

AGENDA

Chair: Dr. Soraya Coley

Directors: Erica Frausto Aguado, Dr. Jennifer Brown, Mayra Brown, Daniel Foncello, Dr. Nicholas Van Glahn, Deborah Goman, Christina Gonzales, April Jimenez, John McGuthry, Emily Han, Daniel Montplaisir, Cynthia Nelson, Dr. Phyllis Nelson, Lowell Overton, Stephanie Pastor, Dr. Homeyra Sadaghiani, Oliver Santos, Dr. Martin Sancho-Madriz, Dr. David Speak, Ruby Suchecki, Dr. Maryann Tolano-Leveque, Ysabel Trinidad

Staff: Shari Benson, Claudia Burciaga-Ramos, Lisa Coats, Jared Ceja, Joanne Mathew, Thomas Sekayan

Guests: Dr. Rita Kumar, Karin Longhurst, Andrew Price, Ilke Suzer, Kris Zoleta

I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC

Dr. Soraya Coley, Chair

who may or may not be commenting on a specific item or making a general comment.

II. CHAIR'S REPORT

Dr. Soraya Coley

III. INTRODUCTIONS

A. Introduction of New and Incoming Board Members

Jared Ceja, CEO

IV. CONSENT AGENDA ITEMS

Items in this section are considered to be routine and acted on in one motion. Each item of the Consent agenda approved by the Board shall be deemed to have been considered in full and adopted as recommended. Any Board member may request that a consent item be removed from the consent agenda to be considered as a separate action item. If no additional information is requested, the approval vote will be taken without discussion. An "A" distinguishes items requiring approval.

B. Approval of Minutes #396 (2/22/23)
(Attachment) **A**

Dr. Soraya Coley

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C. Transfer to VEBA
(Attachment) **I**

Ysabel Trinidad, Chair – F&I
Joanne Mathew, CFO

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D. Job Title List Update for CalPERS
(Attachment) **A**

Christina Gonzalez, Chair – Personnel
Shari Benson, CHRO

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E. Employee Handbook Update
(Attachment) **A**

Christina Gonzales
Shari Benson

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F. PARS Conversion
(Attachment) **A**

Christina Gonzales
Shari Benson

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G. FLPP Contribution
(Attachment) **A**

Christina Gonzales
Jared Ceja

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H. Financial Highlights 3rd Quarter 2022-2023
(Attachment) **I**

Ysabel Trinidad
Joanne Mathew

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I. Investment Portfolio Report 2 nd Quarter 2022/2023 (Attachment) A	Ysabel Trinidad Joanne Mathew	21-33
J. Juneteenth Holiday (Attachment) A	Christina Gonzales Shari Benson	34
K. CSU Auxiliary Compliance Audit (Attachment) I	Joanne Mathew	35-44
V. <u>ED/CEO 's REPORT</u>	Jared Ceja	45-46
VI. <u>ACTION ITEMS</u>		
L. Proposed Operating & Capital Budgets 2023-2024 & Proforma (Attachment) A	Ysabel Trinidad Jared Ceja Joanne Mathew	47-52
M. Election of 2023-2024 Board of Directors (Partial) (Attachment) A	Jared Ceja	53-54
N. Election of 2023-2024 Officers (Attachment) A	John McGuthry, Chair – Nominating Jared Ceja	55
VII. <u>INFORMATION & DISCUSSION ITEMS</u>		
<i>The following items provide information and reports by management staff to the Board. Staff and Board may engage in discussion on any item if requested by committee member or staff member.</i>		
O. Strategic Priority Update - Housing Market Demand Study (Attachment) I	Jared Ceja Steve Lazier, Manager – Real Estate Dev.	56
P. Summer Retreat	Jared Ceja	
Q. 2023-2024 Tentative Board of Directors Schedule (Attachment) I	Jared Ceja	57
R. Recognition of Outgoing Board Members	Dr. Soraya Coley Jared Ceja	
VIII. <u>OPEN FORUM</u>		
IX. <u>ADJOURNMENT</u>	Dr. Soraya Coley	

Next Board Meeting #398 – September 26, 2023 at 2:00 p.m. at Kellogg West & via Zoom

CAL POLY POMONA FOUNDATION, INC.
Board of Directors, Meeting 396
Wednesday, February 22, 2023 at 2:00 pm
Minutes



Notice is hereby given that a meeting of the Board of Directors was held by video conference/teleconference on Wednesday, February 22, 2023 at 2:00 p.m. to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet at <https://foundation.cpp.edu/meetingpackets.aspx>.

Present: Dr. Soraya Coley, Ysabel Trinidad, April Jimenez, Deborah Goman, Christina Gonzales, Daniel Montplaisir, Lowell Overton, Stephanie Pastor, Dr. Martin Sancho-Madriz, Dr. David Speak, Ruby Suchecki, Dr. Maryann Tolano-Leveque, Dr. Nicholas Van Glahn., Dr. Jennifer Brown, Daniel Foncello, Erica Frausto Aguado, Mayra Brown, Homeyra Sadaghiani, Oliver Santos, John McGuthry and Cynthia Nelson.

Absent: Dr. Phyllis Nelson, Emily Han

Staff: Shari Benson, Claudia Burciaga-Ramos, Valerie Castro, Jared Ceja, Jason DeBellis, Joanne Mathew, Aaron Neilson, Thomas Sekayan

Guest: Andrew B. Price, Graystone Consulting

CHAIR'S REPORT

Dr. Coley called the meeting to order at 2:00 p.m. and welcomed everyone attending in person and via Zoom.

