

Frequently Asked Questions Concerning OUAA

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OAKWOOD UNIVERSITY

RESPONSE BY:



Integrated Marketing & Public Relations

On Monday, April 16, 2018, the Oakwood University Board of Trustees voted unanimously to terminate its relationship with OUAA and to launch an alumni organization that is integrated with and reports through the Office of Advancement and Development (A&D). Below are some of the types of questions submitted to the University on this issue since the announcement.

Frequently Asked Questions (FAQs)

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May 17, 2018: **OUAA responses will confirm FACTS or ALTERNATIVE FACTS.**

Will graduating seniors be able to access scholarship assistance as done in prior years? The answer is Yes. On April 20, 2018, the University announced its newest scholarship for Seniors—the Senior Success Scholarship. Seniors should call the Office of Advancement & Development at (256) 726-7584 to find out if and how they qualify

1. **If the former OUAA wishes to donate money to graduating seniors, will those funds be accepted by the University?** Yes, absolutely—principally because the funds were raised for the purpose of scholarships while using the University’s name. The University and the Board of Trustees would never injure its students.

OUAA FACT: It has always been our mission and goal to raise money for Oakwood University students. We raised and gave more than \$40,000 this academic year to OU students. This includes donations from local chapters, donors, classes and other events. This year, OUAA has also donated \$100,000 to OU for the Tree House/Student Center.

2. **What led to the decision to end the relationship with the former OUAA? ALTERNATIVE**

FACTS: Several factors drove the decision, including the OUAA's refusal to comply with a number of direct Board requests intended to ensure complete transparency to donors, compliance with accreditation standards, the persistence of OUAA in raising monies in the name of the University while its tax-status remained in revocation by the IRS, and the discovery of at least one inappropriate financial practice in the use of OUAA Chapter donor-restricted funds.

- a. **OUAA FACTS: OUAA and OU have always been separate organizations for the past 92-years. As such OUAA is not under any obligation to comply with any OU Board demands. According to the OU's legal counsel (David Block) stated at the March 21st emergency board meeting, OU's board can make recommendations but it cannot force OUAA to accept or implement its recommendations. Review attached March 13th OU Task Force Report).**
- b. **Once OUAA was informed about the tax revocation we informed our members and donors by email and website posting. We were in constant contact with the IRS: with regards to continued fundraising we followed the IRS guidelines; we received advice from our personally assigned case manager and rectified the situation speedily. This resulted in OUAA's 501(c)(3) being reinstated retroactively to the date it was revoked. Consequently, there is no documented harm or impact to the University.**
- c. **The OU Board is out of compliance with its accreditation standards which require it to develop MOUs (Memorandums of Agreement) with all independent organizations affiliated with the OU mission and purpose. Another organization, C100 has an MOU in place. It is OUs responsibility to initiate and complete these documents. In fact, email correspondence between OU and OUAA February 12-16, 2018 clearly demonstrate that the MOU conversation was initiated (before OU learnt of the OUAA's temporary tax-exempt revocation), and we were scheduled to meet after Alumni Weekend to finalize it. However, please note that OU does not have to document this MOU compliance to its accreditation body – SACSCOC - until 2022 when the next OU Reaffirmation of Accreditation Report is due.**

3. **Can we hear more?** For example, going into Alumni Weekend of March 28-29, 2018, the Oakwood Board requested that OUAA refrain from raising funds during the period when its tax-exempt status had been revoked.

OUAA FACT: The IRS placed no restrictions on OUAA's ability to collect offering going into Alumni Weekend March 29, 2018. The OU board was made aware of this by OUAA's president at the March 8, 2018 and March 13, 2018 meetings.

4. The Board also requested that the University's 501 (c) (3) be used to receive and receipt all donations on behalf of OUAA. This method was designed to protect the University's

accreditation compliance and to avoid confusion across Alumni Weekend and to ensure the proper receipting of donors. On March 20, 2018, OUAA was asked to utilize OU to account for and receipt gifts solicited in the University's name. The Board assured OUAA in writing that OU would "distribute the funds to projects as directed by the OUAA" (from OU attorney memo of March 27, 2018 to OUAA Attorney). The OUAA leadership rejected that request by insisting that the Board of Trustees had no authority to make that or any such request of OUAA as an independently incorporated 501 (c) (3) organization.

