

GREAT BASIN COLLEGE FOUNDATION
Finance Committee Meeting MINUTES
1500 College Parkway
Elko, Nevada 89801
Berg Hall Conference Room
Thursday, August 27, 2015, at 3:00 p.m.

Video Conference from the Meeting Site to:
Great Basin College – Ely Center
2115 Bobcat Dr., GBC 112

MINUTES

The meeting of the Great Basin College Foundation Finance Committee was called to order at 3:02 pm by Chair James Glennon

ROLL CALL:

Voting members in attendance: James Glennon, Tana Gallagher, Mark Lafoon, Jim Kelley, Holly Wilson via IAV, John Pryor via phone

Others in attendance: Mark Curtis, Greg Brorby, Sonja Sibert, Mardell Wilkins, Scott Gavorsky

- 1. Public Comment** *(see foregoing notation regarding public comment)* **Information only**
There was no public comment.

- 2. Approval of Minutes – James Glennon** **For Possible Action**
Chair James Glennon presented the minutes of the GBC Foundation Finance Committee meeting on July 6, 2015 to be approved. **MOTION** by Jim Kelley to approved the minutes of the GBCF Finance Committee meeting on July 6, 2015; seconded by Tana Gallagher; motion was **APPROVED**.

- 3. Finance and Accounting Information /Action Items – James Glennon** **Information/Action**
 - A. Review and approve record of expenditures – Vice President Sonja Sibert reported than no expenditures were run for the time period because of the ongoing audit and the organizational change in the GBC Foundation.
 - B. Review and approve check register from April 29, 2015 to the end of July - Sonja Sibert reported that given the organizational changes in the GBC Foundation and the ongoing audit that there were no invoices paid during this time period. Expenditures will be done in August and will be reported at the next Finance Committee meeting. The Foundation has received income and that is what is listed in the reports. There was a discussion on the Barrick employee check received once per month. The Foundation receives one check and an excel spreadsheet that has about 1200 lines of information. We would like to get the individual donor and their donation into our database so as to properly acknowledge the gift. Some of these employees who are donating through their company may not even be in our database as a donor. There are many matters like this that are being identified to clean up. **MOTION:** Tana Gallagher made a motion to approve that there will be no expenditures

for the period and to approve the revenue for the period; Mark Laffoon seconded the motion; motion was **APPROVED**.

- C. Review and approve the revised budget for FY 2015/2016 with a discussion on sustainability - Greg Brorby, GBC Foundation Director, presented the same budget for FY 2015/2016 that President Curtis presented to the last Trustee meeting with no changes. Greg feels we can live with it for this fiscal year. The FY 2015/2016 total budget is \$165,000. The biggest change is the number of staff. President Curtis added that there will be a better job done in communicating with the donors and broadening the donor base. There are approximately 200 donors who give consistently. We will be talking to employees to encourage them back into the giving mode. Over time the former foundation director and staff concentrated on the large donations and less so on expanding the donor base. We may not see dramatic results in year one but over time we will see better results. Greg added there is nearly 4000 people in the database who have given something and another 4000 who haven't given anything. The Foundation will be focusing more on expanding the donor base. **MOTION:** Jim Kelley made a motion to approve FY2015/2016 budget; Holly Wilson seconded the motion; motion was **APPROVED**.

There was a discussion on sustainability of the Foundation budget with Greg Brorby bringing up the current fee policy to raise money to sustain the budget by taking the 10% administrative fee. The Foundation needs bring in \$1.6 million to be sustainable and we are currently averaging under \$300,000 per year in contributions excluding Vision 2020. The UNR Foundation raises \$700,000 – \$800,000 per year. It isn't realistic that we could bring in double what UNR brings in. Greg is searching for alternatives and is asking the committee to help in different ways to fund the Foundation. President Curtis said there is \$60,000 in undesignated funds that could go to operations. There is a management fee that could be taken off of each fund. Greg will be exploring these alternative methods as a means of sustaining the budget. Greg will also investigate how UNR sustains their budget.

- D. Review and approve the laddered CDs with Morgan Stanley that were renewed in July – Sonja Sibert reported that there were some Morgan Stanley CDs that had to be renewed in July that had approximately \$90,000 in them and earned approximately \$400 in interest. They auto renewed at .65% interest and will mature in August of 2016. The total amount of the CDs are \$370,000. The mature dates are laddered. **MOTION:** Jim Kelley made a motion to approve renewing the laddered CDs that matured in July and have already been renewed; Tana Gallagher seconded the motion; motion was **APPROVED**.

4. Discussion of the GBC Foundation Investment Policy – James Glennon Information only

James Glennon asked Greg Brorby to start the discussion on the GBC Foundation Investment policy. Greg reported that Sonja Sibert identified that the Foundation has been cashing dividends and selling shares to pay for the management fees instead of pulling it out of the distribution. The GBC Foundation Investment Policy was looked at in October 2008 and was voted as status quo with no changes to the investment strategy. In 2009 something was cashed out and reinvested. The Foundation is currently still cashing dividends and selling shares to pay for management fees instead of pulling out of distribution. If we go back does that change the

revenue for the budget? Sonja said that it shouldn't. There is nothing in any minutes suggesting a change to the policy. Sonja Sibert recommended that the Foundation should follow what is in the policy. We are still in the audit process now. But, as of July 1, 2015 we can go back to the 2008 policy. There would be no retroactive adjustments because the amounts were immaterial. There should be a future agenda item or statement in the minutes to direct staff to go back to the GBC Investment Policy of 2008. This is a good topic for a future agenda item to review the full policy in the future.

