Mr. Isaacson called the meeting to order at 11:06 a.m.

President’s Report

Mr. Isaacson welcomed the Trustees and guests.

William A. Covino was introduced as Cal State L.A.’s new president. President Covino revealed that he is planning to become an active Trustee and realized the significance of the Board and how the Board is very crucial to the future of the University. President Covino highlighted a few of the areas in which he would like to see the Board pursue.

- Working to move CSULA to the next CSU Fund-Raising Tier
- Increase private support by making fund-raising a priority
- Expand board membership and help to invigorate board activity
- Develop tools to keep track of our alumni as well as reaching out to them

President Covino also mentioned that at the next board meeting he would like a brainstorm session to discuss how to achieve, strengthen programs and scholarships, and create a network of support.

The minutes of the June 27, 2013 Board of Trustees meeting were presented for approval.

A motion was made by Mr. Kleinsmith and seconded by Judge Jones to approve the June 27, 2013 Board of Trustee minutes as presented.

With no further comments or questions, a verbal vote was conducted and the motion passed.
Sub-Committee Assignments – As an informational item, Mr. Isaacson referred the Trustees to the updated sub-committee roster, indicating each member’s participation in one or more of the Board’s sub-committees.

2014 Calendar of Meetings – Mr. Isaacson referred the Trustees to the 2014 calendar of meetings and asked that all meetings be noted.

Committee Reports

Governance Committee

New Members:

Student Representative – Judge Jones announced that Mr. Mark Kleinsmith was appointed by the ASI Board of Directors to serve as the CSULA Foundation’s Student Representative.

After reviewing Mr. Kleinsmith’s credentials, a motion was made by Dr. Baaske and seconded by Mr. Isaacson to accept Mr. Mark Kleinsmith as the student representative for a one-year term commencing September 26, 2013.

A verbal vote was conducted and the motion was passed.

Faculty Representative - Judge Jones announced that the Academic Senate’s Nominations Committee has elected Professor Molly Talcott to replace Professor Elaine Draper on the CSULA Foundation Board of Trustees.

After reviewing Professor Talcott’s credentials, a motion was made by Dr. Baaske and seconded by Professor Ricci to approve Professor Molly Talcott as the CSULA Foundation Faculty Representative for a three-year term commencing September 26, 2013.

A verbal vote was conducted and the motion passed.

Alumni Representative – The president and/or designee of the Alumni Association is designated as ex-officio Trustees. Ms. Marlene Carney is the current Alumni President and she has elected to serve as the Alumni Representative for the Foundation.

A motion was made by Mr. Ramirez and seconded by Professor Ricci to approve Ms. Marlene Carney president, Alumni Association, to serve as the CSULA Foundation Alumni Representative for a two-year term commencing September 26, 2013.

A verbal vote was conducted and the motion passed.

CSU Executive Order – Recommended Change to Articles of Incorporation and the CSULA Foundation By-laws.
As part of the Governance Committee’s responsibilities, the Committee is responsible for periodic review of the Foundation’s governing documents.

Amendments to the CSULA Foundation By-laws and Articles of Incorporation:

The CSULA Foundation amended its By-laws and Articles of Incorporation to comply with Education Code, Section 42600 requiring that an auxiliary organization shall contain a provision that upon dissolution of the organization, net assets, other than trust funds, shall be distributed to a successor approved by the president of the campus and by the CSU Chancellor.

With no further discussion, a motion was made by Ms. Fong and seconded by Judge Jones to approve the amended Articles of Incorporation as presented.

A verbal vote was conducted and the motion passed.

A motion was made by Judge Jones and seconded by Professor Ricci to approve the revised CSULA Foundation By-laws as presented.

A verbal vote was conducted and the motion passed.

Audit Report

Chancellor’s Office Auxiliary Audit Report – Mr. Button reported that there was a Chancellor’s Audit of auxiliary and foundation activities. Mr. Button mentioned that this report has yet to be made public by the Chancellor’s Office. An update will be provided at the next Board meeting.

GAAP Report - Ms. Wee reported that the Audit Committee met with the auditors, Macias Gini & O’Connell to review the audited financial statements for the period ending June 30, 2013. A final draft copy of the financial statements was electronically posted allowing each Trustee to review prior to this meeting.

Mr. James Godsey, Partner, and Ms. Jean Horimoto of Macias Gini & O’Connell were introduced. Mr. Godsey informed the Trustees that the audit was conducted in accordance with Generally Accepted Accounting Principles for forming an opinion on the accuracy of the presentation of the Foundation’s financial statements. Mr. Godsey also thanked Mr. Leung, his staff and the Audit Committee for their cooperation and committed effort in assisting in the preparation of the financial statements.

The Foundation’s current assets were $3,051,867 with non-current assets at $23,999,534. Total liabilities were $396,961 and total net assets were $26,654,440 bringing the total liabilities and net assets to $27,051,401.

