



The CSU, Chico Research Foundation

FINANCE AND INVESTMENT COMMITTEE REPORT
AUGUST 27, 2018
FOR THE PERIOD ENDED JUNE 30, 2018

THE CSU, CHICO RESEARCH FOUNDATION
California State University, Chico
Finance and Investment Committee Meeting Agenda
Monday, August 27, 2018, 1:30 – 3:30 pm
Arts 228

1. Call to order and introductions – Hassenzahl
2. Approval of minutes from May 17, 2018 – **Action Item**
3. Public comments
4. Business Items
 - a. FY2017-18 Financial review
 - b. Fringe benefits rate review
 - c. Health insurance, January 1 – December 31, 2019
 - d. Gateway Science Museum MOU
 - e. Local Agency Investment Fund (LAIF) signers
5. Announcements
6. Adjournment

Next scheduled FIC meeting
Monday, November 26, 2018 1:30 - 3:30
Location: Arts 228

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May 17, 2018 Minutes

THE CSU, CHICO RESEARCH FOUNDATION

California State University, Chico

Minutes for the Finance & Investment Committee

Thursday, May 17, 2018 1:00 – 3:00 pm

SSC 122/124

Committee Members Present:

David Hassenzahl, Eric Bartelink, Bob Kittredge

Members Absent:

Tod Kimmelshue

Other Board Members Present:

Ahmad Boura, Debra Larson

Also Present:

Jessica Bourne, Amanda Bullock, Stacie Corona, Richard Tafalla, Michele Flowerdew, Jennifer Morgan, Pam Hollis, Eddie Vela, Stephanie Bianco

1. **Call to Order** – Hassenzahl called the meeting to order at 1:03 pm and asked for introductions.

1. **Approval of minutes from March 7, 2018 – Action Item**

Motion to approve the minutes from March 7, 2018

(Hassenzahl)

(3/0/0)

2. **Public Comments** – None.

3. **Business Items**

- a. **Fiscal year 2017-18 Financial reports and 2018-19 Proposed Budget**

- i. **Research Foundation General Fund** – Bourne explained that with this year's budget report, she provided background information on Research Foundation activities and funds. In reviewing the statement of net position, she highlighted the unbilled revenue in the Sponsored Programs Fund. Boura asked if there is something that can be changed in the future

to facilitate decreasing that amount before fiscal year end. Flowerdew replied that it is a timing issue and so not much can be done to change it.

Bourne shared that the \$(5,819,702) decrease in the net position for the Sponsored Programs Fund is partially due to indirect costs that have yet to be charged to the projects and partially from the distribution of the accumulation in net assets by way of the Surplus Policy. The overall decrease in net position has several factors: timing, transfers to campus, endowment transfers to the University Foundation and depreciation are a few.

Bourne presented the RF general fund proposed budget, which included the RF Admin and Sponsored Programs offices, and explained that although it does not include center activities, it is the only one that needs Board approval. Boura asked about the 25/35 Main cost allocations and Bourne shared that more work will be done in the coming fiscal year to analyze these costs. Overall, she explained the budget is conservative on the revenue side and realistic on the expense side. Increases are expected in operating sources and operating uses, resulting in a decrease in operating activities net compared to FY17-18. Flowerdew elaborated that technology upgrades are necessary in RESP due to the software change. Also included in the RESP budget are consultant fees to upgrade the website and costs to train staff. Bourne explained that some of these costs are covered with money from the Board designated fund. Boura asked for assurance that investing funds into training and technology will be connected to a future revenue source. Tafalla shared that the goal would be to increase grant revenue by providing training in grant writing.

Within the RF-RESP shared organizational expenses, the software costs beyond the Board-approved \$542k are being amortized over the next 3 years.

Larson commented on the significant reduction in the faculty incentive transfer. Bourne explained that the distribution methodology was changed resulting in a higher contribution in FY17-18. The budgeted amount for FY18-19 comes from the RF general fund which is experiencing higher than normal expenditures due to the software upgrade. With projected revenue increases and reductions in costs, this contribution is expected to grow in coming years.