OUAA FACTS: OUAA already had a financial agent "to ensure the proper receipting of donors." We also had a plan B in the unusual event that a donor might request a receipt for a 2018 donation before the reinstatement of our tax-exempt status. These receipts are usually requested and provided January of the next year (2019). OUAA already had a plan of action in place BEFORE the OU board made its recommendations regarding this matter.

Again, without asking questions, or initiating dialogue, the OU President issued global press releases about OUAA's tax situation, thereby creating the mass confusion and potential harm to the University's brand that he had previously stated he wanted to avoid.

5. **But wasn't OUAA correct about its independent status?** Yes, the ~~former~~ OUAA organization was correct about its separate, independent status, **ALTERNATIVE FACTS:** but it was wrong in its claim that its fundraising did not come under the Board or University's oversight. Per its constitution OUAA indicates that "The [Alumni] Association is organized as an unincorporated non-profit to support the education institution, Oakwood University, located in Huntsville, Alabama." This purpose statement creates accountability to the University for its fundraising operation. The SACSCOC accreditation standard reads as follows: "For any entity organized separately from the institution and formed primarily for the purpose of supporting the institution [e.g., OUAA] or its programs . . . (c) The institution demonstrates that (1) the chief executive officer controls any fund-raising activities of that entity or (2) the fund-raising activities of that entity are defined in a formal, written manner that assures those activities further the mission of the institution" (SACSCOC *Principles of Accreditation*, p. 15). Whether by verbal directive or written letter, the fundraising accountability of OUAA was subject to Oakwood University. The evidence of Alumni Weekend is that OUAA rejected that accountability requirement. This position was not one that had been historically asserted by OUAA leadership prior to the 2018 Alumni Weekend. Thus, the assertion of independence

missed the main point because OUAA had chosen to identify itself as an independent organization organized for the purpose of supporting Oakwood University. That fact placed OUAA fundraising under the University's governing authority. For more, see <http://www.sacscoc.org/pdf/2018PrinciplesOfAccreditation.pdf>

OUAA FACTS: SACSCOC recognizes OUAA as an independent organization affiliated with the OU mission. As such, it requires OU to develop a Memorandum of Understanding (MOU) with OUAA, as well as ALL the OU affiliated organizations (C100 has an MOU in place). The MOU should verify that OUAA's mission is clearly aligned with that of OU (this is clearly documented in the OUAA Constitution) and the entities maintain separate liabilities (OUAA carries liability insurance). You don't have to take our word for it. One of our alumni called SACSCOC regarding the 5.3 regulation. They were told that "only an MOU is needed." We invite you to call SACS and verify the interpretation of this recommendation for yourself. Additionally, when we meet with OU to discuss the SACS required MOU, OUAA is prepared to bring a SACSCOC representative to the table to provide an accurate, objective interpretation of its regulations.

6. **How close was the vote?** Not close at all. The Board of Trustees vote was unanimous—28 Yes, 0 No.

OUAA Response: N/A

7. **Why such a dramatic decision?** Could the matter have been solved through conversation? Yes, it could have, but at every point of the process, the Board of Trustees experienced OUAA's leadership insistence on OUAA's independence from the oversight of the Board of Trustees. The Board was informed in writing by OUAA's attorney in its March 21, 2018 communication that the Board's requests were considered both "intermeddling" and "unlawful." Thus, the Board had to answer the question, "Is this independent structure one that will best serve the strategic interests of the University in the future?" The Board's unanimous answer was "No."

OUAA FACT: Both OU's and OUAA's legal counsels recommended that everyone involved should meet after Alumni Weekend to address the MOU (Memorandum of Understanding) and how we would move forward (Review page (2) of OU legal counsel (David Brown) letter). Additionally, in emails dated Feb 12-16 (Before OU

opened and acted upon OUAA's letter informing of the tax-exempt revocation), OUAA and OU Administration had already agreed to meet AFTER Alumni Weekend to work on the draft MOU that OU Administration promised to initiate. To date OUAA has not received this draft.

8. **Was a Memorandum of Understanding (MOU) with OUAA considered by the Board?** Yes, it was. In fact, most alumni do not know that in mid-February 15, 2018, the University had proposed an MOU to OUAA in good faith before the discoveries of Feb 21 and 23. However, after experiencing the OUAA refusal to respond to a series requests made in light of its tax-revocation, designed to safeguard both the University and its donors, the Board discussed an MOU and concluded that OUAA had presented no evidence that an MOU could address the structural flaws and understandings present in its current operations.

