

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
BOARD OF DIRECTORS BUSINESS MEETING

MINUTES

May 12, 2020
8:30-10:00 a.m.

ZOOM Meeting ID: 966 6748 0978

MEMBERS PRESENT: Dale Oliver
Brian Mistler
Alison O’Dowd
Peter Alstone
Harold Zald
Katia Karadjova
Jeffrey Kane
Amelia Towse
Frank Whitlatch
Carly Marino
Jason Meriwether

MEMBERS ABSENT: Tom Jackson
Lisa Bond-Maupin
Renee Byrd
Jason Ramos

OTHERS PRESENT: Kacie Flynn, HSU SPF
Doug Dawes, Business & Finance
Denise Bettendorf, Accounting
Lynne Sandstrom, Accounting
Sarah Long, Accounting

I. Call to Order

Dale Oliver called the meeting to order at 8:33 a.m.

II. Seating of New Board Member

Associated Students has just appointed Amelia Towse for a two-year term as our new Undergraduate Student Director.

Action Item: Alison O’Dowd m/s Katia Karadjova “Motion to formally seat Amelia Towse to the Board.” Motion carried unanimously.

Action Item: Jeffrey Kane m/s Peter Alstone “Motion to appoint Amelia Towse to the Governance and Incentives Committees, both of which have a student vacancy.” Motion carried unanimously.

III. Time Certain 8:45- 9:00 am: Open Forum for the Campus Community

There were no guest speakers present.

IV. Proposed Meeting Dates for Fiscal Year 2020-2021

Board meetings will continue to be held Tuesday mornings from 8:30-10:00 am in an effort to avoid peak hours in the course blocks and to accommodate as many teaching schedules as we can. The following is the upcoming meeting schedule for the 20/21 fiscal year:

September 29, 2020

December 15, 2020 *finals week

March 9, 2021

May 11, 2021 *finals week

Action Item: Peter Alstone m/s Harold Zald “Motion to approve the new meeting schedule for the 20/21 fiscal year.” Motion carried unanimously.

V. Review and Approval of Minutes of December 17, 2019 and March 10, 2020 Board Meetings

Action Item: Carly Marino m/s Peter Alstone “Motion to approve the meeting minutes of the December 17, 2019 and March 10, 2020 Board Meetings.” Motion carried unanimously.

VI. Finance Committee Report

Harold Zald gave a brief recap of two committee meetings that took place in February and May. At the end of the 3rd Quarter, there were 556 active projects with a total award portfolio of \$98 million. In the first nine months, the foundation submitted 185 proposals requesting \$38.3 million in funding. In that same time, SPF received 133 new awards totaling \$23.2 million.

The CSU recently entered into a master agreement with Wells Fargo that extends service and pricing to include all campus auxiliaries. There would be significant cost savings to SPF if the Board chose to switch away from Bank of America. In addition to the financial benefits, there would be efficiencies gained for both internal Accounting staff as well as our customers. One major benefit would be the capability of processing reimbursement checks (travel claims, supply purchases) through Direct Deposit, which is not possible today. Discussion ensued.

Action Item: Jeff Kane m/s Katia Karadjova “Motion to switch from Bank of America to Wells Fargo under the new CSU contract, as recommended by the Finance Committee.” Motion carried unanimously.

The Finance committee previously requested more time to evaluate and consider the current state of the HSU Business Management Services Agreement (BMSA) before making a formal recommendation to the board. Having reviewed another quarter of the financial statements, the committee agreed there was significant evidence of improvement in the quality of service currently being provided. They also acknowledged there were cases of financial loss incurred as a direct result of the AR staffing shortage during the first half of the calendar year. Past due and/or incorrect billings resulted in \$42K of loss, with another \$49K in potential loss SPF is still

attempting to collect. Doug Dawes pointed out that compared to the scale and scope of the services being provided by Accounts Receivable, this amount is insignificant as it accounts for less than 0.1% of the total billed transactions.