Larson introduced and discussed the idea of an ad hoc committee charged with structurally reorganizing the Research Foundation and Research and Sponsored Programs. This will be addressed at the Board meeting on May 31, 2018.

Bourne pointed out that this budget includes a few one-time anomaly fees for things like penalties and legal fees that will not be recurring in the future.

Kittredge asked if there is anything outstanding that will affect or should be listed in the budget. A few items that could potentially have an impact were discussed, however, nothing that is missing from the report.

**Motion to approve the Research Foundation general fund proposed budget for recommendation to the Board
(Kittredge/Boura)**

Motion carried (3/0/0)

- ii. **Ecological Reserves** – Bourne shared that the Ecological Reserves budget for next year is dependent upon revenue being sought from donations and grants and will be readjusted if those methods don't come to fruition.
- iii. **North State Public Radio (NSPR)** – Bourne explained that the budget for NSPR is currently incomplete as it hinges on the pending MOU with the Research Foundation but should be ready for the Board meeting.
- b. **Surplus Policy Report** – Bourne asked if after review, any members had additional questions. Kittredge questioned what the professional development fund is used for and who makes decisions regarding the spending. Tafalla shared that the funds are spent by Academic Affairs to incentivize grant development. Boura added that allocating these resources should be directly connected to a revenue stream.
- c. **Reserve Policies – Revised** – Bourne proposed splitting the current Reserve Policies into two policies, the Reserves Policy and the F&A Distribution Policy.
 - i. **Reserves Policy** – She explained that the largest changes from the existing policy are in the working capital and the capital replacement sections. Working capital now states more definitively that the Research Foundation will hold reserves to fund Sponsored Programs activities. Capital replacement now allows the Board to utilize the funds on any Research Foundation owned properties, not just the 25/35 Main buildings. Kittredge noted that the new policy is more generalized.
 - ii. **F&A Distribution Policy** – Bourne highlighted that aside from breaking the F&A distribution into its own policy, the most notable change is that the distribution amount is to be determined by Academic Affairs.

**Motion to approve the Reserves Policies and F&A Distribution Policy for recommendation to the Board
(Kittredge/Larson)**

Motion carried (3/0/0)

- d. Investment Policy – update** – Bourne shared that following the approval of the revised Investment Policy at the March Board meeting, a MOU has been drafted to contract investment services from the University Foundation. It will be proposed to the University Foundation Board of Governors in June. If approved, transferring excess current funds from the Research Foundation will follow shortly after.

The 4 quasi-endowments that were housed in the Research Foundation totaling \$1.2 million have been transferred to the University Foundation for investment.

- e. Policy of Project Cash Management and Loans – proposed revision** – Bourne explained that the main revision to this policy is the idea of encouraging projects that have large balances to invest their excess cash into a quasi-endowment with the University Foundation to maximize their interest earnings.

**Motion to approve the Policy of Project Cash Management and Loans for recommendation to the Board
(Kittredge/Bartelink)**

(3/0/0)

- 4. Announcements** – None
- 5. Next FIC meeting & calendar of meetings** – Meeting invitations will be sent out.
- 6. Adjournment - 3:02 PM**

Overall Research Foundation Financials at June 30, 2018

The Foundation's auditors will complete their audit of the RF financial statements in early September. At the time of this report, overall RF financial statements were being drafted. We anticipate providing full financial statements to the FIC for our August 27th meeting.