OUAA FACTS: Perhaps the OU Board could have come to a more constructive conclusion if it had initiated dialogue with OUAA rather than a discussion between their own far from objective board members? OUAA has never refused an MOU from OU. In fact, OUAA and OU Presidents' emails dated Feb 12-16, 2018 clearly describe a plan to initiate a draft MOU (OU President's commitment) and to schedule a meeting after Alumni Weekend to finalize the MOU.

9. **Are there fines, penalties, and interest associated with the lapse of tax-exempt status for not filing tax forms for three years and, if so, how will the fines be paid?** The University does not know since that information has not been disclosed. However, any member of the association has a right to know upon request.

OUAA FACTS: The IRS waives penalties/fines and interest for organizations that qualify for retroactive reinstatement of their tax-exempt status. We praise God for the support and guidance provided by our IRS tax advocate, case manager, and retired IRS employee alumni member! We were reinstated within a few weeks of discovery of the lapse. In fact, had OU handed over our mail with integrity on February 23, we could have been reinstated BEFORE Alumni Weekend!

10. **What is the biggest factor in the decision?** The biggest factor in the decision of the Board is the desire for the University to strategically move to the best practices— a complete alignment that protects the SACSCOC 5.3 compliance of the University by guaranteeing University oversight. Sixteen out of 18 SDA University Alumni Associations in NAD use the type of

structure that the Board voted on April 16, 2018. **ALTERNATIVE FACTS:** In addition to the allegations of questionable financial practice, and the refusal of OUAA to submit to an independent forensic audit, the February discoveries exposed the failings in the current structure. For instance, because the former OUAA controlled Alumni Weekend when the University requested to also webcast the Alumni Weekend Sabbath Services via Oakwood University Broadcast Network (at University expense of \$4500.00) to its thousands of weekly viewers around the world, the University's request was denied by OUAA. The Board opted for a structure in which such reasonable requests to serve our constituents would not be up for debate with an external party. We apologize to our disappointed viewers for this series of events.

- a. **OUAA FACTS: Expenses for Alumni Weekend are budgeted for and paid by OUAA with the support of faithful alumni. We typically give OU first rights of refusal for services it can provide. However, when we received an OU proposal for \$4500 for the same services that were provided in 2017 for \$2500, we informed the OU department that we will need to seek other bids. We retained the services of a company that accepted our budget of \$2500.**

11. What is the accreditation standard that we hear so much about? ALTERNATIVE FACTS:

SACSCOC 5.3 in its section on "Governance and Administration" makes the institution responsible for all fundraising through its CEO. This protects the mission of the institution and its donors from independent groups who may use the University's influence to solicit money from donors without accountability to the institution or the donors. **FACT:** Standard 5.3. says:

- a. "For any entity organized separately from the institution [i.e., OUAA]: and formed primarily for the purpose of supporting the institution or its programs . . .
- b. (c) The institution demonstrates that (1) the chief executive officer controls any fund-raising activities of that entity or (2) the fund-raising activities of that entity are defined in a formal, written manner that assures those activities further the mission of the institution. (Institution-related entities)."

See <http://www.sacscoc.org/pdf/2018PrinciplesOfAcrcditation.pdf>

OUAA FACTS: OUAA's 501(c)(3) status has had no impact on OU's accreditation compliance. The SACSCOC Resource Manual 2018 pgs 29-31 provides extensive interpretation into the rationale for the 5.3 standard and indicates that an MOU, written according to the recommended guidelines, will satisfy institutional compliance. In fact,

this interpretation implies that the standard was written to protect university boards from undue “big donor meddling and influence” in everyday institutional business.

