I. Call to Order
Harold Zald called the meeting to order at 10:07 a.m.

II. Review 1st Quarter Financial Statements
(Attachment A)
Denise Bettendorf of Financial Services presented the 1st Quarter Financial Report ending September 30, 2019. For the first three months, the effective IDC rate was 12.7%, which is a 0.1-point increase from the prior year. Thus far, SPF has earned 33% of their total budgeted operating revenue. If the trend continues, this would put the foundation on track to meet or exceed the revenue goals for the year.

Invoiced and unbilled Accounts Receivables (AR) of the Research Foundation totaled $12.1 million, which was a $4.5 million increase from the prior year. At the end of the 1st Quarter, there were 442 active projects with a total award portfolio of $81 million. Comparatively, at this point in FY 18/19 there were 403 active projects with a total award portfolio of $64.3 million.

Kacie Flynn presented Pre-Award metrics with year to date comparative data on routed proposals and new awards. In the 1st Quarter, the foundation submitted 65 proposals requesting $15.6 million in funding. Of those proposals, 40 (62%) were $25K or greater.
In that same time, SPF received 47 new awards totaling $6 million. Of those new awards, 30 (64%) were $25K or greater (Strategic Plan Objective 4.3 – Increase Grants over $25,000 by 30%).

Kacie noted the proposal pipeline is $58.6 million strong, citing over the course of the next fiscal year there are: 159 "Pre-Routing Proposals" in the que totaling $34.5 million in potential submissions, 9 “Routings approved but not yet submitted” in the amount of $1.5 million, and 67 “Proposals submitted still waiting on notification” totaling $22.6 million requested.

III. Discussion: SPF’s Business Services Agreement
The discussion of SPF’s Business Management Services Agreement (BMSA) with HSU was introduced at the request of another Board Member not currently serving on the SPF Finance Committee.

The committee discussed the approved ‘cap’ for existing campus services. In May 2019, the full Board voted to maintain cash payments at $700k, with any calculated campus expenditures above this number to be paid by documented exchange of value, in lieu of cash payments to the University. This was the second year the Board voted to cap the BMSA. Discussion ensued on whether or not to reconsider the cap, based on the improvement of services seen thus far.

Additionally, the Committee Chair also shared that he received a letter from a Principal Investigator outlining their concerns regarding HSU’s ability to provide timely services. The letter highlighted various service deficiencies as a result of the critical staffing shortages in Accounts Receivable, and raised concerns for the future based on SPF’s current rate of growth.

The committee determined further discussion and evaluation is needed to adequately offer recommendations to the Board. Harold requested that this topic remain an agenda item for the next Finance Committee Meeting.

IV. Other

V. Adjournment
The meeting adjourned at 11:37 a.m.

Respectfully Submitted,

[Signature]

Harold Zald