



FOUNDATION FOR IUP

Supporting the mission of IUP since 1967

Annual Report

Fiscal Year 2023

July 1, 2022 – June 30, 2023



A message from Regina Stover

President, Board of Directors



When reflecting upon the past year at IUP, the phrases, “setting the stage” and “transformational” are front of mind. In December 2022, the Council of Trustees endorsed the exploration of the possible development of a college of osteopathic medicine. This summer IUP moved forward with interviewing candidates for the Founding Dean of the College of Osteopathic Medicine. Backed by broad support from many major constituencies, the College will be transformational for IUP, the local community and rural health across the Commonwealth. But IUP’s progress didn’t stop there. We also welcomed a new Dean for the Eberly College of Business and interim Dean’s for the Colleges of Education and Communication and Health and Human

Services. Working together, the President and his Cabinet are implementing the University’s Strategic Plan with a primary goal of being a more student-centered university. Clearly, IUP is well positioned to weather the challenges of public higher education and continue as one of the leading institutions of higher education in Pennsylvania.

The Foundation is excited to assist the university in achieving its goals by maximizing private support and sharing the board members’ time, talent, and treasures.

A message from Betsy Lauber

Executive Director

Speaking on behalf of the Foundation staff, we work very hard to support the university and the donors by managing and growing the funds in our care. During this past year we have streamlined processes, optimized our interest earnings, reviewed the management fee structure and are refining our asset allocation. We take very seriously the intentions of donors’ gifts and implementing those intentions.

Support and growth at the university are not possible without our donors! Thank you for your past, current and future gifts to the Foundation. These funds clearly support the current and long-term needs of the university.



If you would like to make a gift to support IUP, please call the Office of University Advancement at 724-367-5661 or give online at www.iup.edu/supportiup.

Annual Impact

The Foundation works with university partners to fulfill the wishes of the donors and the needs of the university. Below are just a few highlights from the past academic year – all made possible through the support of our donors.

Let's go Hawks! Last year, over \$1.6 million was disbursed to support scholarships for student athletes like Kara Colandrea, a secondary math education major and member of the IUP Field Hockey team.

"Thank you so much. You have helped me live out my dreams of being a collegiate athlete and learning to become a teacher to help children. Once I graduate, I plan on moving to the Carolinas to teach math. I wish to pay this forward someday and help other students fulfill their hopes and dreams."



Several donor-driven funds support the IUP Libraries to benefit all students. Last year, the libraries were able to preserve the archives and purchase new books/materials while increasing online capabilities through new technology, database subscriptions, and the digitization of print materials. The libraries also used donations to support a speaker for the National Day on Writing, wellness and engagement events for students, and scholarships for IUP Libraries' student employees.

Under the direction of Zach Cheever, "The Legend" has doubled in size to 160 members. Through private donations, the IUP Marching Band was provided with over \$78,000 for enhancements ranging from new uniforms and instrument repairs to travel needs and instruction costs.



Study abroad has resumed for IUP students. Alexi Cabrera, a nursing major, had this to say about her recent experience: "This summer, I studied abroad in Cuernavaca, Mexico to complete my Spanish language certificate. I learned a lot about Mexican culture, the language, and many different life lessons. My trip in Mexico has changed me in many amazing ways. While my Spanish improved a lot, I felt that the connections I made in Mexico were even more valuable. Without your [scholarship] help, this trip would have not been possible."

**During the
2022-2023
Academic Year:**

**1,389
Students**

**benefitted from
Foundation scholarships**

**Over
\$4 Million**
provided for scholarships

**Over
\$3 Million**
provided for
enhancements to
academic and student life
experiences and other
program needs

**Over
\$2 Million**
provided to support the
university with COVID-19
related needs

SMIP: The Foundation also impacts students through the Student Management Investment Portfolio student organization.

The Student Managed Investment Portfolio (SMIP) involves students managing assets provided by the Foundation for IUP of approximately \$1 million in US large cap equities. With collaboration and fiduciary oversight by the Foundation for IUP, Eberly College of Business delivers this opportunity to improve students' skill sets applicable to financial services or a multitude of business fields.