12. Why is the accreditation issue so important? Because after the institutional mission, accreditation is the most sacred aspect of a University’s identity requiring Board vigilance and protection. SACSCOC Accreditation guarantees four benefits to the University and its students: 1) access to Title IV federal funding—student loans and grants; 2) Access to Title III funding—HBCU funding from the US Department of Education; 3) UNCF funding—grants, scholarships, and annual distributions; and 4) the ability of our students to have their accredited degrees accepted by other accredited institutions. Title IV federal funding to Oakwood University in the last five years (2013-2018) comes to over \$100,000,000 dollars in support of students. Title III Funding in the previous five years has brought over \$7,000,000 to the institution. UNCF funding has brought almost \$5,000,000 to the assistance of our students. If the accreditation of the University is lost, the University loses its financial ability to support student matriculation. Under SACSCOC Accreditation standards, the University is required to continue internal self-monitoring and external audits. Standard 1 is “Integrity” which requires disclosure and correction of violations. The correction of April 16, 2018, will be declared in our next report.

OUAA FACT: OUAA’s 501(c)(3) status has had no impact on OU’s accreditation compliance. If OU is in danger of losing its accreditation, there must be other issues of OU SACSCOC and Federal law non-compliance that the OU Board should be currently investigating.

13. Does this vote mean that Oakwood does not need its Alumni anymore, or there will be no Alumni Association? No, absolutely not. In fact, Alumni are invited to step up now more than ever before. The Board of Trustees terminated the relationship with the OUAA organization because of the communication received directly from the President of OUAA through OUAA’s attorney. The Board had to assume that the OUAA President and Attorney were speaking for the OUAA Board of Directors. The OU Board of Trustees ended the relationship with the organized association. However, the University will never terminate its relationship with its alumni. Chapters and chapter leaders will be contacted by the University to unite with the New Oakwood University Alumni Association to simply continue the great work they have done and will do to secure the future well-being of the University. And through use of technology, virtual chapters will be formed for Millennials and Gen Zers who prefer such

modalities. The University produced the alumni of the University, is committed to them, and will never abandon its proud graduates and supporters.

OUAA FACT: Regardless of OU's vote, OUAA has existed for 92 years and will continue to operate as usual.

14. What does the decision mean for the former-OUAA? The terminated relationship means that the name and trademarks of Oakwood University must not be used by the former OUAA on its website, its communication, letterhead, etc. The President of the former OUAA was notified by University Attorneys on April 17, 2018, via letter.

OUAA FACTS: OUAA does not use the name or trademarks of Oakwood University. OUAA has its own registered name and trademark.

15. How will fundraising activities be handled now? As we have always done, when donors make their gifts directly to the University, all fundraising will be received and receipted through the Oakwood University Office of Alumni Relations, in the Division of Advancement and Development. Many alumni and supporters already give their gifts directly through the University. **ALTERNATIVE FACTS:** For instance, while we show that through the former OUAA, the University received approximately \$104,000 between July 1, 2017, and April 1, 2018, during that same period Oakwood Alumni and other donors have contributed \$1,100,000 directly through the Office of Advancement. The majority of our giving alumni are already offering their gifts directly to the Office of Advancement. Consistent with SACSCOC 5.3, Oakwood University will now subsume Alumni fund-raising activities under its own IRS-designated charitable organization and partner directly with chapters to raise funds locally to support students. These relationships will be transparent and guided by donor wishes. Direct giving will increase the number and percentage of donors giving to the University. The percentage of donors giving to the University is an essential metric for our grant applications. At any time, a donor may request documentation from A&D on how his/her directed giving is being utilized.

OUAA Response: The figures cited above are ALTERNATIVE FACTS. Our records reflect significant difference. QUESTION: If OU fundraising is successfully meeting its targets, why is OU investing so much time, resources, and toxic energy in this hostile attempt to takeover OUAA? WE recommend that OU focus on raising funds from large investors, corporate sponsors, and private foundation grant funding dollars and affirm

OUAA for raising continual funds to provide student scholarships. OUAA success does not detract from what OU should be achieving!

16. How would I know how much of my donation went directly to Oakwood University if I gave through OUAA?

We do not know. You would have to get that question answered by the former OUAA. Those records are not available to us.

OUAA FACTS: 100% of donor funds designated for a specific OU project go directly to OU for these designated projects. Our current model for general gifts is as follows (published on our website and in the Alumni Weekend program): 10% administrative funds; 30% student scholarships; 30% alumni engagement; 30% OU capital projects. The reality is that this model is adjusted based on immediate need. For example, last year we received overwhelming requests for graduating senior scholarships and implemented an emergency fundraising campaign that provided over \$100,000 to graduating seniors! This year, we received a \$50,000 gift for the Treehouse Student Center project from a corporate donor who refused to send the gift directly to the University, citing misappropriation of previous gifts to OU.

