real-time.

The FAU LLS more than satisfies each requirement. The purpose of the Operating Grant is to establish a relationship between FAU and Osher that will allow Osher to evaluate FAU LLS over a one-year period, during which time FAU LLS will demonstrate its ability to satisfy the requirements. If after the Operating Grant Osher and FAU decide to proceed with the

endowment, a separate endowment agreement will be developed and presented for approval to the Osher Foundation, FAU, and the FAU Foundation. That endowment agreement has not yet been drafted; however, it is understood that a condition of that agreement will be that FAU will rename FAU LLS the "Osher Lifelong Learning Institute at Florida Atlantic University" in the event that Osher awards FAU a \$4 million endowment. To initiate the process, Osher requires grant applicants to commit at the outset that if the endowment is ultimately awarded, the lifelong learning program will be renamed.

IMPLEMENTATION PLAN/DATE

The Operating Grant will be effective July 1, 2014 – June 30, 2015. If the Operating Grant successfully concludes, Osher will determine whether to proceed with the \$4 million endowment agreement in the fall of 2015. If so, the final endowment agreement is anticipated to be brought before this Board for approval in late 2015, and the requested name change will be implemented over the course of 2016.

FISCAL IMPLICATIONS

The Operating Grant will provide FAU LLS \$150,000 to support certain agreed upon expenses in 2014-15. If the Operating Grant concludes successfully, FAU LLS may be eligible to receive a \$4 million endowment in late 2015.

Supporting Documentation:	Proposed Operating Grant Agreement	
Presented by:	Mr. David Kian, Vice President and General Counsel	Phone: (561) 297-3007
	Ms. Joanne Davis, Interim Vice President for Institutional Advancement	Phone: (561) 297-0203

THE
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March 5, 2014

Ms. Dianne M. Reeves
Director of Development, Honors College and Jupiter Campus
Florida Atlantic University
FAU Community Engagement
5353 Parkside Drive, AD232
Jupiter, FL 33458

Dear Ms. Reeves:

With this letter, I am pleased to provide formal notice that Florida Atlantic University's request for support of its Lifelong Learning Society has been approved, and that a grant of \$150,000 over one year has been awarded for the project. These funds are to be spent in accordance with your proposal of February 5, 2014.

As you know, it is a condition of this grant that Florida Atlantic University agrees to change the name of its Lifelong Learning Society to the "Osher Lifelong Learning Institute at Florida Atlantic University" at all of its current and future sites if a total endowment award of \$4 million in support of the program is paid in two \$2 million installments, with the second installment contingent on the completion of the name change.

I have enclosed two copies of our standard grant agreement. Please have both copies of the agreement executed and returned, together with a letter from the University's incoming President, John W. Kelly, affirming the University's intent to rename the program under the conditions listed above. I will then forward a check for \$150,000 as well as a fully-executed copy of the grant agreement for your files.

A final report for this grant is due by Monday, August 17, 2015. The report should be developed according to the enclosed guidelines and combined with the University's endowment request.

We are delighted to welcome your exceptional program to the national Osher Lifelong Learning Institute network. We look forward to a productive partnership and wish you continued success with your important work in the year ahead. If you have questions, please contact my colleague David Blazevich at (415) 677-5928 or dblazevich@osherfoundation.org.

Sincerely yours,



Mary G. F. Bitterman
President

cc Gary W. Perry, Interim Provost
 David Blazevich, Senior Program Officer

Enclosures

Osher Lifelong Learning Institute GRANT AGREEMENT

This Grant Agreement (“Agreement”) is entered into by The Bernard Osher Foundation (“Grantor”), The Florida Atlantic University Foundation (“Foundation”), and Florida Atlantic University (“University”). Collectively, the Foundation and the University are referred to herein as the “Grantees.”

1. Grant. Grantor shall transfer a sum of \$150,000 (“Grant”) to Foundation for the purposes set forth herein contingent on the receipt and acceptance of the following:

- a. Two copies of this Agreement executed by the Grantees; and
- b. A letter from the President of Florida Atlantic University confirming that the University shall change the name of its Lifelong Learning Society to the “Osher Lifelong Learning Institute at Florida Atlantic University” at all of its current and future sites if a total endowment award of \$4 million in support of the program is paid in two \$2 million installments, with the second installment contingent on the completion of the name change.

2. Purpose. The Grant shall be used to support the Lifelong Learning Society at Florida Atlantic University for the period July 1, 2014 through June 30, 2015 and shall be expended in accordance with the grant approval letter of March 5, 2014. Grantor has two very specific requirements:

- a. University shall change the name of the Lifelong Learning Society to the “Osher Lifelong Learning Institute at Florida Atlantic University” at all of its current and future sites in the event that a total endowment award of \$4 million in support of the program is paid in two \$2 million installments, with the second installment contingent on the completion of the name change. In such an event, University shall identify the program using the prescribed logo of the Grantor in combination with the logo of University to represent the program publicly in all marketing materials including website, brochures, catalogs, and the like.
- b. All funds are to be applied directly to lifelong learning project implementation and development, and no indirect costs are to be paid from the Grant to the Grantees.

3. Obligations of Grantees.

- a. Any money not used for the specific purpose of the Grant set forth in paragraph 2 of this Agreement either (1) may be diverted to other use upon written approval by Grantor or (2) must be returned to Grantor.
- b. **Grantor will expect to receive a report on the progress of the program and the use of the Grant funds to date by August 15, 2015.** The report should be developed in

accordance with the Operating Grant Report Guidelines sent with the grant approval letter of March 5, 2014.

c. To the extent permitted by applicable law, Grantees agree to indemnify and hold Grantor harmless from any and all damages, liability, suits, claims, liens, taxes or demands whatsoever arising out of Grantees' use of the Grant funds or distribution of the Grant funds by Grantees, received from the Grantor including, but not limited to, any and all damages for personal injury, death or property damage and Grantees further agree to defend Grantor from any loss or expense resulting therefrom, including Grantor's costs and expenses of litigation or arbitration including attorneys' fees.

d. Grantees shall maintain records of receipts and expenditures related to Grant and shall make its books and records available to Grantor at reasonable times.

e. Grantees shall not use any portion or proceeds from the Grant:

(i) to carry on propaganda, or otherwise to attempt to influence legislation (within the meaning of Internal Revenue Code Section 4945(d)(1)),

(ii) to influence the outcome of any specific public election of any candidate for public office, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Internal Revenue Code Section 4945(d)(2)),

(iii) to make any grant to an individual or to another organization unless such grant shall be specifically described in Paragraph 2 hereof, or

(iv) to undertake any activity for any purpose other than one specified in Internal Revenue Code Section 170(c)(2)(B).

f. Grantees shall use the grant funds in compliance with all applicable anti-terrorist financing and asset control laws and regulations.

g. Grantees shall notify Grantor of any organizational changes directly related to this Grant during the term of this Agreement, including, but not limited to, any changes in key personnel and changes in the Grantees' tax-exempt status.

4. Miscellaneous. This Agreement shall be governed by and construed in a court of competent jurisdiction. This Agreement constitutes the entire agreement between the parties and supersedes any prior agreements between the parties. This Agreement may not be modified, and no provision waived, without the prior written consent of the party against whom enforcement of the amendment or waiver is sought.

Grantees acknowledge and accept the terms of this Agreement and the Grant conditions herein described.

The Bernard Osher Foundation

By: _____

Its: _____

Date: _____

Florida Atlantic University Foundation

By: _____

Its: _____

Date: _____

Florida Atlantic University

By: _____

Its: _____

Date: _____