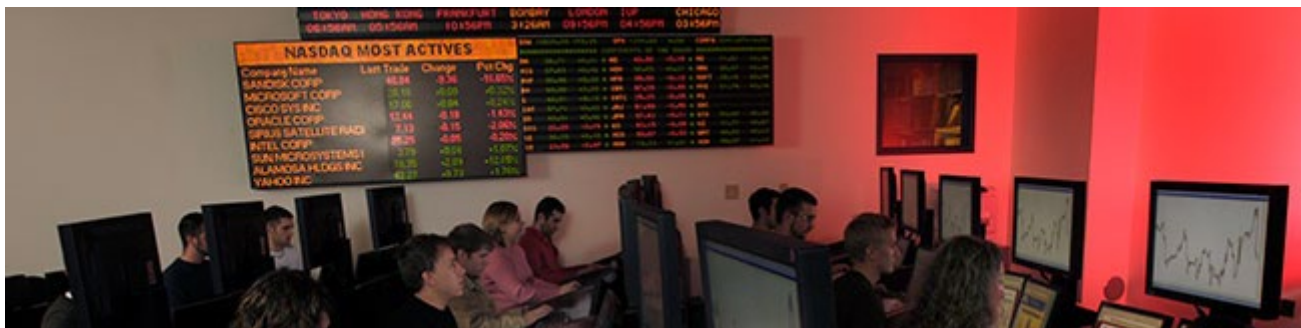


“SMIP has been one of my best experiences and one of the largest contributors that convinced me to attend IUP! The tools and resources available to students such as the Bloomberg software have allowed me to excel in job and internship interviews as well as in the classroom. Throughout my time in SMIP, I have learned to understand the organization, not just from an analytical perspective, but as a managerial one too. Dealing with compliance protocols coupled with client expectations has further prepared me.”

Blake Edwards '24
current SMIP Chief Investment Officer.

“SMIP is arguably the best experiential learning opportunity offered at Eberly. The hands-on experience I received helped me learn about stocks, macroeconomic environments, portfolio management theory, compliance, and helped me develop and hone my leadership capabilities. One of the most helpful facets of SMIP is the guidance and input from the Foundation Board and the vast alumni network provided to us, many of whom are current investment professionals willing to offer their expertise.”

Dom Rocco '23
former SMIP Chief Investment Officer



“The opportunity to serve as SMIP’s first CIO differentiated me from my peers when it came time to start my career almost 20 years ago, and I’m not alone, there are hundreds of SMIP alumni that share this same experience. Today, I am now in the position to mentor SMIP students and to see how the program provides such an awesome opportunity for students to develop their investment acumen prior to entering the workforce.”

Bryan Moore '07
Foundation board member, current member of the SMIP Advisory Council, and the first SMIP Chief Investment Officer in 2007.

“When I was working with the students to write the procedures for the investment management of Foundation money by Eberly students, I was impressed by their enthusiasm and excitement about managing "real" money from the Foundation. Now, almost 20 years later, it is so rewarding to realize that many, many Eberly students have benefitted from our efforts and continue to learn with the Foundation's support.”

Regina Stover '75
Foundation President and served on the board and helped create the SMIP in 2006-07.

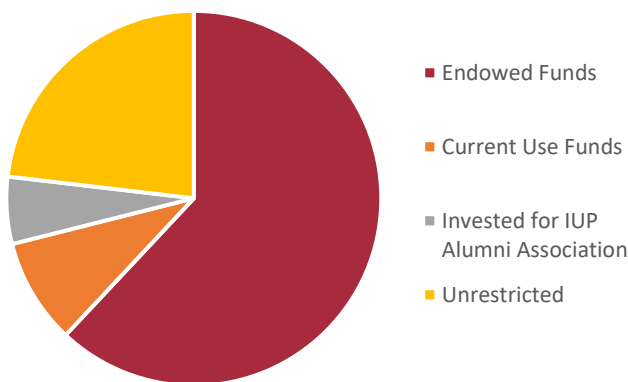
Asset Overview

The Foundation promotes and reinforces IUP's educational mission through the management, investment and disbursement of private financial contributions.

Total cash and investments as of June 30, 2023

\$121 Million

Cash and Investment Allocation



Endowed funds are comprised of donations placed in perpetuity and invested to produce income. A portion of each fund's balance is made available based on the Foundation's disbursement policy to support the purpose of each fund. As the intention is for the principal to grow, these funds will be available indefinitely.

