

AOA Philanthropy Committee Meeting Minutes
April 30, 2024
3:00 pm to 4:30 pm

Philanthropy Committee Spring Meeting

The AOA Philanthropy Committee convened virtually on Tuesday April 30, 2024, from 3:00pm to 4:30pm. The meeting was attended by approximately 41 representatives from various CSU campus foundations, the Chancellor's Office, Advancement Operations/Services, and Finance personnel supporting philanthropic foundations.

Discussion Topics:

I. Welcome & Introductions (Hannah)

Chair Ian Hannah (SSU), welcomed everyone to the meeting and introduced Vice Chair Nicole Forrest Boggs (CSULB) and Conference Session Planner Ira Unterman (CSUN), and also acknowledged the other members of the planning group.

The following documents were shared and discussed with committee members with no objections or suggested edits.

- Prior meeting minutes (1/7/24)
- AOA Philanthropy Committee 2023 Annual Report
- Committee New Member Orientation Packet

II. Chancellor's Office Updates (Moore)

Aaron Moore, Advancement liaison to the CO, shared several updates from the perspective of CSU Systemwide Advancement/Chancellor's Office.

Melissa Watkins, newly named AVC for Systemwide Advancement was present for the meeting. Greg Saks has also been named the new VC for External Relations and Communications in the newly renamed [Division of External Relations and Communications](#). This division is also partnering with Strategic Enrollment Management due to systemwide enrollment issues.

Moore also shared that a new report has been released on the [Alumni-Student Connections in the CSU](#). The report identifies the student lifecycle and was shared with the BOT. All campuses are being awarded funding of at least one related award.

III. CSU Audit Team Presentation (Hannah)

Hannah introduced CSU Audit team members: Wendee Shinsato – Assistant Vice Chancellor, Audit and Advisory Services, Kyle Ishii – Audit Manager and Dane MacDonald – Sen Mgr for Advisory Services. The audit team was tasked to provide an overview of general issues in auxiliary governance, specific issues in audits related to philanthropy and endowment management, and to share potential risks/concerns noted from some of our higher education peers. Also, there has been a recent focus on best practices, not just compliance with policies/procedures.

There are 89 CSU auxiliaries and about 50% of audits performed are in auxiliaries. This includes endowment management & investment accounting/reporting and also philanthropic foundations, which are the most comprehensive (include cash, AR, disbursement, pledges, endow, gifts and pledges). The CSU audit team was more focused on commercial auxiliaries over last 2-3 years and anticipate more focus on philanthropic foundations in future audits.

Some common audit issues related to philanthropic foundations were highlighted:

- Auxiliary Governance
 - Operating agreements to be reviewed every 5 years
Budget and reserves oversight – reviewed/signed by campus president
 - Board composition/representation – admin and staff, faculty, non-campus personnel and students
 - Conflict of interest policy – board members complete in timely manner
 - Cost allocation – ensure cost incurred by operating fund are recovered
- Endowment management
 - Dormant accounts – no activity or spending; process for reviewing and addressing
 - Underwater accounts – how to review and address
 - Reasonable admin fees
- Fundraising and gift processing
 - Gifts in Kind
 - Pledges receivable – recorded at proper times and properly in financial statements
 - Oversight – DOA for gift acceptance and fundraising

IV. AOA Executive Committee Updates (Hannah)

Hannah provided high level updates following a recent AOA Executive Committee meeting held on 4/26/24. EC meetings generally review budget, membership and structure for the AOA.

[CSU Travel and Business Expense Payments Policy](#) has been updated. The policy hotel/lodging expense limit has been increased from \$275 to \$333 per night to adjust for inflation and align with other state public higher education institutions. This rate applies to travel on or after April 18, 2024.

AOA trying to build back reserves after losing money on cancelled conferences during pandemic (AOA membership and/or conference rate are increasing 10%).

Caroline Johansson made brief comments updating folks on the happenings of the AOA Leadership Academy: designed to build a pipeline of leadership in AOA and continue success in AOA; collaborate with EC; current cohort is 6 members; call for apps in August.

An Issue Brief on Governing Board Committee Delegation of Authority has been prepared by Robert Griffin (AOA Compliance Consultant). It outlines restrictions on having non-board committee members when a committee exercised authority on behalf of the board. In

contrast, committees with delegated authority or advisory committees are permitted to have non-board committee members.

Revised operating guidelines for AOA Philanthropy Committee were also approved by AOA EC.

V. AOA Conference 2025 Updates (Unterman)

Ira Unterman, Conference Session Planner, shared general 2025 AOA Conference info. This year's AOA Conference will be held January 12-14, 2025 in San Diego. The CABO group (VPs for A&F) are scheduled to meet Monday near the end of the conference. There will be an in-person AOA Philanthropy Committee meeting at the beginning of the conference followed by four concurrent session blocks generally within our (Philanthropy Committee) purview. Potential to have a joint session with the IT committee on the topic of Artificial Intelligence applications. Looking at Responsible Investing as another potential session topic.

VI. Open Discussion/Hot Topics

David Furhiman (SDSU) presented on the topic of unspent distributions/accumulated balances/treasury management. This topic was identified during the breakout session discussions during our in-person Philanthropy Committee meeting in January 2024 and continued via the message board on the AOA communications portal. Furhiman shared a bit about the processes implemented at SDSU, particularly as it relates to highlighting and encouraging use of low expenditure activity funds.

At SDSU, an analysis is conducted to display number of years of cash on hand in each fund and shared with departments via email to encourage spending. Extra attention is put on funds with no expenses over 18 months. Interest earned is deposited in the Foundation reserve and not allocated back to individual funds. [SDSU Campanile Foundation investment policy on treasury management](#).

VII. Next Meeting & Agenda Topics (Forrest Boggs)

Nicole Forrest Boggs reminded the committee that there is no summer meeting scheduled so the next zoom meeting is planned for 10/23/24. Welcomed input from the group on future topics to be covered.