



SONOMA STATE UNIVERSITY Academic Foundation, Inc.

Board of Director's Meeting

MINUTES – September 19, 2008

- I. Call to order. Dr. Armiñana was determined that a quorum was present and opened the meeting.
(Refer to Record of Attendance for September 19, 2008)
- ❖ Approval of the June 13, 2008 Board Minutes
 - Approved unanimously.

 - ❖ Current Membership of the Foundation Board and Committee members.
 - An updated membership list for 2008/2009 was provided in the packet. David Bjornstrom, SSUAF Counsel, has been added as an additional support staff member to the Board. A vacant support staff position on the Board, Finance Committee, and Audit Committee, will be filled by the new Deputy Controller for Auxiliary and Foundation Accounting, which is currently under recruitment. Active recruitment is also underway for a new Scholarship Coordinator. This person will serve as a member of the Compliance Review Committee.

 - ❖ University Update. Dr. Armiñana provided the following comments:
 - State Budget - The 08/09 budget is still not finalized and the proposal by the Legislature allows the need for much of the costs to be addressed during the 09/10 budget. It is anticipated that a multi-billion dollar deficit will exist next year as well.
 - CSU Budget – The 08/09 budget for the CSU system includes an additional \$96M re-instated into the budget from what had been proposed in January. However, the CSU budget essentially remains flat from the prior year. The only new money will be coming from the 10% Student Fee increase but this new revenue is being used to cover mandatory costs.
 - The enrollment target for the CSU remains the same as last year and it is likely next year will be the same as the State is unable to fund additional enrollment.
 - At SSU, we have seen an increase in retention, in the freshmen class, and in the average unit load of students.



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II. Board Responsibilities/Conflict of Interest and Non-Profit Integrity Act (See September 19, 2008 Agenda packet for these documents)

Jeremy Olsan provided and discussed his letter dated 9/19/08 to the Board describing the legal responsibilities of the members:

- The letter provides information to Board members regarding their legal responsibilities to the SSUAF and about the Non-Profit Integrity Act.
- Olsan discussed the main obligations of the members:
 - *Act in good faith.*
 - *Do not use the Foundation for own financial gain.*
 - *Exercise reasonable care in the conduct of Foundation Business.*
 - *Always follow fiduciary duties when making decisions.*
 - *Due diligence in assessing the reliability of officers and committee members.*
 - *To vote accordingly.*
 - *Conflict of Interest – alerting the Board of any decisions made by the Board of transactions affecting you personally.*
- The Foundation maintains a copy of the CSU Auxiliary Organizations: Nonprofit Integrity Act & Charitable Solicitation Procedural Manual which provides additional information on this subject.
- This document is to be signed by all members and will be mailed out to all absent members for signature.

III. Vice President for University Development's Report (See September 19, 2008 Agenda packet for these documents)

CSU Charitable Gift Annuities

Patricia McNeill described gift annuities and provided a graph comparing the amounts received at SSU during the 07/08 fiscal year to other CSU campuses. SSU reported the highest receipts of gift annuities than any other CSU campus during this period.



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Distinguished Alumni Dinner

McNeill informed the Board that Kate McClintock, Director for Alumni Relations and the Alumni Association, recently accepted a position at the SRJC. McNeill then described details of the Distinguished Alumni Dinner, to be held on October 23rd at the DoubleTree Hotel in Rohnert Park. She encouraged all members to attend.

Sonoma Insights Magazine

McNeill passed around a copy of the soon to be released Fall 2008 edition of the Sonoma Insights Magazine. Dan Condrón mentioned that the magazine includes discussions of University activities and stories.

Neves Social Justice Lecture Series

McNeill provided details of the Neves Social Justice Lecture Series, which will be taking place in Person Theatre on September 25th. Coming to speak will be Alejandro Toledo, former Peruvian President. Andrea Neves added that Toledo was the first indigenous President of Peru. Neves encouraged all Board members to attend. The lecture is free and open to the public.

IV. Chief Operating Officer's Report

(See September 19, 2008 Agenda packet for these documents)

Schlereth deferred to the Action Items section of the Agenda for operational items.

V. Chief Financial Officer's Report

(See September 19, 2008 Agenda packet for these documents)

Coate stated that this is the last Board meeting for Jeff Wilson as he has accepted the position of Deputy Controller for Sponsored Program Accounting at SSU. Recruitment is currently underway for a new Deputy Controller for Auxiliary and Foundation Accounting.



