

CSUSB FOUNDATION

Building a Culture of Philanthropy

EXECUTIVE COMMITTEE MEETING Thursday, February 26, 2015 ~ 3:00-5:00 p.m.

Pursuant to notice given, the Executive Committee of the CSUSB Philanthropic Foundation convened for a regular meeting at California State University, San Bernardino, 5500 University Parkway, San Bernardino, University Enterprises Board Room, on February 26, 2015.

Members Present:

Andrew Bodman
Mark Edwards, *Vice Chairperson; Advocacy Committee Chair*
James Ferguson, *Secretary*
Ron Fremont, *Executive Director*
Douglas R. Freer, *Treasurer*
Brian Haynes
Cole Jackson, *Audit Committee Chair*
Mark Kaenel, *Alumni Committee Chair*
William M. Stevenson, *Investment Committee Chair*
Edward C. Teyber
Ellen G. Weisser, *Chairperson*

Members Absent:

Alfredo Barcenas
Tomás D. Morales, *President*
Neale Perkins
Samuel Sudhakar

Guests Present:

Beth Brenner
Doreen Hatcher
Lisa Iannolo
Sarah Powell
Crystal Vickery

Welcome

Weisser called the meeting to order at 3:09 p.m. and welcomed the committee members.

Approval of Minutes for Executive Committee Meeting-November 21, 2014

Motion: The minutes of the November 21, 2014 Executive Committee Meeting were reviewed and approved with suggested minor grammatical revisions. (Stevenson/Teyber/unanimous)

Executive Director Report

Fremont thanked everyone who was able to be a part of the President's Showcase, to which he expressed adulation at its success. He noted that next year's showcase, which will be the university's 50th anniversary edition, will likely occur in March so as not to conflict with other events. Other members who attended shared their opinions of acclamation at the student-focused event.

Fremont shared the Dashboard Indicators report from Advance, which shows that gift commitments are up 17%. He also presented graphs that compare the performance of CSUSB's philanthropic activity to its peer group in the CSU system, which illustrates that CSUSB exceeds significantly on several measures. Also, the CSUSB alumni giving rate exceeds that of the CSU peer group.

Fremont presented the Calendar of Events for the 50th Anniversary and there are over 100 celebratory events planned for next academic year.

Financial Review

Iannolo gave her presentation of the financial position of the Philanthropic Foundation. Currently, CPF has over \$3.6 million in cash. Beacon Point has provided an option for the investment committee to put that money into bonds but no decision has been made yet. Pledge receivables have increased. There has been an increase in net assets in the amount of \$615,322. Net Assets is \$36,380,394.00 which includes the art collection and property and equipment. She also showed that the endowment has a higher 1 year return than several other campuses in the CSU system, at 15.8 percent.

Investment Committee Report

Stevenson presented the report from the investment committee meeting and discussed how the market has performed positively in the last two years, but that market correction is likely due. In the event that the market slows, he shared that CPF is well positioned to hedge against risk and capture as much of the up side to the full extent of its ability. He also said that Beacon Point had been searching for a new manager to replace the funds that were pulled from PIMCO, to which the investment committee chose Wells Fargo Absolute Return Strategy.

Advocacy Report

Edwards shared that the governor has remained staunch in his budget proposal to allocate \$97 million less than what the CSU Trustees have requested. The Governor has provided some increase in budget allocation to the CSUs on the condition that tuition does not increase. April 5th is CSU Advocacy Day, and Edwards along with President Morales and others will travel to Sacramento to meet with local legislators to advocate for an increase in the budget for CSUs. He expressed a lack of confidence in the legislature's potency in arguing against the Governor's plans.

