The CSULA Foundation Board of Directors
Meeting Minutes
Thursday, October 1, 2009

Present: Kyle Button, Carolyn Frank, Carol Jackson, Robert Land, Fred Lopez, Mary Pat McEnrue, Jorge Ramirez, Timothy Rogers, Mae Santos, Elizabeth Wheeler

Absent With Excuse: George Pardon, Frank Saito, Sami Siddiqui, Gilbert Vasquez,

Guests: Thomas Leung, University Controller, Susana Moreno, Administrative Analyst/Specialist, Institutional Advancement, Sandra Nduna, ASI Student, Mr. Mark Gray and Mr. Edward Steudner of Guzman & Gray

In the absence of Mr. Saito, the meeting was called to order at 11:08 a.m. by Mr. Lopez who thanked everyone for attending.

President’s Report

Mr. Jorge Ramirez, an ex-officio board member representing the Alumni Association was introduced. Mr. Ramirez’s involvement with CSULA and his background were highlighted.

Ms. Sandra Nduna, student representative was introduced. Ms. Nduna gave a brief overview of her background.

The minutes of the June 25, 2009 Board meeting were presented for approval.

Mr. Rogers commented on the wording under the Executive Director’s Report – Senate Bill 218 Update. It was agreed that the wording in the sentence should read “subjecting auxiliaries to public records act.”

A motion was made by Mr. Rogers and second by Dr. Land to approve the June 25, 2009 Board minutes with the noted amendments.

A verbal vote was conducted and the motion was passed.
Audit Committee Report

Mr. Lopez introduced Mr. Mark Gray and Mr. Edward Steudtner of Guzman & Gray. Mr. Gray proceeded to report on the Foundation’s audited financial statements for the year ending June 30, 2009. Mr. Gray indicated that this was an unqualified audit which means there were no material deficiencies found clearing the course of the audit review.

The Foundation’s current assets were a positive $6,260,369 with non-current assets at a positive $15,045,808. Total liabilities were a positive $368,810 and total net assets were a positive $20,937,367 bringing the total liabilities and net assets to $21,306,177.

Statement of Activities – total revenue and support were a positive $1,151,431. Total expenses were $4,513,313 with a change in net assets a negative $3,361,882.

Mr. Gray proceeded to review the Notes to the Financial Statement section and commented that there were no significant deficiencies that were noted during the course of the audit and commended the organization on the care with which records were kept.

Governance Committee Report

Election of Student Representative – ASI Board of Directors has appointed Sandra Nduna as the new student representative to serve on CSULA Foundation Board of Directors with a term expiration date of June 30, 2010.

A motion was made by Ms. Santos and second by Dr. Franks to approve Sandra Nduna as the student representative.

A verbal vote was conducted and the motion passed.

Investment and Finance Committee Report

Ms. Jackson reported that the Investment and Finance Committee met with the Foundation’s investment counsel, Stanley Morgan Smith Barney and proceeded to review the Foundation’s portfolio returns as of September 29, 2009.

The portfolio is currently at a positive $15,288,466, recovering approximately $2.5 million dollars of the portfolio. Year-to-date the total gross returns were 20.7% vs. the S&P at 16.7%. Since inception the portfolio is up 5.8%.

Ms. Jackson reported that the Investment and Finance Committee was bringing forth for the Board’s approval Addendum H to the Investment Policy, the UPMIFA Language. The Board was referred to the UPMIFA description in their packets which outlined the prudent management of institutional funds act enacted by California effective, January 1, 2009.

Mr. Button noted that due to a lack of quorum at the Investment and Finance Committee meeting this action does not come with a recommendation but with a request for a motion, second and approval.
A motion was made by Dr. Frank and second by Ms. Wheeler to approve the UPMIFA Language, as described in Addendum H, to the CSULA Foundation’s Investment Policy.

A verbal vote was conducted and the motion passed.

Brandes Global Equity – The Investment and Finance Committee agreed to further examine this manager’s underperformance and therefore no action was required at this time.

Dr. Land inquired about the Foundation’s Investment Policies stating that faculty might be interested in knowing if the Foundation had a policy regarding socially responsible investing or limits for speculative investing. Mr. Button responded stating that when Smith Barney was elected as the Foundation’s investment counsel they went through a process to fully articulate an investment policy which includes spending, benchmarks, risks tolerance, and a statement on the matter of socially responsible investing.

