Consistent with a recommendation I made to the Board of Governors on August 25, 1989, the Board adopted the attached resolution on February 9, 1990. That resolution instructs each Chancellor to secure copies of the annual independent financial audit of any privately chartered foundation, association or club that has been established for the primary purpose of accumulating and dispersing resources to support the programs of a constituent institution of The University of North Carolina. The ultimate objective is to assure appropriate public disclosure of information about the cumulative resources generated by such organizations and the corresponding benefits realized by the affected campuses. Thus, the audit to be obtained and disclosed need not include identification of persons or entities that have made contributions to the private organization.

At your early convenience, please inform Vice President Joyner whether each such organization identified with your institution is audited on a calendar-year or fiscal-year basis (with date of fiscal year-end). Thereafter, annually, please supply a copy of each such audit to me, by transmitting it to the Vice President. Simultaneously, you should supply a copy of the audit to the Chairman of your Board of Trustees.

If you have any questions about these Board requirements, please address them to Vice President Joyner.

C. D. Spangler, Jr.

Attachment
RESOLUTION REGARDING UNIVERSITY-RELATED PRIVATE FOUNDATIONS

WHEREAS, privately chartered foundations, associations, and clubs from time to time have been established by interested citizens for the purpose of providing resources to enrich various programs of the constituent institutions of The University of North Carolina with which they are identified; and

WHEREAS, both the academic and athletic programs of the affected constituent institutions have benefited substantially from the generous contributions made by such private organizations; and

WHEREAS, President Spangler on August 25, 1989, proposed the timely public disclosure of appropriate financial information concerning the operation of such private organizations, as a means of allaying possible public concern about the purposes of such organizations and the nature and extent of benefactions realized by the constituent institutions.

NOW, THEREFORE, BE IT RESOLVED that the President shall direct the Chancellor of each constituent institution to request annually of the appropriate officer of any such private foundation, association, or club, organized for the primary purpose of providing financial support to the constituent institution, a copy of the organization's annual independent financial audit, with the understanding that such audit would not be required to include identification of persons or entities that have made contributions to the organization; that copies of said audits shall in turn be supplied by the Chancellor to the Board of Trustees of the institution and to the President; and that such audits thereafter shall be deemed to be public records.