

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION
MINUTES
APRIL 11, 2012 – 4 p.m. – District Board Room**

SBVC Foundation Members Present

Stephanie Cereceres	Beverly Powell
Bruce Baron – Ex-officio	Tanya Rogers
Larry Buckley	Leslie Rodden
Rich Beemer	Lynda Savage
Lois Carson	Donald Singer
Frank Ferre	Mike Stull
John Futch	Lew Warren
Eloise Gomez Reyes	Evlyn Wilcox
Judi Penman	Liza Wilson
Craig Petinak-Ex-officio	

SBVC Foundation Members Absent

James Ramos	Mark Seay
Ron Skipper	Bob Temple

SBVC Foundation Staff Present

Donna Hoffmann
Dena Peters

I. Call to Order

The meeting was called to order at 4:05 p.m.

II. Welcome and Introductions

Stephanie Cereceres opened the meeting and welcomed everyone. Introductions were made around the room.

III. Approval of January 11, 2012 Minutes

Stephanie Cereceres asked for a motion from the members present to approve the minutes of January 11, 2012. **ELOISE GOMEZ REYES moved to approve the minutes; DANNY TILLMAN seconded the motion. MOTION APPROVED.**

IV. Finance Reports

Statement of Activities, Period Ending March 31, 2012

Tanya Rogers reviewed the financial statements for the period ending March 31, 2012. **(See attachment.)** She commented that we are on target for our budget in all areas except Unrealized/Realized Gains: We had budgeted \$200,000 for 2011-12 but are only at \$84,305, making it unlikely we will make this target.

Danny Tillman asked how the investments were estimated. Donna Hoffmann replied that the budget for 2011-12 is the first budget the Foundation has had, so she had made the estimates based on the past two years of revenue. Paul Shimoff recommended there be a quarterly

financial report from our investment partners which would allow us to better track our Realized/Unrealized Gains. Donna Hoffmann duly noted the suggestions. The Quarterly Financial Report will be filed.

Motion to Approve Changes to Administrative Cost Recovery Policy

Tanya Rogers forwarded the recommendation of the Finance Committee to change the administrative fee from 2% to 5%. **(See attachment.) PAUL SHIMOFF moved to approve the policy changes; RICHARD BEEMER seconded the motion. MOTION APPROVED.**

V. Discussion

Review of Foundation Activities for 2011-12

Fundraising Committee: Rich Beemer reported that during the past year the Fundraising Committee:

- met and developed the 85th Anniversary Gala and Athletics Golf Tournament
- The committee selected the 85 People of Distinction
- The golf tournament had 108 golfers and raised \$10,000 for Athletics
- The 85th Anniversary Gala had 335 attendees and raised \$40,000 for Valley-Bound
- The Gala gave us an opportunity to recognize Kitchell/BRJ/Seville for their pledge of \$50,000 over 2 years

Finance Committee: Tanya Rogers reported that during the past year the Finance Committee:

- assisted in reviewing the Audit with our new auditors, Christy White
- reviewed the Administrative Cost Recovery Policy and made the recommendation to increase the administrative fee

Institutional Awareness: Leslie Rodden reported that the Institutional Awareness Committee:

- met and established goals for presentations in the community.
- conducted presentations on SBVC's 85th Anniversary at San Bernardino Chamber Koffee Klatch and San Bernardino Downtown Rotary.
- conducted presentation on Valley-Bound Commitment to Women's Leadership Council and San Bernardino Noon Rotary.
- developed a fundraising brochure Valley-Bound Commitment
- posted an article on VBC on the *Precinct Reporter* website

Board Development: Lois Carson reviewed a handout of her report for this past year's accomplishments:

- The Board voted to change the meeting time and I am happy to report that we have enjoyed a quorum at all meetings.
- Board orientation for all new members was completed.
- The policy of term limits was instituted to insure infusion with motivation and new ideas.
- All committees developed purpose statements and met regularly during the year; committees are urged to re-double its efforts towards greater achievements.
- Board members committed to committee service and a financial assessment; today is the last day to honor the commitment for this year and tomorrow starts a new year.

Stephanie Cereceres also shared the SBVC Foundation 2012 Year-End Report. **(See attachment.)**

Donna Hoffmann noted that this year we have the opportunity to give more scholarships than last year because of our investment gains and because of the new Osher scholarships totaling \$25,000.

SBVC Fundraising Goals

Chancellor Bruce Baron addressed the Board and thanked them for their service and generous contribution of time over the years. He talked about the difficult financial times and how they are impacting the District. Because of cuts to the state budget over the last few years, the District has had to cut classes and sections. The District is, in fact, serving 7,000 fewer students, he said. As part of his role as Chancellor, he commented that often he is asked about the funding to KVCR and the SBVC and CHC Foundations. Faculty and staff are concerned that the funding for these organizations could be used for student services and classes.

