

CAL POLY HUMBOLDT SPONSORED PROGRAMS FOUNDATION  
FINANCE COMMITTEE MEETING

**MINUTES**

September 20, 2024

1:00-2:45 p.m.

ZOOM Meeting ID: 886 0611 8306

MEMBERS PRESENT: James Woglom  
Kevin Fingerman  
Taylor Bloedon

MEMBERS ABSENT: Jason Ramos  
Michael Spagna  
Jenn Capps

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

**I. Call to Order**

James Woglom called the meeting to order at 1:01 p.m.

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

(Attachment A)

Monica Myers of Accounting presented the 4<sup>th</sup> Quarter Financial Report ending June 30, 2024. At year end, the effective IDC rate was 10.1% which is a 0.6-point increase from the prior year. Indirect cost revenue increased by \$1.4 million. Invoiced and unbilled Accounts Receivables (AR) of the foundation totaled \$19.2 million, which is a \$3.2 million increase from the prior year. Since the issuance of this report, 99% of the available balance to be billed has been invoiced.

The fiscal year ended above the projected amount in revenue categories at 138% of the total operating revenue. General Operations expenses for the fiscal year end came to 96% of the annual budget.

At the end of the 4<sup>th</sup> Quarter, there were 695 active projects with a total award portfolio of \$189 million. Comparatively, at this point in FY 22/23 there were 690 active projects with a total award portfolio of \$165 million, which is an increase of \$24 million.

Kacie Flynn presented Pre-Award metrics with year to date comparative data on routed proposals and new awards. Through the end of FY 23/24, SPF submitted 337 new proposals requesting a total of \$151.2 million in funding, compared to \$134.3 million in the previous year. In that same time, SPF received 237 new awards totaling \$52.3 million.

### **III. Review Current SPF Reserve Policy**

(Attachment B)

The SPF Reserve 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.

Discussion ensued regarding the current cash flow needs of SPF, the growth trajectory of the foundation, and whether 20% was still an adequate level to meet our ongoing cash flow needs. Prior discussions with the Finance Committee determined once the \$5 million threshold was met, SPF would have an ongoing need to set aside a determined % amount to match the portfolio growth. Increasing that 'set-aside' or capping indirect distribution were discussed as potential future solutions to maintain a sufficient reserve.

**Action Item:** Taylor Bloedon m/s Kevin Fingerman "Motion to recommend to the Board of Directors for approval, updating the Reserve Policy to set aside 30% of the annual year-end net income starting this current fiscal year." Motion carried unanimously.

### **IV. Line of Credit Review and Renewal**

(Attachment C)

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 larger invoice. This is necessary to help support the rapid growth of our award portfolio and to offset the strain that larger grants can put on our daily cash flow. The existing line of credit is set to expire this fall. SPF management requests continuing the line of credit with no changes to the terms. Discussion ensued.

**Action Item:** Kevin Fingerman m/s Taylor Bloedon "Motion to recommend renewing the existing line of credit terms with Redwood Capital Bank." Motion carried unanimously.

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

(Attachments D & E)

Kacie Flynn reviewed the current Indirect Cost Revenue Distribution policy and presented the proposed distribution as well as an alternative distribution at the request of

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the Finance Committee. The alternative distribution was calculated using the stated IDC rates vs. effective IDC rates as the determining factor of ‘qualification.’ Discussion ensued regarding the specific impacts of that change in the alternative distribution. Ultimately the committee agreed to support the original distribution proposal, which will be brought back to the full board with a newly reflected 30% set-aside for their consideration on October 4, 2024.

The committee requests for it to be noted that there will be further discussion about the parameters with which SPF should include or exclude projects that do not meet the 15% effective IDC rate in the annual distribution. This topic will carry forward in future meeting discussions.

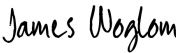
**Action Item:** Kevin Fingerman m/s Taylor Bloedon “Motion to recommend following the Indirect Revenue Distribution Policy based on effective IDC as presented to the Board of Directors for approval.” Motion carried unanimously.

## **VI. Other**

## **VII. Adjournment**

The meeting adjourned at 2:51 p.m.

Respectfully Submitted

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James Woglom