

CAL POLY HUMBOLDT SPONSORED PROGRAMS FOUNDATION
FINANCE COMMITTEE MEETING

MINUTES

September 19, 2023

1:00-2:00 p.m.

ZOOM Meeting ID: 84617089520

MEMBERS PRESENT: Jeff Kane
James Woglom
Jenn Capps
Jason Ramos

MEMBERS ABSENT: Tom Jackson
C.D. Hoyle

OTHERS PRESENT: Kacie Flynn, SPF
Sam Caudill, SPF
Kelly Dickey, Accounting

I. Call to Order

Jeff Kane called the meeting to order at 1:01 p.m.

II. Review 4th Quarter Financial Statements

(Attachment A)

Kelly Dickey of Financial Services presented the 4th Quarter Financial Report ending June 30, 2023. At year-end, the effective IDC rate was 9.5% which is a 0.6-point increase from the prior year. Indirect cost revenue increased by \$645K. Invoiced and unbilled Accounts Receivables (AR) of the foundation totaled \$15.9 million, which is a \$1.5 million increase from the prior year. Since the issuance of this report, 90% of the available balance to be billed has been invoiced.

The year-end revenue is above the projected amount in all revenue categories for FY 22/23 (133%). Spending was slightly higher than budgeted (102%) due to increases with Stateside reimbursed salaries and benefits.

At the end of the 4th Quarter, there were 690 active projects with a total award portfolio of \$165 million. Comparatively, at this point in FY 21/22 there were 632 active projects with a total award portfolio of \$116 million, which is an increase of \$48 million. Kacie Flynn presented Pre-Award metrics with year to date comparative data on routed proposals and new awards. Through the end of FY 22/23, the foundation submitted 339

new proposals, requesting \$134.3 million in funding. In that same time, SPF received 237 new awards totaling \$67.6 million, and the proposal pipeline is \$120.3 million strong. This is another record breaking year in both proposals and awards for the foundation.

Both the proposal (2.44%) and awarded (3.41%) indirect cost rate have increased since this time last year. The foundation anticipates a continued increase in the indirect cost rates, primarily due to the recent updates to the California Model Agreement, which has set the allowable indirect cost rate for state awards to 35% as of July 1, 2023.

III. Review current Reserve Policy

(Attachment B)

Per the current Reserve Policy, the policy should 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. The full Board had previously voted to amend the policy in May 2020, increasing the reserve amount from \$4 to \$5 million. The reserve level is currently being built up with a gradual 'set-aside' of 20% of the annual year-end net income. In addition, SPF maintains a \$4 million line of credit with Redwood Capital Bank as a safety net in the event the foundation needs to process a large invoice.

The committee did not recommend any changes to the policy at this time. This topic will be added to the Q1 Finance Committee agenda for continued discussion.

IV. Discuss Indirect Cost Revenue Distribution

(Attachments C & D)

Kacie Flynn reviewed the current policy and presented the proposed distribution of the Indirect Cost Revenue in accordance with the Board approved policy. After setting aside 20% of the available balance towards the reserve, there is approximately \$850 thousand remaining for distribution consideration.

If the committee recommends in favor of distributing per the current policy, the detailed distribution list will be voted for approval by the full Board on September 26, 2023. Discussion ensued regarding the benefits and pitfalls of the current distribution model, as voiced by current PIs.

Action Item: Jenn Capps m/s Jason Ramos "Motion to recommend following the Indirect Revenue Distribution Policy as presented to the Board of Directors for approval." Motion carried unanimously.

V. Other

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VI. Adjournment

The meeting adjourned at 1:54 p.m.

Respectfully Submitted

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Jeff Kane