

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
FINANCE COMMITTEE MEETING

MINUTES

May 1, 2020

10:00-11:30 a.m.

ZOOM Meeting ID: 960 8118 8291

US: +1 669 900 6833

<https://humboldtstate.zoom.us/j/96081188291>

MEMBERS PRESENT: Harold Zald
Carly Marino
Jeff Kane
Dale Oliver
Jason Ramos

MEMBERS ABSENT: Tom Jackson

OTHERS PRESENT: Kacie Flynn, SPF
Denise Bettendorf, Accounting
Lynne Sandstrom, Accounting
Sarah Long, Accounting

I. Call to Order

Harold Zald called the meeting to order at 10:03 a.m. Kacie Flynn provided an overview of the parliamentary process for conducting the meeting electronically. The 'chat box' is to be utilized to record attendance, motions, and votes cast on any action items.

II. Review 3rd Quarter Financial Statements

Denise Bettendorf of Financial Services presented the 3rd Quarter Financial Report ending March 31, 2020. For the first nine months, the effective IDC rate was 10.2%, which is a 1.6-point decrease from the prior year. Thus far, SPF has earned 82% of their total budgeted operating revenue. If this trend continues, it would put the foundation on track to exceed the budgeted operating income goals for the year.

Invoiced and unbilled Accounts Receivables (AR) of the Sponsored Programs Foundation totaled \$11.8 million, which was a \$5.2 million increase from the prior year. This sustained higher volume of receivables is an early indicator that the current \$4M reserve policy may no longer be sufficient to maintain the level of growth SPF has experienced.

At the end of the 3rd Quarter, there were 556 active projects with a total award portfolio of \$98 million. Comparatively, at this point in FY 18/19 there were 522 active projects with a total award portfolio of \$81 million. Kacie Flynn presented the Pre-Award metrics with year to date comparative data on routed proposals and new awards. 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.

Kacie presented highlights of the recent CARES ACT Funding to Federal Agencies. The U.S. Congress passed a \$2.2 trillion economic stimulus package, which includes significant funding for research. The committee reviewed how this funding was allocated to various federal agencies, and what proposals HSU has submitted to date.

III. Review Sponsored Programs Foundation FY 20/21 Operating Budget

Kacie Flynn presented the proposed budget for general operating revenue and expenses. The total operating revenue for FY 19/20 was approved at \$2,287,600. The proposed operating revenue for FY 20/21 is \$2,290,200. The total operating expenditures for FY 19/20 was approved at \$1,775,082. The proposed operating budget for FY 20/21 is \$1,987,200. The budget includes the 4th Post-Award Grant Analyst position approved last fiscal year, as well as a \$134,000 increase to HSU's Business Management Services Agreement. Discussion ensued.

Action Item: Jeff Kane m/s Jason Ramos "Motion to recommend the proposed Fiscal Year 2020/2021 General Operations Budget to the Board of Directors for approval." Motion carried unanimously.

IV. IDC Distribution Policy Review

This item was previously tabled from last meeting's agenda. The committee discussed and concluded the current policy still aligns with our strategic goals and objectives. No recommended changes are being proposed at this time. The policy will continue to be reviewed annually.

V. Reserve Policy Review

The Reserve Policy is reviewed at least annually to ensure its consistency with the Foundation's objectives of growth, income and safety, and any changes in external or internal financial trends. After monitoring cash flow closely over the past two years, SPF Management proposes 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.

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Action Item: Dale Oliver m/s Carly Marino “Motion to recommend amending the current Reserve Policy, increasing it from \$4M to \$5M with an annual “set-aside” of 20% per fiscal year.” Motion carried unanimously.

VI. Old Business

At the February 20th Finance Committee Meeting, this committee passed two motions:

“Motion to recommend amending the FY 2019-2020 General Operating Budget, allowing payment of the proposed \$834K less the total actual loss SPF has incurred (between \$42- \$91K).” Motion carried unanimously.

“Motion to recommend switching from Bank of America to Wells Fargo under the new CSU contract.” Motion carried unanimously.

Due to the emerging COVID-19 crisis, the March 10th Board of Directors Meeting did not meet quorum and thus no action took place. Both of these previously motioned items will carry forward to the May 12th meeting for the full Board’s consideration.

VII. Other

VIII. Adjournment

The meeting adjourned at 11:34 a.m.

Respectfully Submitted,

Harold Zald

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Harold Zald
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