

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
FINANCE COMMITTEE MEETING

MINUTES

December 6, 2016
11:00-12:00 p.m.
Corbett Conference Room (SH 222)

MEMBERS PRESENT: Amy Sprowles
Alex Enyedi
Rick Brown
C.D. Hoyle
Jason Ramos

MEMBERS ABSENT: Lisa Rossbacher

OTHERS PRESENT: Kacie Flynn, SPF
Steve Karp, SPF
Joyce Lopes, Administrative Affairs
Denise Bettendorf, Accounting
Chrissie Anderson, Accounting

I. Call to Order

Amy Sprowles called the meeting to order at 11:02 a.m.

II. Review 1st Quarter Financial Statements

(Attachment A)

Denise Bettendorf and Chrissie Anderson of Financial Services presented the 1st Quarter Financial Report ending September 30, 2016. For the year end, the effective IDC rate was 10.8% which is a 1.9-point decrease from the prior year. This is mainly attributed to awards with large subcontracts. The various factors contributing to low effective IDC rates were discussed including funder restrictions on allowable indirect rates as well as an increase in subcontracts on proposals, which are limited in the amount of indirect that can be applied.

Invoiced and unbilled Accounts Receivables (AR) totaled \$4.4 million, which was fairly flat from the prior year. At the end of the 1st Quarter there were 312 active projects with a total award portfolio of \$59.6 million. Comparatively, at this point in FY 11/12 there were 261 active projects with a total award portfolio of \$37.8 million.

Steve Karp presented Pre-Award metrics with year to date comparative data on routed proposals and new awards. In the first quarter, the foundation submitted 58 proposals

requesting \$26.2 million in funding. Of those 58 proposals, 39 were \$25K or greater. In that same time, SPF received 53 new awards totaling \$10.3 million. Of those 53 new awards, 31 were \$25K or greater (Strategic Plan Objective 4.3 – Increase Grants over \$25,000 by 30%). The Effective IDC on new awards is healthy at 15%.

Steve noted over the course of the next year there are: 106 "Pre-Routing Proposals" in the que totaling \$23.7 million in potential submissions, 19 "Routings approved but not yet submitted" in the amount of \$1.7 million, and 83 "Proposals submitted still waiting on notification" totaling \$35.2 million requested.

III. Discuss SPF Property Holdings to the Advancement Real Estate Entity
 (Attachment B)

Steve reviewed the campus history of the proposal for transferring property held by the HSU Sponsored Programs Foundation. Joyce Lopes discussed the four parcels requested to be transferred are outlined in Attachment B. Each of the properties are in the neighborhood of the HSU campus and will be used for campus expansion at some time in the future. The newly established HSU Advancement Foundation Real Estate Holdings Corporation (HSUREH) was created to acquire, manage, and then transfer or dispose of real estate property while protecting the university and its foundations from liability. Discussion ensued.

This item will appear again on the next Finance Committee agenda in February for further discussion, at which time Administrative Affairs will provide a property map as well as cost the analysis of expenses versus revenues of those properties.

IV. Review 403(b) Retirement Plan Options
 (Handouts)

In the last 403(b) audit by our outside auditors, Clifton Larson Allen (CLA), they had some Management recommendations for SPF including formalization of plan governance, creating an Investment Policy Statement, and review of the 403(b) on a regular basis by the Board. Because of these recommendations and new regulations from the Department of Labor, SPF is exploring using an outside vendor to manage our 403(b) plan. SPF has contacted two vendors; a local firm (Premier) and another currently used by San Diego State Research Foundation (NFP). Both firms quoted on managing the direct contribution 403b plan at a current \$3.5M level.

	NFP, Inc	Premier Financial Group
Plan Asset value	\$ 3,500,000	\$ 3,500,000
Annual Fees	\$ 10,000	\$ 23,600
% of assets	0.29%	0.67%

SPF Management requested the Finance Committee select a vendor(s) that we invite to present at a future meeting. Discussion ensued.


The committee agreed to invite the two previously researched vendors, NFP and Premier, to give formal presentations on campus to board members at a special meeting. Simultaneously, SPF Management will work with Administrative Affairs to prepare a 'Review for Qualifications' to explore any additional 3rd party vendors the board may want to consider.

V. Other

VI. Adjournment

The meeting adjourned at 12:14 p.m.

Respectfully Submitted,



Amy Sprowles