RF General Fund Financials, June 30, 2018

	FY15-16 Actual	FY16-17 Actual	FY17-18 Actual*	FY18-19 Budget
Operating Activities				
Operating sources				
Expense recovery	\$ 4,060,376	\$ 4,333,209	\$ 4,588,355	\$ 4,338,325
Investment income	171,759	64,778	176,752	250,000
Other	53,445	36,175	23,501	92,000
Total Operating sources	4,285,580	4,434,162	4,788,608	4,680,325
Operating uses				
Foundation Administration	(1,486,589)	(1,453,347)	(1,592,323)	(1,614,414)
Sponsored Programs	(1,261,970)	(1,172,741)	(1,386,663)	(1,611,605)
RF-RESP Shared Costs	(785,449)	(708,021)	(915,054)	(1,060,120)
25/35 Main cost allocations, Centers	(281,612)	(191,970)	(211,960)	(235,996)
Total Operating Uses	(3,815,620)	(3,526,079)	(4,106,000)	(4,522,135)
Other Operating activity				
Reporting corrections	-	(97,894)	(27,142)	-
Operating Activities Net	469,960	810,189	655,466	158,190
Board allocations				
Outstanding Professor/Staff Awards	(6,250)	-	-	-
President's Discretionary	(20,000)	(20,000)	(20,000)	(20,000)
Summer Scholars	(25,000)	(25,000)	(25,000)	(25,000)
Software upgrade	-	(176,642)	(366,290)	-
Board allocations Total	(51,250)	(221,642)	(411,290)	(45,000)
Other Sources and Uses				
Adjustment to Grant cost disallowance	-	30,918	-	-
Sale of College Park houses	-	-	1,829,361	-
Close old property accounts	-	-	18,341	-
GIC vacation accrual correction	-	-	(179,633)	-
Other Sources and Uses Net	-	30,918	1,668,069	-
F&A Distribution	(349,544)	(318,974)	(403,279)	(104,913)
Change in RF General Fund Balance	\$ 69,166	\$ 300,492	\$ 1,508,966	\$ 8,277
Net Position at beginning of the year	\$ 1,937,061	\$ 2,006,227	\$ 2,306,719	\$ 3,815,684
Net Position at the end of the year	\$ 2,006,227	\$ 2,306,719	\$ 3,815,684	\$ 3,823,961

*Unaudited

Operating Sources

	FY15-16 Actual	FY16-17 Actual	FY17-18 Actual*	FY18-19 Budget
Expense recovery				
Indirect cost recovery (F&A)	\$ 2,778,184	\$ 3,123,654	\$ 3,455,189	\$ 3,146,525
University Foundation business services	596,364	569,788	570,402	596,741
Administrative fees	473,863	426,798	408,775	440,035
ARI administration	85,000	85,000	85,000	85,000
University lease - 25/35 Main	66,965	67,969	68,989	70,023
25/35 Main transfer - ARD support	60,000	60,000	-	-
Total Expense recovery	4,060,376	4,333,209	4,588,355	4,338,324
Investment income	171,759	64,778	176,752	250,000
Other income	53,445	36,175	23,501	92,000
Total Operating Sources	\$ 4,285,580	\$ 4,434,162	\$ 4,788,608	\$ 4,680,324

**Unaudited*

Operating Uses

Foundation Administration Operating Expenses

	FY15-16 Actual	FY16-17 Actual	FY17-18 Actual*	FY18-19 Budget
General administration	\$ 329,994	\$ 391,914	\$ 320,039	\$ 342,928
Accounting and Payroll	820,193	714,632	843,946	848,618
Human Resources	336,402	346,801	428,338	422,868
Total Foundation Administration	\$ 1,486,589	\$ 1,453,348	\$ 1,592,323	\$ 1,614,414

**Unaudited*

The Office of Research and Sponsored Programs (RESP) Operating Expenses

	FY15-16 Actual	FY16-17 Actual	FY17-18 Actual*	FY18-19 Budget
Sponsored Programs				
Wages and benefits	\$ 1,095,006	\$ 1,016,389	\$ 1,246,440	\$ 1,391,000
Contract services	306	20,542	23,819	27,000
Office operations	161,079	47,452	35,959	78,610
Professional development	5,579	13,706	6,723	24,400
Facilities	-	74,652	73,722	86,095
Grant cost disallowance	-	-	-	4,500
Total Sponsored Programs	\$ 1,261,970	\$ 1,172,741	\$ 1,386,663	\$ 1,611,605

**Unaudited*

RF-RESP Shared Expenses

	FY15-16 Actual	FY16-17 Actual	FY17-18 Actual*	FY18-19 Budget
CSU, Chico payments	\$ 363,931	\$ 179,472	\$ 366,371	\$ 335,622
Audit, tax, and other consulting	96,827	133,969	132,903	109,370
Information Technology	266,512	295,440	307,066	485,128
Insurance	58,179	99,140	108,714	130,000
Total Shared Organizational Expenses	\$ 785,449	\$ 708,021	\$ 915,054	\$ 1,060,120