Current use funds are comprised of gifts that are available immediately to provide support based on the purpose of each fund. Current use funds exist if there are monies in the fund.

The Foundation holds investments for the Indiana University of Pennsylvania (IUP) Alumni Association. The funds are used at the discretion of the Alumni Association.

Unrestricted funds are used at the discretion of the Foundation to support the Foundation's operating costs and the University's greatest needs.

\$75.1 Million

in

566

endowed funds

481

support
scholarships

85

support enhancements to
academics, student life,
and other program needs

\$10.9 Million

in

437

current use funds

136

support
scholarships

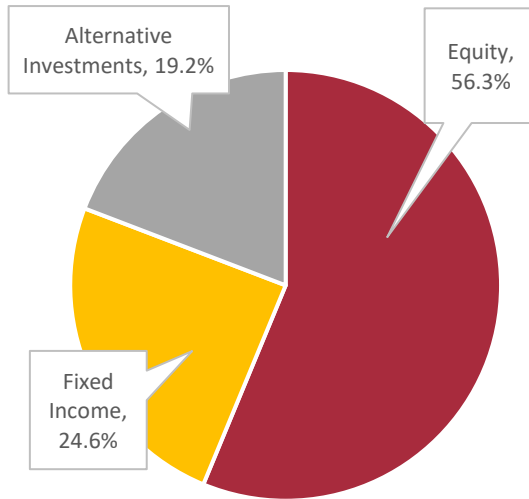
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support enhancements to
academics, student life,
and other program needs

The Foundation has segregated some of the unrestricted funds to potentially provide support the university in the creation of a College of Osteopathic Medicine.

Asset Allocation (Including Endowment, Temporarily Restricted and Unrestricted)

The asset allocation targets in place for the Foundation in fiscal year 2023 are detailed below by asset class.



The Student Managed Investment Portfolio (SMIP) group manages approximately 1% or \$1 million in US large cap equities for the Foundation.

The Foundation maintains a minimal amount in cash within the portfolio as well as operational cash accounts in local banks to meet the weekly needs of the university.

Investment Performance

The Foundation's returns (net of fees) for period ending June 30, 2023 are below:

	1 Year	3 Years	5 Years	10 Years
Foundation Investment Return	11.0 %	9.1 %	6.9 %	6.9 %
Peer Ranking Percentile	20 th	12 th	17 th	39 th
CPI Inflation	3.1 %	5.7 %	3.9 %	2.7 %

Investment Committee

The Foundation Investment Committee is comprised of Foundation Board and Committee members with professional investment, finance, and operational experience. In addition, the Foundation employs the investment consultant firm of Bilkey Katz (Pittsburgh, PA).

Investment Philosophy

In managing our assets, the Foundation for IUP keeps three primary goals in mind:

- Preserve the purchasing power of the portfolio and generate sufficient total return to support the Foundation's mission.
- Support IUP and respect donors' wishes to create impact
- Support the Foundation's operating budget through a reasonable administration fee that is a portion of the annual payout amount

The Foundation's investment and spending policy is based on a total return philosophy. The Foundation maintains a broadly diversified global portfolio with a long-term asset growth objective. Traditional asset classes are augmented with exposure to non-traditional asset classes to reduce volatility and enhance return. A critical determinant of the Foundation's ability to achieve its goals will be the growth of the asset pool supporting it. The goals of the investment program are to provide support for current Foundation functions and to generate capital opportunities to ensure expanded capabilities in the future.

Endowment Overview

Our mission is to support the needs of IUP and IUP students. We are proud to have lived up to our mission since 1967. Our endowment ensures we will be able to continue to provide support for many years to come.

Endowment cash and investments as of June 30, 2023

\$75,128,122

Endowments enable donors to leave a permanent legacy that supports the future of IUP. They also allow the Foundation for IUP to help generate returns on those investments.

As a partner to IUP, our mission is to responsibly manage private support for the benefit of IUP. For the trailing one year, the portfolio returned 11.0% vs 9.9% for its policy index and ranked in the top 20% of the Investment Metrics - All Endowment and Foundations Under \$1 Billion Total Fund Universe. Over the trailing ten years, the portfolio returned 6.9% annualized and ranked in the top 17%.

