

A D V A N C E M E N T
FOUNDATION

H U M B O L D T S T A T E U N I V E R S I T Y

**MINUTES OF THE
EXECUTIVE COMMITTEE MEETING**

**June 27, 2014
Corbett Conference Room**

Present:

Heather Bernikoff-Raboy (by phone)
David Kalb (by phone)
Ken Davlin
Judy Dvorak (by phone)
Nick Frank
Alisa Judge (by phone)
Joyce Lopes
Craig Wruck

Not Present:

Rollin Richmond

Guest:

Mary Kay Hartman

1. Call to order

The meeting was called to order by Committee Chair David Kalb at 1:33 p.m.

2. Visitor comments

There were no visitors present.

3. Approval of Minutes from January 16, 2014 meeting

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Minutes of the January 16, 2014 meeting are approved with one abstention.

4. 2014-15 Budget

Joyce Lopes presented the proposed budget for 2014-15, which was recommended by the Finance Committee. The Projected Ending Fund Balance is \$342,631, which exceeds the \$225,000 required by the reserve policy.

The Chair of the Finance Committee asked that it be noted that Financial Services is providing better budget category information and quarterly feedback to the Finance Committee, and that the Committee can make adjustments to the Budget as needed.

It was noted that 2013-14 was the first year that a budget had been proposed for Restricted Funds and that the projections in the 2014-15 Restricted Funds category were based upon third quarter actuals.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED that the 2014-15 Budget is approved as presented.

5. Reserve Policy

The Finance Committee has reviewed the Reserve Policy and revised it to be in compliance with CSU requirements and AOA standards. The key change is the Reserve Policy Guidelines. The Working Capital reserve is reduced to six months and the Current Operations reserve to three months. These changes align the Foundation's reserves with the other HSU auxiliary organizations.

After discussion and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Operating Reserve Policy proposed at the Finance Committee meeting of May 22, 2014 is approved.

6. Quasi-endowment Policy

The Executive Director brought forward two items for consideration: 1) Adoption of a quasi-endowment policy and 2) approval of certain quasi-endowment fund distributions. He explained that the Foundation has both permanent endowment funds, which are funds restricted to endowment by the donor, and quasi-endowment funds, which are contributed funds later designated as endowment by the Board. He noted that past practice has been for staff to move funds into and out of quasi-endowment funds without Board action, but that best practice is for the Board to formally designate quasi-endowments and to approve distributions. Past practice has also been to encourage University program personnel to temporarily move currently expendable funds into quasi-endowments in order to gain investment returns, which exposes current funds to significant market risk, since quasi-endowment funds are invested with the endowment portfolio. The intent of the new policy is to limit the use of quasi-endowments to relatively long-term funds that are unlikely to be needed by the program in the near term. There

was a suggestion that the Finance Committee examine the possibility of creating a mid-term investment alternative for funds temporarily unneeded.

After discussion, and upon motion duly made, seconded and unanimously carried, it was

RESOLVED that the Quasi-endowment Funds Policy is approved, reflecting correction of the “Board of Trustees” to the “Board of Directors.”

The Executive Director noted that the following requests regarding new and existing quasi-endowment funds have been received: 1) Create a new quasi-endowment in Forestry from \$60,000 in contributed funds, 2) a special distribution of \$100,000 from the existing Schatz Tree Farm quasi-endowment, and 3) a distribution of \$321,000 from the existing quasi-endowment of the College of Professional Studies. The Finance Committee has reviewed these requests and recommends approval.

After discussion and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the three requests regarding quasi-endowments be accommodated as follows: 1) Create a new quasi-endowment for Forestry from \$60,000 in contributed funds, 2) make a special distribution of \$100,000 from the Schatz Tree Farm fund, and 3) make a special distribution of \$321,000 from the quasi-endowment fund of the College of Professional Studies.

7. Executive Director’s Report

Annex: The Executive Director asked Joyce Lopes to provide an update on the Annex building. The University Facilities Department has made modifications to the HVAC systems so that portions of the building can be isolated from still usable sections, which helps to secure the property.

Samoa Blvd.: The University’s plan to move its corporate yard to the Samoa Blvd. property has been frustrated by a number of issues and the University is now looking for alternative uses for the property, including the possibility of renting some of the space and creating large scale research space for University programs.

The Executive Director reported that we expect to raise more than \$6 million this year. The Foundation received two large gifts in the fiscal year ending June 30: The \$500,000 Charitable Remainder Trust and the 1242 G Street property, which is leased by the Natural History Museum.

A Donor Experience Task Force has been working on improving the experience for donors who wish to give money online. The first large-scale use of the new system was the I-5 Bus Accident where more than 90% of the gifts were made online.

The new radio station, KHSM 103.3FM was on the air prior to the June 30 deadline, meeting the FCC requirement. There is still work to be accomplished before the station can be formally launched.

University Advancement has moved to Nelson Hall West, repurposing the old dormitory. It finally brings MarCom, Advancement and Philanthropy together in one place.

The Executive Director also noted that the University is looking forward to the arrival of the new President on July 14.

The meeting was adjourned at 2:51 p.m.