



**MINUTES
OF THE
FINANCE & INVESTMENT COMMITTEE**

September 05, 2018

Members Present:

Scott Hunt (via ZOOM)
Dan Johnson (via ZOOM)
Heidi Moore-Guynup (via ZOOM)
Chuck Petrusha (via ZOOM)
Duncan Robins
Craig Wruck

Absent:

Guests:

Lola Alto, Doug Dawes HSU VP of Administration Affairs, Doug Edgmon HSU Assistant Controller, Peggy Mecham-Carlotti HSU Accountant, Deb Rice, and Jamie Rich.

A meeting of the Humboldt State University Advancement Foundation Finance & Investment Committee was held on Wednesday, September 05, 2018 at 10:30 AM in Nelson Hall West 213 on the University campus.

1. Call to order

The meeting was called to order by Chair Duncan Robins at 10:31 AM.

2. Visitor comments

There were no visitor comments.

3. Acceptance of Minutes from the June 04, 2018 meeting

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

RESOLVED, that the Minutes of the June 04, 2018 meeting are accepted.

4. Review of Financial Statements through June 30, 2018

The unaudited financial statements for the fourth quarter were reviewed and discussed. Executive Director Craig Wruck noted that the Temporarily Restricted fund balance had increased and reminded the Committee that this fund balance represents contributions that have not yet been used for their intended purpose. The Donor Intention and Fulfillment Committee will continue to address this issue with the goal of encouraging departments to use their philanthropic funds as donors intend.

5. Endowment distributions for FYE 2020

Executive Director Craig Wruck presented a chart tracing the flow of contributions and funds through the Foundation. He also provided a timeline for distributions from the endowment noting that a 12-quarter trailing average is employed to smooth market volatility.

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.

After discussion the Committee agreed that it was prudent to set the endowment distribution for fiscal year ending 2020 based upon a rate of 4.5% and reserving the option to review the distribution percentage should circumstances warrant.

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

RESOLVED, that the Finance and Investment Committee recommend to the Board of Directors that the endowment distribution for fiscal year ending June 30, 2020 shall be based upon a rate of 4.5%.

6. HSU Real Estate Holdings

Wruck reported that the Samoa Boulevard property is still owned by HSUREH. The University has a 16 year lease and continues in preliminary discussion with another State agency to sublease a portion of the property.

The University, in collaboration with the City of Arcata, is nearing agreement to acquire 600 acres of forest land in the Jacoby Creek area. HSUREH is not likely to be involved in this transaction.

HSU Sponsored Programs Foundation (HSUSPF) has offered to contribute to HSUREH four residential properties contiguous to the campus. Due diligence work is underway and, when completed, the HSUREH Board of Directors will be convened to consider acceptance of these properties.

7. Other Business

Wruck reminded the Committee that the HSUAF Annual Board Meeting is scheduled for Friday, October 12, 2018. Kyle Plitt, RVK investment consultant and CliftonLarsonAllen (CLA) auditors will be attending. Wruck also noted that Tax Returns are due November 15, 2018 and that he will be sending copies, via email, to the board members in advance of the due date for their review.

8. Adjournment

The meeting was adjourned at 11:00 AM.