5. **Discussion of the current tax return status – James Glennon** **Information only**
Sonja Sibert will be working with James Glennon's office in filing the tax return after we receive the audit report. The tax return is due November 15, 2015.
6. **Discussion of the role of the Controller's Office and its support of the Foundation including an overview of the accounting systems used and the importance of moving funds to the proper accounts. – Sonja Sibert** **Information only**
Sonja Sibert will continue to use Account Mate to monitor the accounts and Tami Potter will print checks and trial balances. Tami will also do the Fund Driver allocation into Common Fund. Mardell Wilkins will do the deposits for separation of duties. Greg Brorby reported there are two issues: some of our finances are being monitored through a manual process and the others are in Fund Driver. There is not currently one single source to look at the accounts. We are working on having just one system. Sonja Sibert added that NSHE institutions are implementing a new finance and HR system called Workday. Once we go live and run it for a while, the GBC Foundation accounts will be moved from Account Mate to Workday. GBC will go live in the fall 2016 and move Foundation accounts over in fall 2017, if possible. We will still use Fund Driver as that does the allocations. The accounting functions for the Foundation will take a large amount of time. Certain times of the year will be more time consuming than other times. It is taking a little more time now because people are learning the systems. The bank reconciliations are fairly simple.
7. **GBC Foundation Director's Report – Greg Brorby** **Information/Action**
 - A. Discussion and possible approval of the recommendation to eliminate Petty Cash – Greg Brorby recommended eliminating the Petty Cash Fund. The fund is used infrequently and has \$58.99. **MOTION:** John Pryor made a motion to eliminate the Petty Cash Fund; Mark Laffoon seconded the motion; motion was **APPROVED**.
 - B. Discussion and possible approval of the recommendation of the changes to the signature authority for all the Foundation accounts – Greg Brorby presented the changes to the signature authority for all Foundation accounts. The recommended signature authority for FY 2015-2016 is: Jim Winer, Mark Laffoon, Chris Johnson, James Glenon Tana Gallagher, and Greg Brorby and also granting access to Foundation account information to Sonja Sibert and Tami Potter. **MOTION:** Jim Kelley made a motion to approve the new signature authority for the GBC Foundation accounts; Holly Wilson seconded the motion; motion was **APPROVED**.

- C. NEH Grant Review – Greg Brorby introduced Dr. Scott Gavorsky for an update on the NEH grant. This is the 3rd year of grant. The infrastructure is complete. The website address is: www.humanities.gbcnv.edu. There is a fully functional data base on the Great Basin Indian Archive and the oral histories of the Founding fathers. As we move into the 3rd year more content will be developed. The content will continue to be humanities oriented. They have been working with the museum and the Western Folk Life Center for digital content. The first commitment of \$300,000 has been received. The Board of Trustees committed to raising \$1.5 million which is a 3 to 1 match. Thanks to the Barrick donation of \$500,000 the grant only requires \$1 million or 2 to 1 match. It is worth a discussion on what direction the Trustees take. Part of the premise to go with the \$1.5 million was that Newmont would be interested in donating and they are not interested. We still need to raise the \$1 million. We also have another campaign coming up for the GBC 50th Anniversary; Pahrump is in the final stages of acquiring the BLM land; and we are considering a capital campaign. There is a lot on our plate and some prioritization needs to happen. The NEH grant has three more years. As long as we are raising money in certain increments the NEH releases money. If we don't reach milestones we don't get the match. Greg asked the Trustees to consider if we want to go above the \$1 million. President Curtis added that every time we have gone to a major donor in the past two years the NEH grant has been #1 on the list. We still need to try to raise the money to get to the \$1 million. When we get to that we will not have it in the #1 spot. It will be a balancing act explaining our needs and goals. Tana Gallagher just wanted to be sure we were not tied to the 3 to 1 match. We will definitely meet the 2 to 1 requirement. A list of the GBC priorities and timeframes for upcoming campaigns will be developed and the role of the Trustees' in it all.
- D. Discussion on the NSHE Investment Proposal - Greg Brorby wanted the Trustees to be thinking about the information presented on the NSHE pooled investments so that a discussion and action can be taken at the next meeting. The advantages are the higher returns, lower costs, less audit costs and slightly better fees. If we hold over \$5 million in assets it requires an audit every year which costs many thousands of dollars. If we move into the NSHE endowment then we can do a review and compilation. If we get to the point to move all of the accounting into Workday we will bypass even the review process and fall under the NSHE and GBC audit. The disadvantages: the Board of Trustees making a decision and that would have to be relayed to the System office. The System office also uses Common Fund so we would work directly with the System Office. John Pryor said that Vic Redding brought up that Common Fund was the golden Cadillac of systems. James Glennon said getting away from the audit is a huge benefit. This will be a discussion and/or action item for the next GBCF Finance Committee meeting on October 1st.

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| 8. | Items from committee members
No items. | Information only |
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| 9. | Public Comment (<i>see foregoing notation regarding public comment</i>)
Greg Brorby relayed that the major donor appreciation event in April and the event booklet that was created and the recent letter from President Curtis has sparked interest by one donor. | Information only |

Greg meet with her today and she wrote a check on the spot fully funding one of the needs listed in the booklet.

10. Adjourn

Information/Action

The meeting was adjourned at 4:16 p.m.