



**MINUTES OF THE
FINANCE AND INVESTMENT COMMITTEE
February 21, 2019**

Members Present:

Scott Hunt (via ZOOM)
Manolo Morales (via ZOOM)
Duncan Robins
Craig Wruck

Absent:

Dan Johnson
Heidi Moore-Guynup
Jason Ramos

Guests:

Alisa Judge, Laura Fisher, Jamie Rich, Sylvia Shively, Peggy Mecham-Carlotti,
Doug Edgmon, Allison Hansberry, Deborah Rice and Lola Alto

A meeting of the Humboldt State University Advancement Foundation Finance and Investment Committee was held on Wednesday, February 21, 2019 at 2:30 PM in Nelson Hall West 213 on the University campus.

1. Call to order

The meeting was called to order by Committee Chair Manolo Morales at 2:30 PM.

2. Visitor comments

There were no visitor comments.

3. Acceptance of Minutes from the September 5, 2018 meeting

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Minutes of the September 5, 2018 meeting are accepted.

4. Financial Review

Executive Director Craig Wruck reviewed a flowchart tracing contributions through the Foundation, explaining the three fund types included in the Foundation financial statements:

- Unrestricted Funds – funds over which the Foundation has discretion to spend for purposes and at times it sees fit
- Temporarily Restricted Funds – contributions where a donor has imposed restrictions as to the purpose or timing of use; the Foundation’s responsibility is to ensure that the money is used as the donor intended
- Permanent Funds – those where a donor has indicated that the contribution is to be used to provide a permanent source of funding for a charitable purpose; the Foundation’s responsibility is to invest and manage the funds in order to make consistent distributions that keep pace with inflation over time

He noted that the majority of contributions are Temporarily Restricted Funds and that the Foundation’s annual operating budget comes from the Unrestricted Fund.

Doug Edgmon, Humboldt State University Assistant Controller, reviewed the December 31, 2018 unaudited statement noting that the Board relies on the Finance and Investment Committee to review the statements and report to the Board.

5. Revise Signature Authority

This item was tabled until the next meeting as VP of Administration and Finance, Doug Dawes was unable to attend and address questions.

6. Development of Exchange of Value

Craig Wruck presented a Cost Allocation Reimbursement Proposal for discussion. The proposal states that in order to better serve the educational mission of the University, the Foundation proposes that the University adopt a Cost Allocation Reimbursement Plan that recognizes the full value of tangible as well as intangible exchanges of value provided to the University by the Foundation. The proposed plan is in alignment with the Cost Allocation Reimbursement Plan applied by the Office of the Chancellor to the California State University Foundation.

In light of the fact that the Foundation provides more than \$3,900,000 in documented tangible exchange in value, all of which insures to the benefit of the University not to the Foundation, the Foundation requests that the University acknowledge that this direct and tangible exchange of value exceeds the expense incurred by the University and should be applied as an offset of the required reimbursement amount.

Elimination of required reimbursement payments would allow the Foundation to significantly increase the amount of undesignated funds available to the University annually. Since the sole purpose and function of the Foundation is to accept and distribute charitable contributions to the University it is reasonable to adopt a financial strategy that maximizes the distribution of undesignated funds to the University.

7. Other Business

Craig Wruck reported that the HSUF and HSUREH had been issued six month extensions for their tax returns. This is a common occurrence and there are no penalties or costs associated with the extension. The Committee was reminded that the HSUF Board of Directors Meeting will be held on Friday, February 23, 2019.

8. Adjournment

The meeting was adjourned at 3:17 PM