The committee believes the corrective action now in place should prevent future loss. In good faith, they agreed the progress shown justifies lifting the cap previously instituted by the Board. As a compromise, they are recommending HSU credit the auxiliary for their losses. There was significant discussion regarding the pros/cons of 'charging back' for these types of losses.

Action Item: Harold Zald m/s Carly Marino "Motion to amend the FY 2019-2020 General Operating Budget, allowing payment of the proposed \$841K less the total actual loss SPF has incurred (between \$43- \$92K), as recommended by the Finance Committee." 7 Aye, 2 Nay, 2 Abstentions. Motion carried.

Action Item: Jeff Kane m/s Brian Mistler "Motion to accept the Finance Committee Report." Motion carried unanimously.

VII. Sponsored Programs Foundation FY 20/21 Proposed Budget

The budget is being presented after having been reviewed and recommended by the Finance Committee as outlined in Attachment F. Kacie Flynn highlighted a few of the major line items that included notes to the Board. Discussion ensued.

Action Item: Brian Mistler m/s Jason Meriwether "Motion to approve the Fiscal Year 2020-2021 General Operating Budget as recommended by the Finance Committee." Motion carried unanimously.

VIII. Reserve Policy

SPF Management proposed increasing the current reserve level from \$4M to \$5M. Unlike with the previous reserve build up, which set specific dollar amounts to "set-aside" each year, SPF proposes to build up the reserve with a 20% "set-aside" at the end of each fiscal year. This will allow the cash flow to remain healthy, as well as sustain some potential IDC Distribution for the Board to consider each fall. Discussion ensued.

The Reserve Policy will continue to be reviewed at least annually to ensure its consistency with the Foundation's growth, income, and any changes in external or internal financial trends.

Action Item: Carly Marino m/s Peter Alstone "Motion to recommend amending the current Reserve Policy, increasing it from \$4M to \$5M with an annual 'set-aside' of 20% per year." 9 Aye, 2 Abstentions. Motion carried.

IX. Incentives Committee Report

Jeff Kane gave a brief recap of the Incentives Committee meeting that took place in February. Due to the time sensitivity around academic scheduling, SPF Management distributed preliminary award notifications in March to those faculty selected by the committee.

Action Item: Harold Zald m/s Jeffrey Kane "Motion to award 12 faculty members \$31,295 in assigned time and \$28,000 in summer salary for a total Incentives Award of \$59,295 as recommended by the Incentives Committee." 9 Aye, 2 Abstentions. Motion carried.

Action Item: Carly Marino m/s Alison O’Dowd “Motion to accept the Incentives Committee Report.” Motion carried unanimously.

X. Investment Committee Report

Kacie Flynn gave a brief recap of the Investment Committee meeting that took place in March via Zoom as outlined in Attachment I.

Action Item: Peter Alstone m/s Amelia Towse “Motion to accept the Investment Committee Report.” Motion carried unanimously.

XI. Equipment Transfer to HSU for the two Quarters Ended December 31, 2019 and March 31, 2020

Kacie Flynn reviewed the proposed equipment transfer items as outlined in Attachment J and gave a brief recap of the process for transferring equipment purchased on HSU SPF grants and contracts.

Action Item: Alison O’Dowd m/s Harold Zald “Motion to approve the transfer of ownership of equipment on the attached list from the Sponsored Programs Foundation to Humboldt State University for the two Quarters Ended December 31, 2019 and March 31, 2020.” 9 Aye, 2 Abstentions. Motion carried.

XII. Other

Dale Oliver formally thanked Alison O’Dowd and Renee Byrd for their years of service to the Board of Directors. Both their terms will be ending this September. We have two new faculty directors selected to the Board who will be starting in September: Amber Gaffney (Psychology) and C.D. Hoyle (Physics & Astronomy).

Additionally, Dale recognized our Community & Campus Directors Jason Ramos and Brian Mister. Both their terms will also be ending in September. SPF will be working this summer to identify additional Community Directors to fill those appointed vacancies.

XIII. Adjournment at 9:49 a.m.

Respectfully Submitted,

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Dale Oliver, Board President

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Brian Mistler, Secretary