Chancellor Baron indicated that he would be willing to supply seed money to the Foundation to help it grow, if the Board would make a commitment to work toward making the Foundation self-supporting. He is willing to make an investment, as well as commit his time and efforts, if the Foundation provides a timeline that indicates what steps they will take, at what cost and the expected return on investment.

Discussion

Don Singer concurred with the Chancellor. As a Trustee, Dr. Singer said he is concerned about decreased state funding and the impact on our students. He does see the value of the Foundation, not only in fundraising but also community outreach.

Rich Beemer said he serves on other boards in the community and most of their fundraising staff is larger, encompassing grant writing, development and administration. He expressed concern that this Foundation would not be able to become self-supporting in less than five years and recommended beefing up staffing to make that possible.

Lois Carson said she believe the District needs to show commitment by anchoring staff support. This would free the Foundation to focus efforts on fundraising without worrying about covering salaries.

Paul Shimoff said he agreed with what Lois Carson said, but a bit differently—he would encourage the District to invest money to enhance the Foundation, not just staff support. He is encouraged by the success of the Foundation over the past three years—a database of alumni, increased number of gifts to the Foundation, profitable events—and would like to see the Chancellor not only provide seed money for fundraising activities, but also work with Donna Hoffmann to open doors in the community. As Chancellor, he has access to people that others do not.

Judi Penman agreed with Paul Shimoff and said it's the title—the Chancellor is the one that can go out there and raise money. "Donna knows the people, but the Chancellor is who they want to see."

Larry Buckley commented on the opportunity to also focus on corporate gifts, not just from local companies but national companies like Pepsi who profit from our community.

Discussion ensued about partnering with The Community Foundation for planned giving, as well as securing student interns from CSUSB to help with alumni relations.

The next step is to develop a plan to present to the Chancellor for funding. Donna Hoffmann will work with the Foundation Executive Committee to develop the plan.

VI. SBVC Foundation Director's Report

Donna Hoffmann shared the dates for upcoming events:

April 23: San Manuel Skybox @ 66ers v. Lake Elsinore Storm (Please RSVP immediately)

May 9: Donor Reception & Scholarship Awards Ceremony (Look for your invitation)

May 12: SBVC Art Gallery Bus Trip to the Getty Museum

August 22: SBVC Foundation Annual Meeting

VII. Adjourn

It was agreed by the board members that the District Board Room was preferred for the Foundation board meetings. We will plan to meet here in the future.

The meeting was adjourned at 5:15 p.m.

Respectfully Submitted,

Dr. Larry Buckley, Secretary

San Bernardino Valley College Foundation
Statement of Activities
Period Ending March 31, 2012

	<u>3/31/2012</u>	<u>3/31/2011</u>	<u>3/31/2010</u>
Revenues, gains, and other support:			
Contributions	254,485	391,370	468,358
Special Event proceeds	87,235		
Support from SBCCD	170,068		
Unrealized/Realized Gains	84,305	300,963	189,988
Interest and Dividends	38,135	41,913	34,867
Total revenues, gains, and other support	<u>634,228</u>	<u>734,247</u>	<u>693,213</u>
 Expenses:			
Scholarships	42,648	185,598	118,858
Valley-Bound	110,664		
Other programs	16,348		
Professional Fees	19,739	19,035	11,165
Administrative and General Expenses	8,577	26,515	14,400
Board Expenses		672	1,817
Total program expenses	<u>197,976</u>	<u>231,820</u>	<u>146,240</u>
 Supporting Services			
Management and general	170,068		
Fundraising	36,126		
Total supporting activities	<u>206,194</u>		
Total operating expenses	404,170		
 Change in net assets	230,057.69	<u>502,427</u>	<u>546,973</u>

San Bernardino Valley College Foundation
Statement of Financial Position
Period Ending March 31, 2012

	<u>3/31/2012</u>	<u>3/31/2011</u>	<u>3/31/2010</u>
Assets:			
Cash and equivalents	234,490	178,864	246,675
Certificates of Deposit	159,038		
Equity investments	1,450,178	1,359,210	867,747
Investments	895,563	1,058,572	1,006,305
Beneficial interest in FCCC endowment	347,824		
Total assets	<u>3,087,093</u>	<u>2,596,646</u>	<u>2,120,727</u>
 Net Assets:			
Unrestricted	35,120	(12,754)	76,193
Temporarily restricted	1,473,921	1,221,380	865,765
Permanently Restricted	1,578,052	1,388,020	1,178,770
Total net assets	<u>3,087,093</u>	<u>2,596,646</u>	<u>2,120,727</u>



San Bernardino Valley College Foundation Stewardship Fees & Administrative Cost Recovery Policy

