

# Cal Poly Humboldt FOUNDATION

## Minutes of the FINANCE & INVESTMENT COMMITTEE September 27, 2024

### Members Present:

Ken Fulgham  
Jason Carlson  
Robin Smith

### Members Absent:

Dan Johnson  
Robin Quigley

Guests: Mike Fisher, Kevin Furtado, Allison Hansberry, Jenna Hanson, Kayla Johnston, Peter Lehman, Jack McGurk, Angie Petroske, Kyle Plitt, Samantha Puentes, Jamie Rich, and Teresa Wilmott

A regular meeting of the Cal Poly Humboldt Foundation Finance & Investment Committee was held on Friday, September 27, 2024 at 12:30 PM via Zoom Teleconference.

### 1. Call to Order/Roll Call

The meeting was called to order by Finance & Investment Committee Co-Chair, Ken Fulgham, at 12:33 PM.

### 2. Public Comments

There were no public comments.

### 3. Acceptance of Minutes from the August 9, 2024 Meeting

Upon motion duly made (Ken Fulgham), seconded (Robin Smith), and unanimously carried, it was:

RESOLVED, that the Minutes of the August 9, 2024 meeting are accepted.

#### 4. FYE 2024 Audited Financials

Samantha Puentes, Cal Poly Humboldt Accountant, provided a review of the FYE 2024 Cal Poly Humboldt Foundation audited financial statements and audit report. She noted that the auditors, Moss Adams, provided an unmodified (clean) opinion on the Financial Statements and found no instances of noncompliance or other matters on the GAGAS (Generally Accepted Government Auditing Standards) Internal Control and Compliance Report.

#### 5. Investment Portfolio Update

Kyle Plitt, RVK Investment Advisor, reviewed the Foundation's fiscal year-to-date (July 1, 2024 – August 31, 2024) investment portfolio performance. The Fund's estimated market value decreased during this period from \$51.5 million to \$51.3 million due to the annual distribution. The estimated return for this period was 3.39%, nearly completely offsetting the distribution.

#### 6. Current Market Value of Endowments as of June 30, 2024

Samantha Puentes presented a report detailing the current market value of each endowed fund held by the Foundation. This report includes contributions as endowments but not current use funds. She noted that the total market value of \$44.5 million shown on this report differs from what is shown in the audited financial statements due to quasi endowments and combined financials of the Foundation, Real Estate Holdings, and the University Center.

#### 7. Endowment Distribution Rate for FYE 2026

Endowment funds are governed by the State of California Uniform Prudent Management of Institutional Fund Act ("UPMIFA") which requires the Board of Directors to invest and manage the Foundation's endowment funds in order to provide a consistent level of distribution for charitable purposes while preserving the capital value of the endowment over time. In order to determine the annual endowment distribution, the Board must take into account expected investment return, expected inflation, and the 1.5% service charge and balance these with the need to provide a payout amount which is meaningful to the students, programs, and departments that benefit from the endowment. The average market value (AMV) of the endowment over 12 quarters is used as a basis for comparison against the current market value (CMV) to mitigate for unusual market activity.

After discussion and upon motion duly made (Ken Fulgham), seconded (Jason Carlson), and unanimously carried, it was:

RESOLVED, a recommendation to the Cal Poly Humboldt Foundation Board that the endowment distribution amount for fiscal year ending 2026 shall be based upon a rate of 4.5%.

#### 8. Current Use Funds & Spending Plans

Kevin Furtado, Foundation Business Analyst, provided background information and an update on the Current Use Fund Report and department spending plans. The report is a relatively new tool developed between University Advancement and Accounting which marked a turning point in reporting abilities for Colleges and Major Business Units (MBUs) across campus, being the first time a comprehensive report was made available to each area regarding their current-use funds for each Advancement trust resource. The report does not include scholarship nor state funds. Prior to the report's inception, campus departments had difficulty in understanding what funds were available to them for current use - the specific name of the fund was needed in order to run queries in the University's finance system.

Once the new report became available, Frank Whitlatch, former Executive Director of the Foundation Vice President of University Advancement, and Kevin met with Deans and other Administrators to review and explain the report and how it can be used for financial planning. They also requested the various areas provide spending plans outlining how they intend to use the available funding.

A Google Form was shared with departments in which to gather information comparing spending plans with actual expenses throughout the year. Regular spending in accordance with donor intentions will provide more opportunities for students and more impact stories to be able to share with donors, creating a virtuous cycle.

#### 9. Other Business

Co-Chair Jason Carlson reported to the Committee that a draft calendar of 2025 meeting dates is currently being compiled and will be presented at the Board of Directors meeting October 18, 2024. As was done this year, this committee will meet in late May or early June for budget discussions so that a Foundation budget for FY 2025-26 can be approved prior to that fiscal year beginning.

#### 10. Adjournment

Without objection, the meeting was adjourned at 1:54 PM.