Please note that, through faithful alumni support, OUAA “Alumni Engagement” funds cover the full cost of Alumni Weekend (excluding some of the special needs for the Aeolians’ performances). These funds also cover pre-alumni engagement such as the Midnight Pancakes during finals week and the Ice-cream Social welcome for new student orientation.

17. What will happen to Alumni Weekend? Oakwood University and a combined team of Alumni chapter leaders, current students, and University employees will be responsible for the design, plan, and execution of Alumni Weekend. We will continue your favorite Alumni events like the Alumni Basketball Tournament, the informative symposia in biology and nursing, etc., and the “OU Honors” program. We will convene a team of inter-generational alumni to plan some Alumni Weekend events like you have never seen before—integrating some new features like OUBN’s “My Oakwood Story” featuring our Alumni; University Praise Teams; and the essential work of Chapters will be featured through video vignettes. International Alumni Chapters will be on the program. The University will even expand the newest Sunday event—the Alumni Classic Car Parade on Sunday. And most of all, the weekend will flow seamlessly from beginning to end, starting with the UNCF Gala on Thursday night.

OUAA FACTS: OUAA will continue to host Alumni Weekends as it has done for 52 years. Our current contract with the VB is in place for Easter weekends through 2023. OUAA has already solidified its plans for the next three years.

- Thursday Night –UNCF Gala
- Friday Night – Vespers, Musical and Oakwood Alumni Awards
- Sabbath- Sabbath School, Divine Worship Service
- Sabbath Vespers, afternoon concert, Saturday night concert
- Sunday – 5K International Run/Walk and Annual Alumni Meeting

18. Is there a benefit for Alumni to contribute to the University directly? Donors to Oakwood University expect and deserve the highest standards of accountability and transparency. The University has developed the A&D office, so that gift receipting takes place every day. We are adding a full-time position to the Advancement Office to sustain and foster an active and engaged relationship with Alumni. The University is committed to ensuring that its donors retain absolute confidence in the University and any organization allowed to carry the Oakwood name.

OUAA Questions: Why did OU terminate the position Director of Alumni Relations and leave it vacant? This position has a seat on the OUAA Board; why have our repeated requests for successive OU representation on the OUAA Board been ignored? Was the OU administration plan to takeover OUAA initiated many years ago?

19. Could you tell us something about OUAA's financial situation? ALTERNATIVE FACTS: The Oakwood University Board of Trustees requested an audit on March 8, 2018, but at this time has received no information and the former OUAA has not disclosed to Oakwood University any financial or tax documents. Of course, if you have given a donation or you are an alumnus, you could request such information, and it would have to be delivered.

OUAA FACTS: OUAA revenue documents (IRS Form 990) are public documents posted in the IRS database for nonprofit organizations. All have been filed through to Year 2017. If you have specific questions regarding a personal donation, please contact the OUAA Treasurer at contact@oakwoodalumni.org.

20. How can I get information from OUAA about the money given for scholarships during this last Alumni Weekend (2018)? The former OUAA has not informed the University or the Board as to how much was raised or how the money will be used. OUAA used a third party,

contrary to the Board of Trustees' request. You would have to contact the former OUAA directly for that information.

OUAA FACT: If you have specific questions or require details about a personal donation, please contact the OUAA Treasurer or email contact@oakwoodalumni.org

21. Why was the official statement released so close to the start of Alumni Weekend? The Board's Taskforce proposed on March 13, 2018, to OUAA that there be no public discussion of the tax revocation matter—given the embarrassing nature of the failure of OUAA to file taxes for three consecutive years. The Board of Trustees asked the OUAA leadership to provide them with several action items while their tax-revocation status was being resolved. The OUAA Board of Directors refused to comply with any of the requests. When we arrived at the 11th hour on Thursday, just prior to the UNCF Gala, and there was no response to the final March 27, 2018 “yes” or “no” requests, the Board of Trustees, feeling unable to win cooperation from the OUAA on its reasonable requests, was left with no choice but to publicly notify donors. It was known that the timing was not the best, but the greater duty of the University lay in our donors' right to know. It was a part of the University's ethical commitment to donors.

