

GREAT BASIN COLLEGE FOUNDATION
Finance Committee Meeting
1500 College Parkway
Elko, Nevada 89801
Berg Hall Conference Room

Thursday, October 1, 2015, at 3:00 p.m.

Video Conference from the Meeting Site to:

Great Basin College – Ely Center

2115 Bobcat Dr., GBC 111

Ely, Nevada

System Administration – North – Room 134

2601 Enterprise Rd.

Reno, NV 89512

MINUTES

Call to Order of the Great Basin College Foundation Finance Committee

VOTING MEMBERS IN ATTENDANCE: James Glennon, Tana Gallagher, Mark Laffoon, Jim Kelley, John Pryor

ABSENT: Holly Wilson

OTHERS IN ATTENDANCE: Mark Curtis, Gregory Brorby, Sonja Sibert, Mardell Wilkins, Regent Kevin Melcher, Vic Redding, Jaime Hollman, Terri Gage

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

2. **Approval of Minutes – James Glennon** **Information/Action**
Chair James Glennon presented the minutes of the GBC Foundation Finance Committee meeting on August 27, 2015 to be approved. **MOTION:** by Tana Gallagher to approve the minutes of the GBCF Finance Committee meeting on August 27, 2015; seconded by Jim Kelley; motion was **APPROVED**.

3. **Finance and Accounting Information /Action Item – James Glennon** **Information/Action**
 - A. The GBCF Finance Committee reviewed the record of expenditures/check register from April 29, 2015 to the end of August. **MOTION:** by Mark Laffoon to approve the expenditures; seconded by John Pryor. Motion was **APPROVED**.
 - B. The GBCF Finance Committee discussed the income/deposits for the month of August, 2015. **MOTION:** by Tana Gallagher to approve the income/deposits; seconded by John Pryor. Motion was **APPROVED**. Sonja Sibert mentioned there is an \$80,000 CD that matures today. At the last Finance Committee meeting the committee concurred with the decision to roll over the CDs that had automatically rolled over. This will automatically roll over as well. The next Finance Committee meeting we should have the new interest rate and terms. James

Glennon stated this is not a good view of the portfolio and will have to talk more about it later.

4. NSHE Endowment Pool Proposal – James Glennon **Information/Action**

Vic Redding and Jamie Hollman from the NSHE System office presented a brief recap of the NSHE Endowment Pool proposal that was presented to the Finance Committee at the July meeting. Vic Redding reiterated that it is just an option to consider. NSHE operates a consolidated endowment pool in the \$240 million with participation from all of the institutions. The NSHE endowment pool offers the smaller colleges more options for diversification and different investments that smaller colleges would normally would not have access to. There are around 600 accounts in the central endowments. All of the donor specifications are tracked per each account. The current rate is 4.7% for spending. It maintains same purchasing power year after year. The NSHE endowment pool has some of the same fund managers that the GBC Foundation investment funds. It functions like a very large mutual fund. Regent Kevin Melcher reported that with the shared services implementation it appeared that this is a service that NSHE has that could be utilized by the smaller colleges. They wanted to communicate that this is available to them should they decide to participate. It is GBC's decision and NSHE doesn't have an opinion one way or the other. President Mark Curtis said from GBC's standpoint we'd be getting the same service and reporting with less man power and reduce audit costs, more diversity in investments with slightly less fees – there seems to be more positives than negatives with transferring to the NSHE endowment pool. Everything falls under the control of the Board of Regents anyway. Kevin Melcher said that the Board of Regents meet every December to review and approve every foundation board report and they also approve the people serving on the board of trustees and reports and audits. Vic Redding stated the NSHE endowment pool has access to managers that only look at investments at the \$25 million range which lowers cost. Everything there is audited annually. If they pick up the GBC investments then the audit will fall under NSHE thus saving on the significant audit cost for the college. GBC would still need a periodic audit every other year on the any holdings that remain at the college. The NSHE endowment pool is very diversified, heavy on equities, and balanced with a number of managers to minimize the risk. Kevin Melcher said it would very easy to get reports on funds and get updates. Jaime Hullman supplies monthly and quarterly reports. GBC would have access to FundDriver to see market value. Between the NSHE endowment pool and operating pools they have close to \$1 billion which leads to a better fee structure and more investment options. The NSHE endowment pool has been with Cambridge since 1985. They have had a great track record through good times and bad. John Pryor asked what the savings would be for the GBC Foundation. Sonja Sibert said that it would eliminate some of the accounting work for the Controller's. The Foundation would be able to access FundDriver like we do today, but the system staff could be called upon to provide any information that is needed. There was a discussion on whether to move everything over to the NSHE endowment pool or just endowments. There is approximately \$ 6.3 million in endowments out of approximately \$7.7 million. We wouldn't want to move the temporary scholarships. GBC would have options to move a portion over and keep some at the local level. The NSHE endowment is well situated for perpetual funds but not as a holding.

Vic Redding pointed out that NSHE would be handling the endowment pool but GBCF staff would continue to handle everything pertaining to donor relations. There is no urgency for a decision, but if the GBCF wanted to avoid the 2016 audit the transfer would need to occur before June 30th and it would have to go to the Board of Regents' Investment and Facilities committee first and then to the main Board of Regents for final approval. The Finance Committee requested a comparison between the GBC fees and the NSHE fees.