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VI. Action Items

(See September 19, 2008 Agenda packet for these documents)

Coate discussed the proposed 2008/09 General Fund budget. Total expenses and contingency are anticipated to reach \$239,800. The largest expense item is for audit, which has been increased to \$95,000 in anticipation of higher audit costs. The contingency has also been increased, to \$44,000, primarily to cover against additional anticipated costs related to the on-going Larry Moore Trust litigation. Bjornstrom, SSUAF Counsel, will be invited to discuss the status of the Trust during the next Board meeting in December.

Total Revenues are expected to equal total Expenses of \$239,800, which would result in the expected ending fund balance for 08/09 to be carried forward from the prior year in the amount of \$178,599. It is the intent to increase this fund balance over time to equal at least one year of operating costs. The expenses are primarily funded from revenues associated with an administrative assessment to endowment earnings in the amount of \$217,800, unchanged from the prior year.

Motion: Approval of General Fund Budget proposal for 2008/09 per recommendation by the Finance Committee

Action: Unanimously approved.

Lowry discussed a proposal for an Audit Committee Charter as developed and recommended by the Audit Committee. The Charter outlined the duties of the Audit Committee within the parameters of the Non Profit Integrity Act.

Motion: Approval of Audit Committee Charter.

Action: Unanimously approved.



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Randy Pennington discussed the Financial Audit by Moss-Adams, LLP. The Audit Committee met with Jim Lanzarotta, Partner at Moss Adams, to deliver and review the draft audited financial statements. This is the fourth fiscal year that Moss Adams has been the Foundation's external auditor. Lanzarotta provided a presentation of the financials for the year ending June 30, 2008.

- Overall, SSUAF received an unqualified opinion.
- Lanzarotta discussed the numerous new accounting and auditing standards, areas of audit emphasis, and significant SSUAF events or transactions.
- A review of financial highlights was provided via charts which showed investment returns and the trends in revenues, expenses, gifts, assets, and net assets.
- Lanzarotta gave thanks to Foundation staff, the Audit Committee and the Board for their help throughout the audit process.

Motion: Approval of Financial Audit by Moss-Adams LLP

Action: Unanimously approved.

VII. New Business

No new business was discussed.

Meeting adjourned at 2:00 p.m.

Minutes Approved by:
Letitia Coate
Chief Financial Officer, SSUAF

Minutes Prepared by:
Ian Hannah
University Associate Treasurer, SSU



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Record of Attendance
 September 19, 2008

		<i>First</i>	<i>Last</i>	<i>In Attendance</i>
1	Dr.	Ruben	Armiñana	Present
2	Ms.	Patricia	McNeill	Present
3	Mr.	Laurence	Furukawa-Schlereth	Present
4	Ms.	Letitia	Coate	Present
5	Ms.	Jeannette	Anglin	Present
6	Mr.	Herm	Benedetti	Absent
7	Mr.	Sanford	Bressick	Present
8	Dr.	Barbara	Butler	Present
9	Dr.	Jean Bee	Chan	Present
10	Ms.	Anita	Christmas	Present
11	Mr.	Dan	Condron	Present
12	Dr.	Carmen	Finley	Present
13	Mr.	Tom	Gillespie	Absent
14	Ms.	Rachel	Hersh	Present
15	Dr.	Alan	Johnson	Absent
16	Mr.	Dan	Lanahan	Absent
17	Mr.	Dan	Libarle	Absent
18	Dr.	Wallace	Lowry	Present
19	Dr.	Andrea	Neves	Present
20	Ms.	Delphine	Newman	Present
21	Dr.	Eduardo	Ochoa	Present
22	Mr.	Randy	Pennington	Present
23	Mr.	Jim	Perez	Absent
24	Dr.	Saeid	Rahimi	Present
25	Ms.	Beth	Robertson	Absent
26	Mr.	Irwin S.	Rothenberg	Present – tele.
27	Dr.	Robert	Schultz	Absent
28	Mr.	Michael	Sullivan	Absent
29	Dr.	Liz	Thach	Present
30	Mr.	Michael	Troy	Absent

Members Present 20
 Members Absent 10
 Board Quorum 12 *Article II, Section 1(a), Bylaws*



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Staff/Guests Present:

Mr. Ian Hannah – *University Associate Treasurer, SSU*

Mr. William Ingels – *University Treasurer, SSU*

Mr. Jeff Wilson – *Sr. Accountant for Endowment & Foundation Accounting, SSU*

Mr. Jeremy Olsan – *SSUAF Counsel – Perry, Johnson, Anderson, Miller &
Moskowitz LLP*

Mr. Jim Lanzarotta – *Partner, Moss Adams LLP*

Staff Absent:

Ms. Robin Draper – *Associate Vice President for Development, SSU*