Please note that as a 501c3 nonprofit organization, OUAA is not required to file taxes.
We are required to file an annual revenue report (Form 990)

22. Why did the Board of Trustees make this historic decision regarding the separation of OUAA from OU? The Oakwood University Board of Trustees took this action after reviewing weeks of documentation and legal consultation. The following points were the main reason for this historic action:

- a. The desire to move to best practice for higher education in the area of alumni relations in small institutions like Oakwood.
- b. The rejection of reasonable requests while OUAA was in revocation status for the collection of funds during Alumni weekend—with their insistence that OUAA was not subject to Board oversight or input, a position which makes a working relationship impossible for the future.
- c. The desire of the **Former OU President** to have a relationship with the Alumni without a third-party intermediary.
- d. The future efficiency of centralized accountability??????

23. Is the current Alumni structure viable today in an age of technology and the fast-paced cycle of living? ALTERNATIVE FACTS: Best practice says no. The current/former structure has been in place for 40 years and run by volunteers. The reality is that most volunteers do not have the time to effectively and efficiently operate an international organization within the scope of our Oakwood University Alumni Association. (One of the cited reasons offered for failing to file OUAA taxes for three years was the insistence that the leaders are volunteers). Fulltime attention is needed to meet the needs of a changing society and diverse cultures that make up the Oakwood Alumni community and the expected growth over the next five years. Further, the model of having a “middle wo/man” to control, govern, and dispense donor funds before they reach the institution that supports the students directly, is neither needed nor necessary. Sixteen of the 18 alumni organizations of Seventh-day Adventist educational institutions in North America have left that model.

OUAA FACT: Please provide the research-based reports to support these claims.

24. Was there a particular event or incident that alerted the University that there could be a problem? ALTERNATIVE FACTS: On February 21, 2018, the University learned via an OUAA donor’s report that OUAA had spent restricted funds on a purpose for which they were not donated. OUAA confirmed this report to the University. The monies for the 2018 Treehouse Project were intended to create a lounge for students until we build the Health and Wellness Center. The University approved this project. OU received verbal then written notification from a donor-organizer, that the group’s contribution of \$100,000 to OUAA for the Treehouse Project was \$40,000 short of what was given to OUAA. When the transfer of funds to the University was requested by the donor, the donor learned that \$40,000 of the funds had been spent contrary to its restricted purpose by OUAA. OUAA was not able to deliver the full amount at the time of the request. While the funds were eventually delivered, what caused grave concern for Board Members is that donor trust was breached. From the University’s perspective, donor trust is sacred. It is the foundation upon which all our philanthropy rests. When we ask for donations for a particular project, those funds must be used for that project and not for something else. We want University donors to know, that when we receive funds from them for a particular purpose, those funds will be restricted to the requested purpose.

OUAA FACTS: This is a libelous statement. This report from an OU Board member can only be categorized as “public defamation of character”. OUAA did not and will never confirm this report because it is an outright misrepresentation of the facts! Please refer

to the February 28, 2018 Treehouse letter sent by OUAA to the OU President and VP of Finance; and the dates on the donation checks cashed by OU (attached). OUAA is still waiting for a response to this letter. Due to the spread of such malicious rumors as the above statement, OUAA decided to remit the full \$140,000 while still waiting for a written commitment from OU, outlining plans and a timeline for using our donor funds as required by IRS nonprofit regulations when handing over large amounts of donor funds to a third party.

- 25. What are the plans for Regional Alumni Associations and the continued support with and to the Oakwood University Student?** The new structure of the Alumni Relations through the University will incorporate the chapters into a more intimate structure of direct engagement with the University. It will work with a diverse think tank of cross-generational alumni to create a more robust, modern structure to maximize giving and alumni engagement. Each regional chapter will continue and play a leading role in the creation of the new structure. The Board of Trustees is not trying to create a structure that excludes, but includes more alumni engagement, alumni giving, and alumni mentoring to support the future Oakwood University graduates.
- 26. How does the University feel about the reinstatement of OUAA's 501(c) (3) status? If it has been reinstated, what is the problem? ALTERNATIVE FACTS:** We are relieved to hear that the tax-exempt status of OUAA has been reinstated retroactively for the sake of our donors and alumni who gave during the revocation period, though the Board never heard a clear explanation of what factors caused the status to be revoked in 2017 and whether all donors have been receipted. We are relieved because donors' giving will now be tax-deductible, and the University will no longer be placed in a critical position of explaining to donors who could have faced audit problems with IRS. We are unaware if OUAA has satisfied any accruing financial penalties associated with its failure to file timely 990s. However, although reinstatement is a relief, this was and is not the central issue. The University's discovery of the tax-revocation exposed what the Board considered a troubling insistence on separateness, independence, resistance to Board oversight, a lack of transparency, and the absence of concern for donors' perception of the failure of the OUAA to execute its fiduciary duty toward the University's Alumni. The situation caused the Board to make the historic decision to create a structure in which Board of Trustees and/or the University can never again be told that their reasonable questions regarding the financial accountability, the internal operations of an alumni association carrying the Oakwood name were considered by the OUAA "unlawful interference."