**Unaudited*

Other Funds and Plant and Bond Fund

	FY15-16 Actual	FY16-17 Actual	FY17-18 Actual *	FY18-19 Budget
Employee benefits				
Beginning Fund Balance	\$ 146,187	\$ 581,494	\$ 407,409	\$ 260,060
Employee benefits	306,786	(176,982)	33,125	-
Fringe benefits reserve	-	-	127,531	-
GIC Vacation accrual	117,371	71,824	(487,638)	-
GIC Vacation accrual correction	-	-	179,633	-
Projects Management	11,150	(68,926)	-	-
Transfer from General Fund	-	-	-	-
Total Employee benefits Balance	\$ 581,494	\$ 407,409	\$ 260,060	\$ 260,060
Property				
Beginning Fund Balance	\$ 7,080,247	\$ 6,803,632	\$ 6,254,084	\$ 5,190,235
25/35 Main Street	4,237	(69,795)	(83,783)	(69,723)
College Park	(21,874)	(60,123)	(1,470,227)	-
Other Property	(258,979)	(419,630)	490,161	-
Total Property Balance	\$ 6,803,632	\$ 6,254,084	\$ 5,190,235	\$ 5,120,512

**Unaudited*

Software Upgrade Summary

	FY16-17 Actual	FY17-18 Actual	FY18-19 Budget	Software Upgrade Total
Contract services	\$ 168,124	\$ 278,913	\$ 95,895	\$ 542,932
Internal Project Management	8,518	153,355	104,940	266,813
Total Software Upgrade	\$ 176,642	\$ 432,268	\$ 200,835	\$ 809,745

Board Policy Academic Support Funds

	FY15-16	FY16-17	FY17-18	FY18-19
	Actual	Actual	Actual *	Budget
F&A Distribution				
Beginning Fund Balance	\$ 1,079,146	\$ 1,078,690	\$ 1,047,664	\$ 950,943
Transfer from General Fund	349,544	318,974	403,279	104,913
F&A distribution	(350,000)	(350,000)	(500,000)	(403,279)
Total F&A Distribution Balance	\$ 1,078,690	\$ 1,047,664	\$ 950,943	\$ 652,577
Professional Development				
Beginning Fund Balance	\$ 353,681	\$ 441,542	\$ 399,825	\$ 1,103,978
Surplus transfers in	103,795	18,220	807,121	-
Spending	(15,934)	(59,937)	(102,969)	-
Total Professional Development Balance	\$ 441,542	\$ 399,825	\$ 1,103,978	\$ 1,103,978
Summer Scholars				
Beginning Fund Balance	\$ 27,240	\$ 39,751	\$ 63,948	\$ 39,067
Board designated funds	25,000	25,000	25,000	25,000
Spending	(12,489)	(803)	(49,881)	(64,067)
Total Summer Scholars Balance	\$ 39,751	\$ 63,948	\$ 39,067	\$ -
RESP Incentive				
Beginning Fund Balance	\$ 74,909	\$ 73,818	\$ 72,725	\$ 71,616
Transfers in	-	-	-	-
Spending	(1,091)	(1,093)	(1,109)	-
Total RESP incentive	\$ 73,818	\$ 72,725	\$ 71,616	\$ 71,616

