



## BUDGET & FINANCE MINUTES

Monday, October 2, 2023

**Members present:** Brenda Alcalá, Xavier Arinez, Jennifer Babcock, Bianca Ebreo, Don Gurnard, Barry Leahy, Ron Lodge, Lyle Markhart, Steve Wilkinson

**Members absent:** Barbara Guzman

**Staff present:** Rachel Evey, Brenda Magaña-Galvan, Mireya Sanchez

### CALL TO ORDER 4:04pm

#### 1) CONSENT AGENDA

- A. September 2023 Minutes approved by consent without changes.

#### 2) FINANCIAL REPORTS – *Brenda Magaña-Galvan*

- A. Unrestricted Project Activity Report- little activity to note due to it being early in the FY still. September will bring the transfer of CFNCW investments into the checking account to prep for the incoming year's activity.
- B. Operating Income Statement- Little activity due to it being early in the FY. Not all revenue and expense accounts are visible yet due to no activity at this point in the year. Revenue is roughly \$5K under budget. Expenses roughly \$8K under budget. Merchant services fee was not budgeted due to transition from Blackbaud Raiser's Edge to Network for Good, however a donor refund incurred an expense on this line. Overall net positive of \$4k.
- C. Income Sheet per Restrictions- Contributions are showing abnormally high for this time of year due to a "pass through" grant from the WA Center for Nursing for WVC's new LPN-to-BSN program. Grant was transferred to the college for administration. This is the final year of the grant. It will not pass through the foundation in the future if the grant is awarded again.
- D. Balance Sheet- CFNCW will be transferring the endowment allocation soon, which will inflate the permanently restricted funds at CVB – Checking. Scholarships funds are paid to the college on an invoice basis every quarter. Discussion regarding pledge balances, discounts on those pledges vs. doubtful pledges and how the market value fluctuating affects those amounts.
- E. Monthly Gift Report (September)- Employee payroll giving has increased with faculty returning for the academic year, resulting in an increase back to the pre-summer amounts.

#### 3) OLD BUSINESS

- A. Audit FY22-23- Engagement letter has been signed by all parties. Work is anticipated to begin this week, all done virtually. Discussion regarding auditor interviews with board members. Auditor will reach out to those who can provide pertinent information.
- B. Update: CD with Stifel- The funds have been rolled over into new CDs as they mature, with a balance of \$96K as of end of August. The current two CDs are due to mature in November. Use of funds was originally anticipated for January 2024, Rachel Evey will be meeting with Foundation of Caring Fund (grant donor) to provide update and confirm

whether second grant is still coming. Currently, unsure if nursing department will be ready to use the funds this January as intended for second cohort of Associate Degree of Nursing (aka RN program).

Discussion regarding whether to roll funds into new CDs or whether to explore other options until monies are needed by the nursing program. Recommendation from committee for staff to research high-yield savings accounts so the fund balance can continue to earn interest we wait to expend the monies. At the December committee meeting, Foundation staff will present recommendation.

- C. IntraFi Agreement- Cashmere Valley Bank (CVB) account balance will be covered by FDIC, Bank of NY Mellon and IntraFi act as custodians with an agreement, deposits are recorded in a layered method. Discussion regarding the high CVB balance. Funds are allocated from the Community Foundation of NCW on an annual basis to CVB then dispersed on an invoice basis throughout the year. This process is per the fiscal procedure manual for efficient payments.

Request to provide a report of the funds that make up the CVB balance to better understand the mix of funds. Report will inform committee whether to pursue IntraFi services or explore holding funds at multiple banking institutions.

#### 4) **NEW BUSINESS**

- A. Bank Account Signatories- Notification to committee that board president and vice president have been added as bank account signors, per the fiscal procedures manual.
- B. Potential Committee Projects
  - i. Banking Services- more information to come as options are explored as alternatives or additions to CVB.
  - ii. Auditor RFP- The FY21-22 990 filing was late and the IRS penalized the foundation. The penalization was waived. This oversight prompted the consideration to change auditors. It is industry best practice to change every few years, recommended to be the goal for the 2023-24 audit. Suggestion to get the RFP out by March 2024. Draft will be presented to the committee in January.
  - iii. Operating Budget Overhaul- Operating budget includes "Gifts Grants and Awards" to the college, which is technically not an operating expense. It should be considered a program support expense. Request from the Executive Director for how to reclassify the line item and update the operating budget.

#### 5) **OTHER BUSINESS**

- A. 2023-24 Work Plan- reminder to board of typical activities of the Foundation.
- B. Report to the Full Board- audit underway

**ADJOURNMENT 5:05pm**

**Minutes taken by Mireya Sanchez**