Alumni Report

Kaenel presented the report on the Alumni meeting that was held in October. He expressed that the goal of the committee is to reconstruct the alumni association. They have started with revising their bylaws and have also drafted a strategic plan. Hatcher presented the goals of the Alumni Association, which are to 1) build strong affinity to and encourage lifelong involvement with the university and to 2) create a base of volunteer support that engages and connects various constituencies in the life of the university. She stated that all activities in which the Alumni participate are positioned to fulfill the goals. She presented an Engagement Progress report, which essentially shows a snapshot of facts surrounding the Alumni Association and the data they have derived through research. For example, there are 443 annual members and their E-newsletters have expanded globally to reach contacts in Europe, Asia and the Middle East. She shared another of the committee's goals to develop a system in which college

representatives notate and track when alumni members volunteer in campus events, so as to provide concrete measures of alumni engagement.

Bylaw Update

Fremont walked the committee through bylaw edits he recommended and invited the committee's input. Various edits were made and discussed. The following are some of the more pertinent edits articulated.

He pointed to Article II, and added additional bullet points, d and e, which read, "(d) To provide philanthropically-related counsel and assistance to the President of the California State University, San Bernardino; (e) To advance California State University, San Bernardino throughout the region by engaging in meaningful partnerships that elevate education opportunities." The basis for the additions is to provide stronger clarification for the purpose of the Philanthropic Foundation, ensuring that board responsibilities are clearly outlined and defined. The committee was satisfied with those edits.

In Article V, Section 3, provisions were added to allow for greater specificity on what defines board membership. The roles of Community Directors, Faculty Directors, and Ex-Officio members were outlined. An additional Ex-Officio role was added to the seat of the Vice President for Administration and Finance who would now also serve as the Assistant Secretary in addition to functioning as the Treasurer. The reasoning is that it would be logistically easier to reach him so he may sign forms when the Secretary is not accessible.

Section IV was added, under Article V, to outline the responsibility of board members to make annual contributions to the university in the form of money or property.

Section VI, under Article V, was added to enumerate the classifications of non-voting memberships, which are Emeriti Members and Honorary Members who would be able to participate in special foundation or university activities and would be exempt from the annual conflict of interest disclosure.

A clause was added to Article VIII, to allow non-board members to sit on committees, which aroused a discussion.

Motion: The committee agreed to include a statement in Article VIII granting non-board members the opportunity to be appointed to standing committees except for the Executive Committee. (Kaenal/Stevenson/Unanimous)

Motion: The edits to the bylaws, as discussed, were accepted and a draft will be presented to the full board for consideration. (Fremont/Teyber/Unanimous)

50th Anniversary Board Commitment

In relation to the testamentary gift that has been requested of each board member, Edwards stated that at the next board meeting, he will provide contact information of four attorneys who will be able to assist in amending board members' estate plans. Edwards reiterated that no financial minimum has

been solicited, just that a testamentary gift be made and if any member of the Executive committee has not already made their gift, they are advised to set the precedent for the rest of the board and make that gift before the next meeting.

Transparency Policy

Fremont presented a Transparency/Accountability & Public Record Request Policy. It formalizes the process, by which the corporation already abides, which simply stated is to follow the Public Records Act by making records available for the public. However, some information is not protected under that act and CSUSB and CPF management will determine on a case by case basis if requested documents are permitted or if need to be redacted.

Motion: The Transparency/Accountability & Public Record Request Policy was reviewed and adopted. (Edwards/Kaenal/Unanimous)

Form 990 Review Policy

Vickery presented the drafted Form 990 Review Policy which acknowledges in writing and for display on the CPF website, what is already done in practice, and that is CPF management will work with external auditors to prepare its annual 990 form and have it reviewed by the board prior to filing.

Motion: Form 990 Review Policy was approved and adopted. (Jackson/Bodman/unanimous)

Events of Note

Fremont announced events of note including the EOP Alumni Golf Tournament on March 28, the PDC Golf Tournament on April 13 and the Arts & Music Festival on May 15, for which he welcomed members to participate.

Adjourn

Motion: Meeting was adjourned at 5:07 p.m. (Weisser/Cole/unanimous)

Minutes Approval:

Signature: Douglas R Freer Date: 6/2/15
Print Name: DOUGLAS R FREER
Board Position: ASST. BOARD SECRETARY