The Foundation's Board of Directors recognizes the serious responsibility to prudently manage donors' gifts. Our payout rate for 2022-2023 as reflected in this year's report was 5.52% with a sliding scale administrative fee of 1.5% to .75%. For the current fiscal year, 2023-2024, the FIUP Board of Directors approved a payout rate of 4.25% of a rolling 7-year average of the fair market value of the endowment. The annual payout rate includes an administrative fee of 1% to support the operations of the Foundation. This new payout rate and administrative fee will be reflected going forward.

Support and growth at the university are not possible without you! Thank you for your past, current and future gifts to the Foundation.

As of June 30, 2023

Over \$3.2 Million

provided from endowments for scholarship, program, and administrative support in the 22-23 Academic Year

566

endowed funds

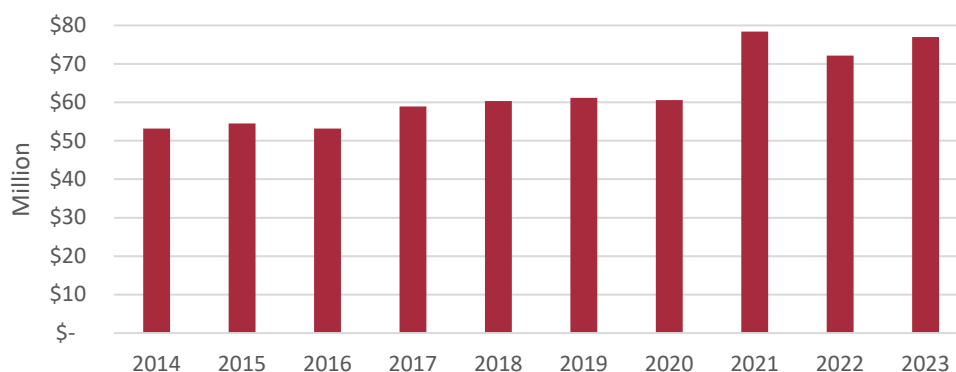
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funds support scholarships

85

funds support enhancements to academics, student life, and other program needs

Endowment Growth



The Continual Impact of an Endowed Scholarship



Dr. Ruth Riesenman '64 established the **Dr. Ruth A. Riesenman Scholarship** as a way to support full-time students in the Robert E. Cook Honors College and leave a legacy on campus. Since its first award in the 2006-2007 academic year, Ruth's scholarship has supported 33 students with over \$38,000. As an endowed fund, Ruth's generosity will continue to impact students year after year.

"Looking back over my 42-year career, I realize I owe the knowledge, courage, and direction I needed and got to the excellent faculty and administration at IUP in the early 1960's. When I was a sophomore, Dean Nancy Newkerk asked if I would be interested in a position as a residence hall counselor in Wahr Hall, a new building that would be opening that fall. I accepted the position, and after graduation, that experience paved the way for a fully paid two-year master's degree program at Kent State University. There, I was a residence hall director in a high-rise building that housed six hundred women. That position in turn resulted in an offer from Washington & Jefferson College to be an associate dean of students. My role there was to help with the integration of women into the college, which had been a male-only institution for 190 years.

Thank you, IUP, for educating me for a long and exciting career. I never minded going to work, and now it is time to repay IUP for what it has given me."

Ruth was the first woman administrator at Washington & Jefferson College. In 1979, she returned to Indiana with her husband to begin her career at IUP, where she worked in administration until her retirement in 2005.



The 2022-2023 recipient, Shagufta Haque, had this to say regarding the importance of scholarship support:

"I am very happy and grateful to have been selected as the recipient of the Dr. Ruth A. Riesenman Scholarship. I credit my involvement at IUP to donors like Dr. Riesenman because I wouldn't be here without their contributions. I will consider myself lucky if one day I will also be able to help struggling students reach their goals like they have for me."

Shagufta is an international student from Bangladesh pursuing an economics honors track and finance double major. She is enrolled in the Cook Honors College as well as the Eberly College of Business Honors program.



Besides academics, she has been involved in organizations such as the Student Government Association as its Vice President, University Senate as the Vice Chair, student representative on the Center for Teaching Excellence, member of Women in Business, as well as the IUP chapter of the National Society of Leadership and Success. Currently, Shagufta serves as the student trustee on the IUP Council of Trustees.