



Graduate and Professional Student Senate
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**Graduate and Professional Student Senate
 GPSS Resolution 2021-2022C
 Resolution to Improve Financial Transparency and Exercise Oversight of the Virginia
 Tech Foundation**

First Reading by GPSS:	August 26th, 2021
Second Reading by GPSS:	September 9th, 2021
First Reading by CGPSP	date
Staff Senate Review:	date
Faculty Senate Review:	date
Undergraduate Student Senate Review:	date
Approved by CGPSP	date
First Reading by University Council:	date
Approved by University Council:	date
Approval by University President:	date
Approved by Board of Visitors:	date
Effective:	upon approval

WHEREAS, the Virginia Tech Foundation manages the donations and investment portfolio for the University, as well as leases hundreds of thousands of square feet of property to the University; and

WHEREAS, there is currently a “wall” of broken communication between the Virginia Tech Foundation and The Board of Visitors--and by extension the university community--that prevents meaningful accountability to the Virginia Tech community; and

WHEREAS, multiple resolutions over the past three years have garnered unanimous support for divesting from fossil fuels and reinvesting instead in renewable energy sources, and were either ignored or *openly mocked* by Foundation officials, who did not see themselves as accountable to the will of the students, graduate students, faculty, staff, and New River Valley community who all supported the measures (Appendix 1); and

WHEREAS, the Virginia Tech Foundation claims that it operates within the mission of a land grant university and values its commitment to the community (to quote their mission statement: “Guided by a strong commitment to fiduciary responsibility, the foundation receives, manages, and disburses private gifts to advance the missions of Virginia Tech”), but this responsibility is impeded by a strict wall between the Foundation and community; and

WHEREAS, the Virginia Tech Foundation currently enjoys economic benefits from partnering with Virginia Tech, including use of Virginia Tech facilities, business partnerships with Virginia Tech's intellectual resources, space at Virginia Tech meetings, their building at the gateway to the university, jobs at the university for some board members, and four members of Virginia Tech's upper administration on its governing board; and

WHEREAS, this intimate relationship with Virginia Tech ought to carry an ethical obligation to respond to the will of the Virginia Tech community as well as the local community; and

WHEREAS, most of the financial information for Virginia Tech falls under public domain and is therefore open to the public, but the Virginia Tech Foundation is a 501C3 entity, which means its finances and operations are not subject to public scrutiny; and

WHEREAS, because of the intimate economic and spatial relationship between the university and foundation, this 501c3 status and unwillingness to be accountable to the Virginia Tech community decreases the transparency of the university by proxy; and

WHEREAS, we recognize that the Virginia Tech Foundation has specific legal prohibitions against sharing certain pieces of information, taking guidance from decision makers at the university, and this resolution respects those limitations; and

WHEREAS, however, much of the Virginia Tech Foundation's operations and finances legally may be shared with the public and may properly be influenced by public input, but are not currently public-facing. Moreover, while there are legal obstacles to tearing down the wall completely the tight relationship between university administration and the foundation speaks to flexibility that can be used to make the Foundation responsive to the broader community; and

WHEREAS, Universities associated with Foundations should follow best practices for transparency and public accountability, in order to avoid even the appearance of financial self-dealing or impropriety (see Appendix 2); and

NOW, THEREFORE, BE IT RESOLVED that the Virginia Tech administrators who sit on the Foundation Board of Directors exercise their power and influence to raise these issues to Foundation board and work to make the Virginia Tech Foundation's operations and finances open to the public to the fullest extent of the law and introduce public accountability mechanisms to the Foundation that satisfy the Senates of Virginia Tech's shared governance structures (by a plurality of votes); and

BE IT FURTHER RESOLVED that the Virginia Tech administration should work with Virginia Tech stakeholders, involve community members, and bring in experts in democratic decision making to develop procedures for working with the Foundation to fulfil the mission statement of both the Foundation and university; and

BE IT FURTHER RESOLVED that the Virginia Tech Foundation, operating within Virginia Tech's Principles of Community and with the ethical obligations that come from associating with a land grant institution, will respect the community's will to divest from unethical business practices including those specified by resolutions GPSS 2021-2022N1, GPSS 2021-2022N2, and GPSS 2021-2022N3 should they pass shared governance; and

BE IT FURTHER RESOLVED that if the Virginia Tech Foundation is unwilling or unable to comply with the provisions contained herein in order to be accountable to the Virginia Tech community and surrounding New River Valley community, then Virginia Tech will withdraw its financial investments from the Virginia Tech Foundation, cutting all ties with the organization in the most expedient manner possible by law, and cease any future partnerships with the Foundation.

Appendix 1: Testimonials and Articles Concerning Community Accountability

The incident mentioned in the report of "openly mocking" was at a closed doors meeting attended by youth climate activists from Appalachian Youth Climate Coalition and Virginia Tech for Climate Justice who can testify to the occurrence.

Furthermore, the community has been pushing for the university to divest from fossil fuels since 2013

(http://www.collegiatetimes.com/news/virginia_tech/group-petitions-tech-to-divest-in-fossil-fuels/article_6d988f53-d84f-5118-b0ed-8e2f8c5eab40.html) and despite the chief financial officer admitting that their portfolio is fossil fuel heavy (https://roanoke.com/news/local/virginia-tech-loses-60-million-as-pandemic-hits-budget/article_7e9c16a8-2834-11eb-b621-cf0437a76ad9.html) they have refused to comply with community demand (<https://www.wvtf.org/news/2019-11-20/vt-students-call-for-climate-justice> and GSA Resolution 2018-2019E).

This point is one of many examples of a lack of accountability to the community also captured in GPSS Resolutions 2021-2022N1, N2, and N3.

Appendix 2: Potential Model to Follow for Accountability Measures

"Best Practices Regarding University-Affiliated Foundation Relationships." Advisory Task Force Report, The University of Texas System. Link: <https://www.utsystem.edu/sites/default/files/documents/Best%20Practices%20Regarding%20University-Affiliated%20Foundation%20Relationships/foundationsreportfinal100313.pdf>

Recommendation #2: "Universities and their affiliated foundation(s) should work together to implement practices that increase transparency, openness, and disclosure to the supported institution and the public."

Recommendation #4: “University-affiliated foundations should adopt policies that are transparent, reflect best practices, and mitigate even the appearance of impropriety, unfairness, financial self-dealing, or fiscal imprudence.”