OUAA FACTS: On March 13, one week after we accidentally learnt about our tax-exempt status in a conversation about another matter with the OU VP of Finance, the OU Board issued a series of, at best inappropriate, at worst, illegal, demands to OUAA (**review the OU Board Taskforce Report, March 13**). We later learnt that OU received and opened OUAA's mail on February 23 and kept its content secret while manipulating a hostile takeover bid of this independent organization! There was never a moment of respectful questions, requests, or dialogue between the OU Board and OUAA. In fact, the OUAA President, a 17 years senior member of the OU Board, was called to the emergency meeting of the OU Board without ever being informed of the agenda or asked to prepare an explanation of the situation at hand.

27. **If the former OUAA wanted to request a return to work with the University in some way, could they?** To start that process the former OUAA would need to appeal for reinstatement to the Board of Trustees. That request would begin a conversation. The unanimous vote of the Board of Trustees makes one thing clear—the future for the University is to work directly, interactively, and personally with its alumni and chapters—not through an independent 501 (c) (3) using the name of Oakwood University. Going forward, any group wanting to work with the University would be asked to work within the voted structure. The decision of the former OUAA would be whether it wants to work within that model. In the meantime, the University appeals to the officers and others to join us in creating a new future, one that will significantly improve the benefit to our students.

OUAA FACTS: There are over 20,000 Oakwood alumni scattered around the world. OUAA is not opposed to the existence of more than one alumni association or network. We are puzzled as to why the OU Board is so focused on attacking and suppressing the small percentage of alums in the OUAA alumni membership rather than focusing on efforts to build effective relationships and a comprehensive capital campaign with ALL the institution's alumni. OUAA's primary mission is only scholarship fundraising. The viable, sustainable future of Oakwood University is currently at great risk! Enrollment has dramatically declined over the past eight years; there has been a significant brain drain as highly skilled professionals have been forced into retirement, or have left the University; confidence in OU's leadership is at an unprecedented low – Where is the strategic corrective action plan? The OU Board has far more important matters to address!

- 28. Was the President of the former OUAA removed from or barred from attending the Board meeting of April 16, 2018?** The President of OUAA called in to notify the Advancement & Development subcommittee and the President's Office on April 13, 2018, that she would not be attending the Sunday or Monday meetings. Such notification is called an "excused absence" and was voted by the Board of Trustees as part of the day's agenda. On the day of the Board meeting, numerous Trustees called in excused absences. Further, every member of the Board of Trustees' must sign a conflict of interest statement which requires them to declare such and may recuse them from that item of business. For a board member to be removed from a meeting would require a vote of the Board, and no such vote was taken.
- 29. Did the University Administration recommend the termination of the relationship with the OUAA?** No, the University Administration actually brought no recommendation to the Board. This Board worked through four options and chose the one it believed would be difficult now but would best address the current rejection of Board oversight AND deliver the best future for the University's Alumni long-term engagement.
- 30. Why did OUAA address the "Former OU President" as such? Has he been terminated? Not yet. OUAA used these words to demonstrate that facts do not change just because some people proclaim ALTERNATIVE FACTS! Until the OU Board terminates the current president's contract and appoints new leadership, the term "Former OU President" is inaccurate. So is the term "Former OUAA." Until the OUAA Board and membership vote to dissolve the Association and complete the IRS mandatory legal procedures for the dissolution of a non-profit organization and ALL its auxiliary chapters, OUAA remains an active 92-year strong organization raising funds to support the educational success of OU students.**

More detailed information is available at www.oakwoodalumni.org under "Legal Notices."