Greg Brorby said the GBCF investment policy will have to be reviewed and updated to match the NSHE investment mix in the coming weeks should we elect to participate in the NSHE endowment fund. James Glennon and Greg Brorby will meet later this month to discuss. An agenda request would have to be submitted the System Office the 1st week of November to get onto the December Board of Regents' agenda. The timing would be better to shoot for the March Board of Regents' meeting. The fee policy and funding of the foundation operations is also under review. Changing our fee structure to 2% would fund the GBCF operations. Greg Brorby and Sonja Sibert will continue to work with Vic Redding to get the information needed to make a decision.

5. **Financial Statement and Audit for FY 2014-2015 – James Glennon** **Information/Action**
- Teri Gage from Eide Bailey presented the financial statement and final audit report for FY 2014-2015. Teri went over page by page the audit report and the opinion letter and management's discussion and analysis. Staffing changes and the ability to fund operations is a concern going forward. At the end of June there was \$8.6 million in assets; \$4.1 million is the corpus piece and non-expendable. The unrestricted funds total about \$1 million. There is also another \$600,000 that the board voted to put into non-expendable but the trustees can change their minds. Pledges are booked in the current year. Investment income is down considerably. There is \$4 million in Common Funds; all in accordance with our investment policy. NSHE private investments are not in the policy. Of concern is there are several GBCF accounts that are not covered under FDIC coverage. That total is \$863,762. It's recommended that the GBCF open up another bank account or longer term investment. Teri did find in February 2009 the Board of Trustees approved to begin using dividends and current earnings to pay for expenses. There was a restatement on page 23 of the financial statement. In 2015, the Foundation restated its previously issued financial statements to account for a significant pledge that was recorded but never paid. It was written off the next year. The GBCF staff had adopted a policy to account for only five years for a pledge. It turns out you can't limit it to five years, so it had to be restated. Greg Brorby said we run a month pledge report and send a reminder and follow up if we don't receive a payment. The audit went very well even with the change of staffing. Greg said it was a large amount of work from Brandi's perspective. Best use of resources needs to be taken into consideration. Mark Laffoon said it would be nice to get a statement that documents all the money that has been raised throughout time. **MOTION:** by Mark Laffoon to approve the FY14-15 audit; seconded by John Pryor. Motion was **APPROVED**.
6. **Insurance Liability Coverage for Directors and Officers. – James Glennon** **Information/Action**

Greg Brorby present a quote for liability coverage for Directors and Officers for discussion. There is no change from previous years. There was a request to get a quote from another company. Item was table until the next meeting for further discussion and/or action.

- 7. GBC Foundation Director's Report – Greg Brorby** **Information only**
- A. Discussed the GBC priorities list. Greg Brorby is working on the priority list. He meet with Faculty Senate last week and requested a list of their needs. It will be a starting point and will be refined as we go. A number of needs have been met from the list provided at the April donor appreciation event.
 - B. Discussed funding alternatives for the GBCF operations. Potential revenue sources such as annual events, alumni association dues, annual unrestricted fundraising campaign, management fees from investment earnings, administrative fees from donations, interest earned on temporary funds, and grants will be considered. We will be reviewing the current GBCF Fee Policy and the breakdown of fees collected in 2014/2015. This will be brought back as an agenda item in the future for a better discussion.
 - C. Discussed the need for training on Talisma. Received a statement of work from Talisma for training. The cost will be \$1,600, but is within the \$2,100 budget for training. Talisma has never been fully utilized. It is much more powerful and can be a better resource than in the past. Greg is working with the Institutional Research department to create a survey to alumni to hopefully populate our database.
- 8. Discuss the multiple accounting systems being used and manual reporting that the GBC Foundation is utilizing – Sonja Sibert** **Information only**
- Sonja Sibert informed the committee that as we become more involved with the numerous systems being used in the Foundation we are identifying that many things are being duplicated by different people and the processes may not be as efficient as they could be. We will be working to streamline the processes so that Greg can better manage the Foundation. We are working towards Talisma “talking” with FundDriver so that staff won’t have to put data in twice.
- 9. Discuss and/or approve the recommendation from SGA to deactivate the Aggie's club and distribution of funds – Sonja Sibert** **Information/Action**
- Sonja Sibert first made a correction that this is the Rodeo club that has been deactivated by SGA. The GBCF Finance Committee should be aware that back in 2004 as student club, the Rodeo Club, was formed. All funds raised for the club was run through the Foundation and then distributed to the club. They raised \$2,100. It went into foundation and then transferred to student organization account for the club and the College holds those funds in trust for the club. The club hasn’t been active since 2011. GBC staff recommends deactivating the account and returning the money to the SGA for use is other SGA clubs or activities. There is \$2,000 left in the account. There were no objections from the Finance Committee. The Controller’s office will handle all of the paperwork for the transfer.
- 10. Items from committee members** **Information only**
- None.

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| 11. | Public Comment <i>(see foregoing notation regarding public comment)</i>
None. | Information only |
| 12. | Adjourn
Meeting was adjourned at 4:25 pm. | Information/Action |