I. Purpose:

In the course of its operation, the Foundation manages multiple restricted funds on behalf of various San Bernardino Valley College departments, organizations and ad hoc associations. Proceeds from fundraising activities and grants are deposited with the Foundation, which then provides many services on behalf of the solicitor. As appropriate, these may include:

- Maintenance of charitable status
- Receipting of the gift
- Acknowledgement of the donor
- Cultivation of the donor relationship
- Accounting of fund activity
- Disbursement of funds
- Pledge reminders
- Banking administration
- Documentation fulfillment for grant requests
- State & Federal tax reporting
- General oversight / audit
- Processing of in-kind gifts
- General fundraising advisement

The purpose of this policy is to establish a stewardship fee as means of partially recovering costs associated with providing these services.

II. Policy:

Stewardship fees and administrative costs will be recovered based on the following:

300 SERIES—Current \$2500 Endowed Scholarship Accounts.

All endowed scholarship accounts should have a signed agreement and will earn investment income. Scholarships will only be awarded at the level of income above the corpus, not to exceed 5%.

400 SERIES—SBVC Dept./Division Fundraising Events & Projects.

Funds raised for a specific department or division, or through a special event or project. Funds will be established only with a signed agreement. Only accounts over \$10,000 will earn investment income. The remainder accounts' investment income will go to the General Fund to offset administrative fees.

It is the policy of the SBVC Foundation to create a Foundation Designated Account only with a signed agreement. Designated accounts are created for a specific on-going purpose that is consistent with the mission of San Bernardino Valley College.

In general, expenditures from designated accounts should be consistent with the purpose to which the funds are held. This is interpreted to mean the expenditure of funds would support, enhance, and/or further the activity consistent with conditions stipulated with the establishment of the account.

Two years of inactivity of the account (no deposits or expenditures) will result, after proper notification, in any remaining funds being disbursed in the best judgment of the Foundation Board of Directors.

500 SERIES—Unendowed Scholarship Accounts.

This series will include scholarships building to the endowed status, textbook scholarships, pass-through/outside scholarships, etc. Each account should have a signed agreement and may or may not earn investment income:

- Scholarship accounts building to the endowed status will retain earnings within the fund until it reaches the endowed level. (The endowed level must be reached within 3 years or the funds will be moved to the General Scholarship account.) **Scholarship accounts established beginning July 1, 2010 will be assessed a ~~2%~~5% administrative fee upon receipt of the gift.**
- Textbook scholarships established prior to July 1, 2010 will earn investment income which can be used for textbook scholarship awards.
- Pass-through/outside scholarships will not earn investment income. Annual scholarships must be a minimum of \$125, plus a ~~2%~~5% administrative fee. These accounts will earn investment income (if eligible) for the General Fund to offset administrative fees.

600 SERIES—\$5,000 Endowed Scholarship Accounts

Effective October 2009, all endowed scholarships must be at the \$5,000 level. All accounts must have a signed agreement and will earn investment income, **but will be assessed a ~~2%~~5% administrative fee upon receipt of the gift.** Scholarships will be awarded at the level of income above the corpus, with a goal of 5 percent.

700 SERIES—Grants, Planned Gift, Trusts, Real Property

- **Grants**

These accounts will earn investment income for the General Fund to offset administrative fees.

- **Trusts and Planned Gifts**

Trustee's fees for investment portfolios will be calculated on market value of the trust assets. An annual fee of ~~2%~~5% will be distributed on July 1, based on the market value of the trust as of that date.

When the Foundation, as trustee or executor of a trust or will, is required to perform extraordinary services upon the death of a trustor/trustee or beneficiary, an additional fee of one percent 1% will be assessed on the market value of the trust assets to offset the cost of extra services.

All planned gifts received by the Foundation will be subject to a 5% gift fee. Fees assessed will be used by the Foundation to cultivate and solicit new gifts.

- **Real Property Gifts**

A fee is charged for acceptance, sale and/or management of real property. The amount and type of fee is based on the circumstances of each property gift. The fee structure is similar to those of banks and trust companies providing services for the general public.

Supplemental fees are applicable where the Foundation is involved in toxic waste matters, repair/improvement supervision, prolonged negotiations, litigation, condemnation proceedings and any other consulting services. Hourly rates for the Executive Director and all other Foundation employees will be applied at prevailing hourly rate.

Actual costs for required outside professional services are charged directly to the project based on actual services performed.

- **Capital Gifts**

Direct costs for Foundation services will be included in the Capital Project.

III. Procedure:

- Investment gains (or losses) will be distributed among all accounts based on the average balance over a three year (FY) period.