**Unaudited*

Budget to Actual reports at June 30, 2018

RF General Fund Budget to Actual

	FY15-16 Actual	FY16-17 Actual	FY17-18 Budget to Actual			FY18-19 Proposed Budget		
			FY17-18 Budget	FY17-18 Actual*	% realized	FY18-19 Budget	\$ change from PY	% change from PY
Operating Activities								
Operating sources								
Expense recovery	\$ 4,060,376	\$ 4,333,209	\$ 4,135,271	\$ 4,588,355	111%	\$ 4,338,325	\$ (250,030)	-5%
Investment income	171,759	64,778	109,450	176,752	161%	250,000	73,248	41%
Other	53,445	36,175	-	23,501	---	92,000	68,499	291%
Total Operating sources	4,285,580	4,434,162	4,244,721	4,788,608	113%	4,680,325	(108,283)	-2%
Operating uses								
Foundation Administration	(1,486,589)	(1,453,347)	(1,489,603)	(1,592,323)	107%	(1,614,414)	(22,091)	1%
Sponsored Programs	(1,261,970)	(1,172,741)	(1,310,713)	(1,386,663)	106%	(1,611,605)	(224,942)	16%
RF-RESP Shared Costs	(785,449)	(708,021)	(830,218)	(915,054)	110%	(1,060,120)	(145,066)	16%
25/35 Main cost allocations, Centers	(281,612)	(191,970)	(211,927)	(211,960)	100%	(235,996)	(24,036)	11%
Total Operating Uses	(3,815,620)	(3,526,079)	(3,842,461)	(4,106,000)	107%	(4,522,135)	(416,135)	10%
Other Operating activity								
Reporting corrections	-	(97,894)	-	(27,142)	---	-	27,142	-100%
Operating Activities Net	469,960	810,189	402,260	655,466	163%	158,190	(497,276)	-76%
Board allocations								
Outstanding Professor/Staff Awards	(6,250)	-	-	-	---	-	-	---
President's Discretionary	(20,000)	(20,000)	(20,000)	(20,000)	100%	(20,000)	-	0%
Summer Scholars	(25,000)	(25,000)	(25,000)	(25,000)	100%	(25,000)	-	0%
Software upgrade	-	(176,642)	(516,337)	(366,290)	71%	-	366,290	-100%
Board allocations Total	(51,250)	(221,642)	(561,337)	(411,290)	73%	(45,000)	366,290	-89%
Other Sources and Uses								
Adjustment to Grant cost disallowance	-	30,918	-	-	---	-	-	---
Sale of College Park houses	-	-	1,829,361	1,829,361	100%	-	(1,829,361)	-100%
Close old property accounts	-	-	-	18,341	---	-	(18,341)	-100%
GIC vacation accrual correction	-	-	-	(179,633)	---	-	179,633	-100%
Other Sources and Uses Net	-	30,918	1,829,361	1,668,069	91%	-	(1,668,069)	-100%
F&A Distribution	(349,544)	(318,974)	(251,357)	(403,279)	160%	(104,913)	298,366	-74%
Change in RF General Fund Balance	\$ 69,166	\$ 300,492	\$ 1,418,927	\$ 1,508,966	106%	\$ 8,277	\$ (1,500,689)	-99%

*Unaudited

Operating Sources Budget to Actual

	FY15-16 Actual	FY16-17 Actual	FY17-18 Budget to Actual			FY18-19 Proposed Budget		
			FY17-18 Budget	FY17-18 Actual*	% realized	FY18-19 Budget	\$ change from PY	% change from PY
Expense recovery								
Indirect cost recovery (F&A)	\$ 2,778,184	\$ 3,123,654	\$ 2,850,000	\$ 3,455,189	121%	\$ 3,146,525	\$ (308,664)	-9%
University Foundation business services	596,364	569,788	570,402	570,402	100%	596,741	26,339	5%
Administrative fees	473,863	426,798	600,880	408,775	68%	440,035	31,260	8%
ARI administration	85,000	85,000	45,000	85,000	189%	85,000	-	0%
University lease - 25/35 Main	66,965	67,969	68,989	68,989	100%	70,023	1,034	1%
25/35 Main transfer - ARD support	60,000	60,000	-	-	---	-	-	---
Total Expense recovery	4,060,376	4,333,209	4,135,271	4,588,355	111%	4,338,324	(250,031)	-5%
Investment income	171,759	64,778	109,450	176,752	161%	250,000	73,248	41%
Other income	53,445	36,175	-	23,501	---	92,000	68,499	291%
Total Operating Sources	\$ 4,285,580	\$ 4,434,162	\$ 4,244,721	\$ 4,788,608	113%	\$ 4,680,324	\$ (108,284)	-2%

