

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
FINANCE COMMITTEE MEETING

**MINUTES**

September 17, 2018  
9:00-10:00 a.m.  
SBS 405

**MEMBERS PRESENT:** Amy Sprowles  
Lisa A. Rossbacher  
Alex Enyedi  
C.D. Hoyle

**MEMBERS ABSENT:** Chris Dugaw  
Jason Ramos

**OTHERS PRESENT:** Kacie Flynn, SPF  
Andrea Barrera, SPF  
Nalee Yang, SPF  
Denise Bettendorf, Accounting  
Sylvia Shively, Accounting

**I. Call to Order**

Amy Sprowles called the meeting to order at 9:05 a.m.

**II. Review 4<sup>th</sup> Quarter Financial Statements**

(Attachment A)

Denise Bettendorf of Financial Services presented the 4<sup>th</sup> Quarter Financial Report ending June 30, 2018. For the year end, the effective IDC rate was 11.4% which is a 1.1 point increase from the prior year. At the end of the 4<sup>th</sup> Quarter, the General Operations cash and cash equivalents balance in SPF's checking account exceeded the current reserve goal of \$4 million by \$1,201,262.

Invoiced and unbilled Accounts Receivables (AR) of the Research Foundation totaled \$6.9 million, which was a \$40 thousand decrease from the prior year. At the end of the 4<sup>th</sup> Quarter, there were 491 active projects with a total award portfolio of \$86.4 million. Comparatively, at this point in FY 16/17 there were 440 active projects with a total award portfolio of \$71.6 million.

Kacie Flynn presented Pre-Award metrics with year to date comparative data on routed proposals and new awards. Through the end of FY 17/18, the foundation submitted 286 proposals requesting \$52.4 million in funding. Of those 286 proposals, 163 were \$25K or

greater. In that same time, SPF received 183 new awards totaling \$23.4 million. Of those 183 new awards, 52% were \$25K or greater (Strategic Plan Objective 4.3 – Increase Grants over \$25,000 by 30%).

Kacie noted the proposal pipeline is \$79.3 million strong, citing over the course of the next fiscal year there are: 157 "Pre-Routing Proposals" in the que totaling \$42.9 million in potential submissions, 12 "Routings approved but not yet submitted" in the amount of \$2.4 million, and 100 "Proposals submitted still waiting on notification" totaling \$34 million requested.

Kacie provided an update on the HSU Strategic Plan as it pertains to the Research Community. SPF is set to meet their goals by 2020. Kacie highlighted one objective specifically, to increase external funding for scholarly work by 25%. Currently SPF has exceeded that goal, by increasing external funding for scholarly work by 41% since 2015.

Amy Sprowles noted that SPF has progressed quite a bit in the past three years. Amy asked if this growth requires an increase in staffing. Kacie explained, management has been cautious not to hire during a spike in work volume in an attempt to not over staff. However, they will reevaluate in May when the budget is being drafted for FY 19/20.

### **III. Review current Reserve Policy**

(Attachment B)

Per the current Reserve Policy, it will be reviewed at least annually to ensure its consistency with the Foundation's objectives of growth, income, and any changes in applicable laws and external financial trends. Kacie explained that though the current \$4 million is sufficient for daily operations, a number of large awards and subcontracts has pushed us near that limit. HSU SPF maintains a \$2 million line of credit with Redwood Capital Bank as a safety net in the event the foundation needs to process a large invoice. At this time, HSU SPF is not recommending amending the reserve levels. Discussion ensued on the campus impacts to increasing the current reserve amount. The committee did not recommend any changes to the policy at this time.

### **IV. Discuss Indirect Cost Revenue Distribution**

(Attachments C & D)

Kacie Flynn reviewed the current procedure and presented the proposed distribution of the \$1,201,262 Indirect Cost Revenue in following with the Board approved policy. The committee could recommend banking all or part of the revenue to put it towards building the reserve or distribute it back to the campus community. If the committee recommends in favor of distributing per the current policy, the detailed distribution list will be presented and voted for approval by the full Board on September 25, 2018. Discussion ensued.

Alex Enyedi asked if SPF has received any correspondence regarding standardizing indirect cost distribution. Kacie Flynn explained there is discussion occurring about indirect cost distribution, however currently it is focused on ensuring each policy is effectively supporting its campus.

**Action Item:** C.D. Hoyle m/s Lisa Rossbacher “Motion to recommend following the Indirect Revenue Distribution Policy as presented to the Board of Directors for approval.” Motion carried unanimously.

**V. Other**

Kacie Flynn formally thanked Amy Sprowles for her service to the Board as Faculty Director, and for chairing the Finance Committee the past few years.

**VI. Adjournment**

The meeting adjourned at 9:55 a.m.

Respectfully Submitted,

  
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Amy Sprowles