- Distributions will occur at year-end.
- Only accounts that have been active for at least 12 months shall be eligible for investment gains.
- Administrative fees to the 500 and 600 Series will be assessed when the gift is received. Donors may elect to provide for the fee by making an additional gift equivalent to the fee.
- At the request of a donor, the Foundation Executive Committee may authorize other arrangements pursuant to the use of their contribution.
- The Foundation will review this policy on an annual basis.

IV. Disclosure to Donor:

Disclosure of the administrative fee will be included in the Scholarship Agreement. Fee information should be included in any proposals or gift documents issued to prospective donors. Written or oral disclosure of the fee to donors is encouraged at the time of solicitation.

SBVC FOUNDATION YEAR-END REPORT 2012

VISION: The San Bernardino Valley College Foundation sustains and promotes the legacy of San Bernardino Valley College in our community.

MISSION: The San Bernardino Valley College Foundation is a fundraising organization committed to the stewardship of assets and the development of relationships to advance the vision of San Bernardino Valley College.

SBVC Vision: San Bernardino Valley College will become the college of choice for students in the Inland Empire, and will be regarded as the "alma mater" of successful, lifelong learners. We will build our reputation on the quality of our programs and services and on the safety, comfort, and beauty of our campus. We will hold both our students and ourselves to high standards of achievement, and will expect all members of the college community to function as informed, responsible, and active members of society.

GOAL 1: The SBVC Foundation Board of Directors will be committed to its mission.

2011-2012 Activities Completed:

- 1.1 Educate the Board of Directors on the SBVC Mission, their roles and responsibilities as Board members.
 - 1.1 Board Commitment/Agreement established and signed by current board members.
 - 1.1 Board Orientation completed for new members.
- 1.2 Recruit Board members dedicated and committed to raising funds and friends for SBVC.
 - 1.2 By-Laws changed to institute term limits.
- 1.3 Establish Foundation Committees and Taskforces that assist in the work of the Foundation.
 - 1.3 Committees developed purpose statements and met regularly through the year.
- 1.4 Conduct meaningful and productive board meetings.
 - 1.4 Change in board meeting time which has resulted in quorums at all meetings.

GOAL 2: The SBVC Foundation will conduct fundraising activities and ensure endowment security to provide resources necessary to support the mission of San Bernardino Valley College.

2011-2012 Activities Completed:

- 2.1 Increase membership of the President's Circle
 - 2.1 Garnered 13 members for President's Circle.
- 2.2 Conduct an annual campaign to solicit unrestricted funds and cultivate a culture of giving.
 - 2.2 Increased database from 2400 to 4300 names.
 - 2.2 Received pledge from Kitchell/BRj/Seville for \$50,000 over two-year period.

- 2.3 Ensure proper funding of Valley-Bound Commitment program.
 - 2.3 Received grant funding from San Manuel and Union Bank in support of Valley-Bound Commitment.
- 2.4 Increase scholarship giving.
 - 2.4 Administered over \$300,000 in investment gains to Foundation accounts.
 - 2.4 Will be giving an additional \$20,000+ in scholarships this spring because of investment gains and Osher scholarships.
- 2.5 Identify, cultivate and thank prospects/donors.
 - 2.5 Renewed subscription to Wealth Engine; utilized it to help identify our *85 People of Distinction*.

GOAL 3: The SBVC Foundation will increase the profile of San Bernardino Valley College in the communities it serves.

2011-2012 Activities Completed:

- 3.1 Develop and active Alumni & Friends Group.
 - 3.1 Increased database from 2400 to 4300 names by adding 2010 and 2011 SBVC graduates.
 - 3.1 Published and mailed 3x Alumni & Friends newsletter.
 - 3.1 Recognized *85 People of Distinction* at SBVC's 85th Anniversary Gala, netting \$40,000 and increasing our donor database.
- 3.2 Develop an active Athletic Alumni Group.
 - 3.2 Held the SBVC Athletics Golf Tournament, netting \$10,000 and increasing our donor database.
- 3.3 Communicate annual activities to community.
 - 3.3 Completed 2010-11 Annual Report and distributed to community and business members.
 - 3.3 Conducted presentations on SBVC's 85th Anniversary at San Bernardino Chamber Koffee Klatch and San Bernardino Downtown Rotary.
 - 3.3 Conducted presentation on Valley-Bound Commitment to Women's Leadership Council and San Bernardino Noon Rotary.

GOAL 4: San Bernardino Valley College and the Foundation will integrate College and Foundation planning.

2011-2012 Activities Completed:

- 4.1 Ensure Foundation activities support the mission of the college.
 - 4.1 SBVC President attended all Foundation meetings and gave report.
 - 4.1 Foundation Director participated in college strategic planning sessions.
 - 4.1 Foundation supported departments on campus:
 - a. Athletics: Golf Tournament= \$10,000
 - b. Automotive: Purchased vehicle and alignment machine= \$25,000
 - c. Valley-Bound Commitment= \$100,000+