*Unaudited

Foundation Administration Budget to Actual

	FY15-16 Actual	FY16-17 Actual	FY17-18 Budget to Actual			FY18-19 Proposed Budget		
			FY17-18 Budget	FY17-18 Actual*	% realized	FY18-19 Budget	\$ change from PY	% change from PY
General administration								
Wages and benefits	\$ 185,699	\$ 276,675	\$ 173,371	\$ 213,260	123%	\$ 245,397	\$ 32,137	15%
Contract services	18,739	15,110	3,750	11,041	294%	6,419	(4,622)	-42%
Office operations	67,891	35,505	29,532	43,156	146%	37,341	(5,815)	-13%
Professional development	12,671	12,803	5,945	4,501	76%	14,000	9,499	211%
Facilities	34,637	38,164	37,263	31,647	85%	34,958	3,311	10%
Other	10,357	13,657	33,430		0%	4,813	4,813	---
Penalties	-	-	-	16,434	---	-	(16,434)	-100%
Total General Administration	329,994	391,914	283,291	320,039	113%	342,928	22,889	7%
Accounting and Payroll								
Wages and benefits	747,034	643,737	759,992	759,913	100%	766,986	7,073	1%
Contract services	4,158	1,161	330	8,600	2606%	494	(8,106)	-94%
Office operations	38,764	40,750	36,992	41,614	112%	42,111	497	1%
Professional development	5,177	2,541	9,000	5,003	56%	4,643	(360)	-7%
Facilities	25,060	26,443	28,766	28,766	100%	34,195	5,429	19%
Other	-	-	-	50	---	189	139	278%
Total Accounting and Payroll	820,193	714,632	835,080	843,946	101%	848,618	4,672	1%
Human Resources								
Wages and benefits	300,165	296,233	317,115	373,068	118%	344,974	(28,094)	-8%
Contract services	11,883	19,773	17,520	16,806	96%	30,157	13,351	79%
Office operations	8,777	15,909	17,822	25,045	141%	23,836	(1,209)	-5%
Professional development	2,458	5,474	7,110	2,454	35%	10,167	7,713	314%
Facilities	13,119	8,736	10,965	10,965	100%	13,034	2,069	19%
Other	-	677	700	-	0%	700	700	---
Total Human Resources	336,402	346,801	371,233	428,338	115%	422,868	(5,470)	-1%
Total Foundation Administration	\$ 1,486,589	\$ 1,453,348	\$ 1,489,603	\$ 1,592,323	107%	\$ 1,614,414	\$ 22,091	1%

*Unaudited

RESP Budget to Actual

	FY15-16 Actual	FY16-17 Actual	FY17-18 Budget to Actual			FY18-19 Proposed Budget		
			FY17-18 Budget	FY17-18 Actual*	% realized	FY18-19 Budget	\$ change from PY	% change from PY
Sponsored Programs								
Wages and benefits	\$ 1,095,006	\$ 1,016,389	\$ 1,158,145	\$ 1,246,440	108%	\$ 1,391,000	\$ 144,560	12%
Contract services	306	20,542	17,500	23,819	136%	27,000	3,181	13%
Office operations	161,079	47,452	46,500	35,959	77%	78,610	42,651	119%
Professional development	5,579	13,706	1,800	6,723	374%	24,400	17,677	263%
Facilities	-	74,652	81,768	73,722	90%	86,095	12,373	17%
Grant cost disallowance	-	-	5,000	-	0%	4,500	4,500	---
Total Sponsored Programs	\$ 1,261,970	\$ 1,172,741	\$ 1,310,713	\$ 1,386,663	106%	\$ 1,611,605	\$ 224,942	16%

