

CHICO STATE ENTERPRISES

Finance and Investment Committee Meeting Minutes

Friday, October 9, 2020, 1:30pm-3:00pm

<https://csuchico.zoom.us/j/93878491124?pwd=WSswMHBUMEVqWXR5MGNhTnlYaWlnZz09&from=msft>

Committee Members Present: Bob Kittredge, Annabel Grimm, David Stachura, Tod Kimmelshue

Members Absent: None

Other Board Members Present: Debra Larson

Also Present: Vance Kelly, Mary Sidney, Natalie Carter

1. **Call to order – Kimmelshue called the meeting to order at 1:31pm.**
2. **Approval of Minutes from June 2, 2020 – Action Item (Kittredge/Grimm)**
Motion carried (4/0/0)
3. **Public comments and announcements –** Sidney shared that despite a slight dip in activity at the beginning of the COVID-19 pandemic, grant activity has rebounded. She added that the annual grant spending was up slightly.

Kittredge shared that the Audit had been completed on time, and that there were no issues identified. He congratulated Kelly and his team for their efforts.

4. **Finance and Investment Committee Report**
 - a. **Introduction of new CSE Controller –** Kelly introduced new CSE Controller Tim Sailsbery. Sailsbery shared about his professional background, and expressed his excitement to join the team.
 - b. **FY19-20 General Fund Year-End –** Kelly shared an update on the financials as of June 30, 2020. He reviewed income and expenses as compared to the budget. He highlighted that indirect cost recovery had exceeded expectations, and that in contrast investment income was less than had been anticipated. Kelly discussed other variations between the budget and actual income and expenses. He shared that overall the general fund was positive, with a net change of \$269, 000. Kelly highlighted a shift in approximately 4 million dollars of assets from unbilled revenue to cash and investments.

Kelly shared about transfers related to surplus distribution, which serves as a profit sharing/cost recovery related to fixed-cost contracts. Kittredge asked about the Board Designated funds. Kelly shared that Board Designated funds were largely PI incentive accounts. Larson asked for an exploration of policies relating to fixed-cost contracts as well as the sources and uses of the Board Designated funds. Kittredge expressed interest in understanding if the Board Designates the funds. Kelly added that the plant and bond fund needs to be explored.

- c. **FY20-21 Financials and General Fund Budget Update** – Kelly shared about the financials for the first quarter of FY20/21 as of August 31, 2020. He noted an increase in investment income. Sidney shared that the presentation of the financial information is undergoing continuous improvement. Stachura shared that this was the most understandable presentation of the organizations financials he had seen so far. Kelly shared plans to change the frequency of unbilled revenue accrual from annually to quarterly. Kimmelshue congratulated the team for the improvement in the financial presentation.

- d. **Incentive Distribution Update** – Sidney shared that the current distribution was delayed as a result of a loss of institutional knowledge relating to the F&A distribution for the 18-19 fiscal year. Sidney shared plans to present a new methodology for F&A distribution. She added that a new methodology would be socialized with the campus community in order to build confidence and improve outcomes.

5. **Next meeting date / time TBD**

6. **Meeting adjourned at 2:12pm**

Respectfully submitted,

Mary Sidney

Mary Sidney, Secretary