

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
FINANCE COMMITTEE MEETING

MINUTES

September 7, 2021

2:00-3:00 p.m.

ZOOM Meeting ID: 852 2827 2398

MEMBERS PRESENT: Jeff Kane
Carly Marino
Jason Ramos
Jenn Capps

MEMBERS ABSENT: Tom Jackson

OTHERS PRESENT: Kacie Flynn, SPF
Denise Bettendorf, Accounting
Lynne Sandstrom, Accounting

I. Call to Order

Jeff Kane called the meeting to order at 2:02 p.m.

II. Review 4th Quarter Financial Statements

(Attachment A)

Denise Bettendorf of Financial Services presented the 4th Quarter Financial Report ending June 30, 2021. For the year-end, the effective IDC rate was 9.8% which is a 0.9-point increase from the prior year. Invoiced and unbilled Accounts Receivables (AR) of the Research Foundation totaled \$13.5 million, which was a \$1.3 million increase from the prior year.

At the end of the 4th Quarter, there were 630 active projects with a total award portfolio of \$113 million. Comparatively, at this point in FY 19/20 there were 605 active projects with a total award portfolio of \$110 million.

Kacie Flynn presented Pre-Award metrics with year to date comparative data on routed proposals and new awards. Through the end of FY 20/21, the foundation submitted 301 proposals requesting \$84 million in funding. The total proposals submitted was up by \$23 million from last year, bringing the foundation in at an all-time record high. In that same time, SPF received 183 new awards totaling \$30 million.

III. Review current Reserve Policy

(Attachment B)

Per the current Reserve Policy, it will be reviewed at least annually to ensure its consistency with the Foundation's objectives of growth, income, and any changes in applicable laws and external financial trends. The full Board had previously voted to amend the policy in May 2020, increasing the reserve amount from \$4 to \$5 million. This new reserve level will be built up with a gradual 'set-aside' of 20% of the annual year-end net income. In addition, SPF maintains a \$2 million line of credit with Redwood Capital Bank as a safety net in the event the foundation needs to process a large invoice. The committee did not recommend any changes to the policy at this time.

IV. Discuss Line of Credit Increase with Redwood Capital Bank

To help support the rapid growth of our award portfolio, and the strains larger grants can put on our daily cash flow, Sponsored Programs has approached Redwood Capital Bank (RCB) with the option to increase and extend our current line of credit. RCB's proposal is currently in underwriting to extend the proposed \$4M line with similar terms. SPF Management requests the Board authorize approval of the increase once received and reviewed by the Chancellor's Office.

Action Item: Jeff Kane m/s Jason Ramos "Motion to recommend renewing & increasing the line of credit with Redwood Capital from \$2M to \$4M." Motion carried unanimously.

Sponsored Programs is also in preliminary discussions with Advancement to establish a secondary internal line of credit. That proposal may be presented to this committee for formal consideration at the next meeting.

V. Discuss Indirect Cost Revenue Distribution

(Attachments C & D)

Kacie Flynn reviewed the current policy and presented the proposed distribution of the Indirect Cost Revenue in following with the Board approved policy. After first setting aside 20% of the available balance towards the reserve, there is approximately \$974 thousand remaining for consideration. The committee could recommend banking all or part of the revenue to put it towards building the reserve quicker or distribute it back to the campus community. If the committee recommends in favor of distributing per the current policy, the detailed distribution list will be voted for approval by the full Board on September 28, 2021.

Action Item: Jeff Kane m/s Carly Marino "Motion to recommend following the Indirect Revenue Distribution Policy as presented to the Board of Directors for approval." Motion carried unanimously.

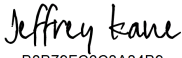
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VI. Other

VII. Adjournment

The meeting adjourned at 2:46 p.m.

Respectfully Submitted,

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Jeff Kane