*Unaudited

RF-RESP Shared Organizational Expenses Budget to Actual

	FY15-16 Actual	FY16-17 Actual	FY17-18 Budget to Actual			FY18-19 Proposed Budget		
			FY17-18 Budget	FY17-18 Actual*	% realized	FY18-19 Budget	\$ change from PY	% change from PY
CSU, Chico payments								
Enterprise Budget	\$ 76,767	\$ 62,698	\$ 68,382	\$ 68,382	100%	\$ 68,382	\$ -	0%
Facility Fees	220,607	66,850	127,661	227,861	178%	190,740	(37,121)	-19%
Microsoft fees	5,456	3,674	11,570	7,348	64%	12,000	4,652	39%
Property Management	29,600	34,000	38,320	38,280	100%	40,000	1,720	4%
Risk Management	31,501	12,250	12,250	24,500	200%	24,500	-	0%
Total CSU, Chico payments	363,931	179,472	258,183	366,371	142%	335,622	(30,749)	-8%
Audit, tax, and other consulting								
Financial audit and tax	67,827	71,875	65,400	96,150	147%	68,850	(27,300)	-40%
403(b) audit	14,000	16,500	16,000	17,000	106%	18,020	1,020	6%
CO Audit	-	35,594	20,000	19,753	99%	20,000	247	1%
Indirect cost proposal	15,000	10,000	-	-	---	2,500	2,500	100%
Total Audit, tax, and other consulting	96,827	133,969	101,400	132,903	131%	109,370	(23,533)	-18%
Information Technology								
Wages and benefits	122,310	108,884	127,108	138,005	109%	226,249	88,244	64%
Contract services								
AS IT services	121,800	98,566	106,000	108,000	102%	24,000	(84,000)	-350%
Cloud hosting	-	-	60,300	-	0%	60,300	60,300	100%
IFAS/One Solution maintenance	195	65,092	42,840	44,576	104%	57,032	12,456	22%
Software amortization	-	-	-	-	---	88,938	88,938	100%
IT consulting services	10,504	11,215	-	1,870	---	15,000	13,130	88%
Professional fees	-	-	-	240	---	247	7	3%
Total Contract services	132,499	174,874	209,140	154,686	74%	245,517	90,831	59%
Office operations	3,909	3,657	4,382	5,738	131%	4,714	(1,024)	-22%
Professional development	-	231	340	-	0%	329	329	100%
Facilities	7,794	7,794	8,634	8,637	100%	8,319	(318)	-4%
Total Information Technology	266,512	295,440	349,604	307,066	88%	485,128	178,062	58%
Insurance	58,179	99,140	121,031	108,714	90%	130,000	21,286	20%
Total Shared Organizational Expenses	\$ 785,449	\$ 708,021	\$ 830,218	\$ 915,054	110%	\$ 1,060,120	\$ 145,066	16%

*Unaudited

25/35 Main Street Budget to Actual

	FY15-16 Actual	FY16-17 Actual	FY17-18 Budget to Actual			FY18-19 Proposed Budget		
			FY17-18 Budget	FY17-18 Actual*	% realized	FY18-19 Budget	\$ change from PY	% change from PY
Income								
Rental income	28,482	28,482	29,000	29,052		14,241	(14,811)	
Cost allocations	463,654	405,876	450,018	450,090		503,571	53,481	
Other income	4	3,330	-	660		-	(660)	
Total Income	492,140	437,688	479,018	479,802	100%	517,812	38,010	8%
Wages and benefits	4,504	6,760	19,625	59,231		47,619	(11,612)	
Operating expenses								
Repairs and maintenance	83,375	124,284	142,961	101,188		125,000	23,812	
Utilities	71,740	77,022	77,488	85,455		77,000	(8,455)	
Insurance	9,963	9,715	10,000	8,260		8,260	-	
Administrative fees	14,082	10,492	8,400	15,579		6,155	(9,424)	
CO indirect costs	15,979	15,841	16,500	17,468		18,000	532	
Interest expense	94,992	92,129	111,650	86,168		107,250	21,082	
Other operating expenses	7,611	4,126	20,352	4,285.09		12,300	8,014	
Total Operating expenses	297,741	333,609	387,351	318,403	82%	353,965	35,562	11%
Net 25/35 Main Operating Activity	189,895	97,319	72,042	102,168	142%	116,228	14,060	14%
Depreciation	185,659	185,829	189,952	185,951		185,951	-	0%
Net 25/35 Main Street	\$ 4,237	\$ (88,510)	\$ (117,910)	\$ (83,783)	71%	\$ (69,723)	\$ 14,060	-17%