Mr. Godsey concluded that there were no significant deficiencies that were noted during the course of the audit and reported that the Foundation was given an unqualified opinion.
Statement of Activities and Cash Flow – Mr. Saito inquired as to why the permanently restricted investment income, interest, and dividends restricted for long-term investments were not included in the cash flows from financing activities. Discussion followed and it was agreed that the interests and dividends be moved from the cash flows from operating activities to the cash flows from financing activities. Mr. Saito agreed to work with the auditor to reflect the change.

Mr. Wong suggested that the Board approve the financial statements as presented subject to said revision.

Mr. Button noted that timing was important because these statements are rolled into the CSU Financial Statements. Mr. Button suggested that the Board exercise the provision in the by-laws that allows the Board to act without a meeting. A ballot with a motion and second to approve the revised financial statements by the Executive Committee would allow the auditor’s time to revisit the issue and restate the cash flow statement.

It was agreed that the auditors would restate the cash flow statement and with the authority given to the Executive Committee who would then approve and move the issue forward.

A motion was made by Mr. Wong and was seconded by Judge Jones to approve the financial statements of cash flow as presented with the condition that the Executive Committee review said revisions prior to approving.

With no further discussions the motion passed.

Development and Gift Acceptance Committee - Mr. Ramirez made the following report.

For the first quarter, philanthropic gifts and pledges to the University totaled almost $1.3 million and of those, $736,000 was earmarked for CSULA Foundation accounts.

A pledge of $350,000 to be paid over three years and a first payment of $176,000 was received from two former administrators and alumni of the University. These gifts will support an endowment to support student services in the EOP and Summer Bridge Program. The gift was made in honor of Dr. Rosser’s Presidency.

A pledge of $250,000 was received from a current donor and distinguished alumnus in the College of Business and Economics to establish a new endowed scholarship fund focused on supporting underserved communities that do not traditionally consider the field of accounting as a profession.

Upcoming Events:

The Billie Jean King and Friends Awards Gala will be held on Saturday, October 13, 2013 at the Langham Huntington Hotel & Spa in Pasadena. This year’s event will include a special presentation of the Joe Shapiro Award to Billie Jean King’s tennis coaches at Cal State L.A., Dr. Joan Johnson and
Cameron “Scotty” Deeds. Johnson, as coach of the women’s team, and Deeds, as coach of the men’s team, ran practices together during Billie Jean’s time at Cal State L.A. The two coaches understood the value to both teams and greatly influenced Billie Jean’s thinking about her career and various social issues.

Save the Date – The CSULA Alumni Association Alumni Awards Gala will take place on Friday, February 7, 2014. Information details about the event and honorees to follow.

Investment and Finance Committee – Mr. Isaacson provided the following information.

Amended and Restated Investment Policy Statement (IPS) – Mr. Isaacson reported that the Investment and Finance Committee have conducted several meetings/conference calls with investment counsel to review the Investment Policy revisions/updates, which include target returns, spending formula update, use of passive investments, language and guidelines, incorporating hybrid model, and giving investment counsel additional flexibility within the portfolio.

With no further discussion, a motion was made by Ms. Fong and seconded by Mr. Ramirez to approve the Revised Amended and Restated Investment Policy Statement as presented.

A verbal vote was conducted and the motion passed.

Executive Director’s Report – Mr. Button made the following report.

Endowment Funds for The Honors College - Mr. Button reported that proceeds from the President’s Retirement Gala, approximately $186,400, was received from retail activities or contributions that were not specified for The Honors College Endowment.

A recommendation was made by the Provost, and endorsed by the President, to use these non-restricted proceeds from the President’s Retirement Gala as a scholarship quasi-endowment fund for The Honors College. Mr. Button proceeded to inform the Trustees that these types of revenues look and act like an endowment and is subject to all endowment policies. Mr. Button reported that a quasi-endowment would be set-up for The Honors College. It was noted that in past instances, this sort of fund was used by the Institute of Retail Management, the Luckman Fine Arts Complex, Charter College of Education and the Friends of Music.

Institutional Advancement Updates - Mr. Button reported that Institutional Advancement will commence a search for an Associate Vice President for Public Affairs and noted that this position has been vacant for a while. Mr. Button also noted that the University Development Office is currently reporting directly to him in the absence of the assistant vice president for University Development. This position affects the Board, as the vice president for University Development is the contact for the Gift Development Acceptance Committee.
Mr. Button referred the Trustees to the information flyer in their agenda packets regarding the Distinguished Educators Award Dinner. Event is scheduled for Friday, November 1, 2013, on campus in the Golden Eagle Ballroom. The Trustees were encouraged to support this event.

The University has been chosen to participate in a special exhibition – American Sabor: Latinos in U.S. Popular Music Exhibition, popular Latin music genres from The Smithsonian Institution and sponsored by Ford Motor Company. Mr. Button also mentioned that a number of artists featured in the exhibition are CSULA Alums. The exhibition will open November 16, 2013 and run through Sunday, February 9, 2014 at the CSULA Fine Arts Gallery.

**Next Meeting** – The next CSULA Foundation Board of Trustees meeting is scheduled for Thursday, January 23, 2014 at Cal State L.A., Raquel Soriano Board Room.

With no other business, the meeting was adjourned at 12:30 p.m.