Dr. Land also inquired as to how investment decisions were made. Mr. Button stated that it’s a shared due-diligence process.

**Development and Gift Acceptance Committee Report**

Ms. Wheeler reported that the University’s base of charitable support continued to grow with the comparative numbers indicating that the base of support increased by 17% over the previous year.

A gift of a private residence from a current faculty member was received to support faculty research in computer science.

With an increase in unrestricted giving in 2008-09, these gifts have allowed Cal State L.A. to expand programs and opportunities, such as providing support for a new Honors College, slated for implementation in the fall of 2010.

The University Development program has shifted its organizational structure and focus to devote more time and resources to developing planned giving and testamentary commitments. In the fiscal year ending June 30, the Foundation received documentation from a number of individuals stating that Cal State L.A. is slated to receive all or a portion of their estates. These estate expectancies have an estimated fair market value of $20,975,000.

Ms. Wheeler concluded that this past year the University received one of its largest realized bequests at $766,636 from an alumnus of the College of Business and Economics. The funds are designated by the donor for an endowed scholarship fund.

Mr. Button provided additional information on the structure of estate and deferred gifts.

**Treasurer’s Report**

Ms. Santos reported that there was no report and that Business Financial Services office was in the process of closing books for the 1st quarter. A full report will be provided at the January 2010 meeting.
Executive Director's Report

Mr. Button acknowledged and thanked Ms. Santos, Mr. Leung and his staff for working with the auditors on the audit. Mr. Button stated that the auditors, on more than one occasion, commented on the good communication between departments and the value of having the Business Financial Office working closely with the Foundation.

Mr. Button reported that an extension would be filed for submission of the 990 forms due to the significant changes in the revised 990 form.

Engineering Family Support Scholarship - as a disclosure item, Mr. Button reported that the University did not adhere to the existing criteria for administering this endowed scholarship. Mr. Button reimbursed the scholarship fund from undesignated proceeds from the Annual Fund so that the funds could be used in accordance with the criteria.

Annenberg Foundation – the second installment of the Annenberg pledge of $5 million dollars was received for the support of the Wallis Annenberg Integrated Sciences Complex. Funds are being held in a short-term investment until needed.

State Budget – Mr. Button reported that all but one Union agreed to furlough days for the 2009-2010 fiscal year. Mr. Button also stated that class schedules would not be interrupted for students and that the University would continue to operate on furlough days on a limited basis. It is still uncertain how state funding will be affect the University in 2010-2011 fiscal year.

Scholarship Task Force – the Board was reminded that the scholarship administration was moved into Institutional Advancement for reviewing a number of issues affecting private scholarships including donor stewardship and the difficulties of awarding scholarships. Mr. Button reported that the task force, to-date, has mapped and is working on more centralized procedures to make the process more user friendly for students.

The task force has also indentified scholarships which, for the first time, will be made available to outreach and recruitment.

President’s Scholars/Honors College Program – The cost of attendance has eroded the value of the President’s Scholars scholarship compared to current University fees. The offices of Academic and Student Affairs have been in discussions to implement the Honors College Program and the appropriate level of award which would allow the University to offer a generous scholarship for student’s in our service territory who qualify for these programs.

Mr. Lopez inquired if fundraising for these scholarships was underway and Mr. Button replied that the Richard Merkin Foundation had already established the Merkin Scholarship in support of the Honors College.

New Business

Mr. Lopez mentioned that the Foundation encourages its members to participate in functions and various CSULA events. Mr. Lopez suggested that a calendar of University major events be distributed to the Board.
Current events include the Billie Jean King event scheduled for October 17, 2009 at the Langham Huntington Hotel in Pasadena and the President's U.S. Marine Band concert is scheduled to perform at the Charles and Harriet Luckman Theatre on October 23, 2009.

The next Board meeting is scheduled for Thursday, January 21, 2010 and will be held in the Raquel Soriano Board Room.

With no further business a motion was made by Ms. Jackson and second by Dr. McEnrue to adjourn the meeting.

A verbal vote was conducted and the motion passed. The meeting adjourned at 12:05 p.m.

As Secretary of the CSULA Foundation Board of Directors, the revised minutes of the October 1, 2009 meeting have been approved as presented at the April 22, 2010 Board of Directors meeting.

\[\text{Signature}\]

\[\text{Date}\]