*Unaudited

Fringe Benefits

Rate review, July 1, 2017 – June 30, 2018; projected rate

	July 1, 2016 - June 30, 2017 Actual	July 1, 2016 - June 30, 2017 Actual, Adjusted for vacation accrual	July 1, 2017 - June 30, 2018 Actual	July 1, 2018 - June 30, 2019 Estimated
Wages				
Regular wages	\$ 8,018,225	\$ 8,018,225	\$ 8,317,790	\$ 8,317,790
Vacation pay	497,033	497,033	582,916	612,062
Holiday pay	493,851	493,851	538,644	538,644
Sick pay (and other)	309,303	309,303	323,241	323,241
Total Wages	9,318,412	9,318,412	9,762,592	9,791,737
Payroll expenses				
FICA - Social security	525,487	525,487	561,992	561,992
FICA - Medicare	123,720	123,720	131,434	131,434
SUI	104,280	104,280	109,720	109,720
Worker's comp	73,614	73,614	68,586	72,015
Total Payroll expenses	827,101	827,101	871,732	875,161
Employee benefits				
Health insurance	1,409,103	1,409,103	1,302,544	1,393,722
Dental insurance	117,546	117,546	64,470	68,983
Vision insurance	10,924	10,924	13,871	14,842
Life/long-term disability insurance	28,945	28,945	30,509	32,644
403(b) employer contributions	517,921	517,921	542,109	558,372
Vacation accruals	581,312	581,312	571,148	571,148
Total Employee benefits	2,665,751	2,665,751	2,524,651	2,639,712
Total Payroll expenses and Employee benefits	\$ 3,492,852	\$ 3,492,852	\$ 3,396,383	\$ 3,514,873
Total vacation, holiday, and sick pay	\$ 1,300,187	\$ 1,300,187	\$ 1,444,802	\$ 1,473,947
Total Payroll expenses and Employee benefits	3,492,852	3,492,852	3,396,383	3,514,873
Less accrued vacation **		(581,312)	(571,148)	(571,148)
FY2017-18 surplus fringe collected				(247,742)
Total Benefits to be covered by regular wages	\$ 4,793,039	\$ 4,211,727	\$ 4,270,036	\$ 4,169,931
Total Regular wages	\$ 8,018,225	\$ 8,018,225	\$ 8,317,790	\$ 8,317,790
Fully loaded fringe rate	59.78%	52.53%	51.34%	50.13%

** Fringe on vacation benefits is charged at the time the vacation accrual is actually paid. Apply fringe only to vacation pay, not vacation accrual.

Health Benefits, January 1, 2019 – December 31, 2019

The Foundation offers its employee health insurance coverage, historically providing for approximately 72% of the total premium. The Foundation is on a calendar year renewal for its policies and we evaluate costs either through competitive bids or proposed renewal fees in September each year. At the August 27th FIC meeting, we will provide more detailed information regarding costs associated with employee benefits; the rates were not available at the time of this report.

We will present options for your recommendation to the full board meeting on September 10th. The recommendation will include:

- Accepting the plan and associated premiums;
- Recommend the percentage of cost paid by the RF

Gateway Science Museum MOU

The Gateway Science Museum currently has an agreement with the RF for a loan of \$86,000. The GSM would like to increase the loan and extend the payment terms, which will require board approval. As of this report date, the terms of the MOU are pending and will be provided at FIC.

Local Agency Investment Fund (LAIF) signers

LAIF is a conservative investment strategy for liquid funds. A board resolution is required to update signers for the RF account. See the next page for the board resolution.

**THE CSU, CHICO RESEARCH FOUNDATION
CORPORATE RESOLUTION NO. 2018-1**

25 Main St, Suite 203, Chico, CA 95928-5388
530-898-6811

**AUTHORIZING INVESTMENT OF MONIES IN
THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the The CSU, Chico Research Foundation;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes the deposit and withdrawal of The CSU, Chico Research Foundation monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following CSU, Chico Research Foundation officers holding the title(s) specified herein below of their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Jessica Bourne
Executive Director

Amanda Bullock
Assistant Financial Director

Stacie Corona
Treasurer

Section 2. This resolution shall remain in full force and effect until rescinded by the Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

PASSED AND ADOPTED, by the Board of Directors of The CSU, Chico Research Foundation of the State of California on September 10, 2018.