Spoke about "The Changing Landscape of Higher Education". California school graduates are projected to decline at 12.6% from 2021-2032, enrollment has dipped below 2 million students for the first time in three decades; impact of mandated state funding tied to K-12, which have been funded at a consistently higher level than UC or CSU. AB 927: Allows CCC to expand by 30 new bachelor's degree programs annually. AB 928: Streamline the transfer process for students to the UC and CSU systems by establishing a singular lower division GE program for all three CA higher ed systems, increasing the number of Associate Degrees for Transfer. Dr. Coley referenced the value of attending CPP and impact of the return on the education investment.

INTRODUCTION

Jared Ceja introduced Valerie Castro as the new Executive Assistant and Board Liaison; Valerie comes with years of experience having worked at City of Eastvale, City of Riverside and a long tenure at Mercury Insurance. Valerie mentioned she is looking forward to working and getting to know everyone on the Foundation team. Jared mentioned Aliza Ortega resigned as President of the Student Board Member and Daniel Foncello is moving to the Designated Student Board Director. Daniel's vacated Student Director role will remain open for the remainder of the year.

CONSENT ACTION ITEMS

- A. Approval of Minutes #395 (12/12/22)**
- B. 990 Tax Return Overview**
- C. Strategic Priority Update – Housing Market Demand Study**
- D. Consultant Assessment - AREAS & Point Blank**
- E. CalPERS Public Agency Valuation Reports**

A motion was made by Daniel Montplaisir and seconded by Dr. David Speak to approve the consensus items as presented. The motion was unanimously approved.

EXECUTIVE DIRECTOR/CEO'S REPORT

Jared Ceja mentioned the CSU Auxiliary Compliance Audit is wrapping up. This audit is distinct from the annual Single & Financial Audits. Out of the 14 enterprise auxiliaries that have gone through a compliance audit since 2018, the average number of finding is 8.3 of varying significance; our preliminary results show 3 minor findings.

Jared mentioned the RFP process on the Dining Market Assessment was put on pause to do additional market analysis and to reevaluate the vision. We plan to restart the process in Fall 2023. We had a concept take over with Panda Express at Centerpointe, the event was very well received and the next takeover will be Hibachi-San; the Lunar New Year Luncheon, Mardi Gras, and Love Day events were a huge success; introduced a few CPP farm to table ice creams through a partnership with Coney Island Creamery. Jared mentioned our progress in using seasonal fruit and vegetables grown at CPP farms as a way to enhance the student experience and nutrition; the integration of Kronos and Peoplesoft is streamlining the hiring process; a brand-new enhanced Kellogg West website has been released; Jared is a member of the Black Thriving Initiative Working Group charged with hearing the voices of the CPP community and bringing back stakeholder feedback, he has now presented to two stakeholder groups with one more scheduled.

ACTION ITEMS

Investment Portfolio Report 2nd Quarter 2022-2023

Overview facilitated by Andrew B. Price and Joanne Mathew. The asset allocation background and overall market performance were presented during the review. The General Investment Portfolio has a current total market value of \$31.4M as of December 31, 2022. The majority portion

managed by Graystone Consulting has a current market value of \$26.3M with 24.9% Fixed Income, 52.3% Equities, 22.5% Alternatives, and 0.3% Cash. All allocations are within current policy ranges. The return over the last quarter was 0.45% (gross) and -16.48% over the last twelve months (12/31/21-12/31/22). Management received capital call notices and has contributed \$236,250 against its commitment of \$250,000 to Capital Partners IV and \$699,375 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the Non-Marketable investments is \$291,442. During Q2 2022-23, the foundation opened a MSPBNA Preferred Savings account. The current balance and APY are \$4.5M and 3.5%, respectively.

Moved and seconded by Dr. David Speak and John McGuthry that the Board of Directors have reviewed the comprehensive quarterly investment report and believe the report to be in compliance with the General Investment Policy and recommend approval as presented and that upon approval, the Executive Director/CEO and Director of Financial Services/CFO are authorized and directed to take any and all action as may be necessary to effectuate this Resolution. No opposition, the motion was approved.

Capital Budget 2023-2024

Jared Ceja presented the budget of the capital expenditures for FY23/24 at a total amount of \$5.15M; this request is slightly below pre-pandemic levels; each item over \$100,000 was discussed in detail with Board members inquiring about additional items as needed. Projects are designated as Scheduled Renewals/Security, Programmatic, Deferred Maintenance, ADA, Health & Safety, or Contractual/Legal. However, some projects may have components in a combination of categories, including some which are not reflected on the report. Jared also pointed out the “red line” changes that differs from the original version presented to the Program and F&I Committees. A discussion on the contingency funding followed as this is a new practice designed to properly account for unanticipated needs. Items discussed during the presentation included:

- University village – AC replacement, each bldg. has its own unit
- Pool furniture, apartment furniture and mattresses – Scheduled annually
- Roof replacement for buildings at the University Village including some deferred maintenance
- Dining platform – identity refreshment
- State work support - Contingency to support campus work on buildings
- Emergency and unanticipated needs – Did an historical analysis to arrive at this number; will be distributed to units as needed
- Electric mobile café - Serving beverages, sandwiches and burritos
- Firewall extension - Code update of affecting Classroom 120 in building 97
- New barn to replace old barn
- Replace produce washing lines – Increase washing volume, effectiveness and worker safety
- International Village Consultant for CPGE

Moved and seconded by Daniel Montplaisir and Dr. David Speak that the members of the Board of Directors Committee have reviewed and approved the presented 2023-2024 capital expenditure budget. No opposition, the motion was approved.

INFORMATION & DISCUSSION ITEMS

Financial Highlights 2nd Quarter 2022-2023

Joanne Matthew gave a brief description of statement of activities and forecast: the 2nd quarter ended at \$46.1M in revenue with \$38M in total expenses. Enterprise activities account for \$25.7M of that revenue and \$24M of those expenses. There is a net surplus at the end of the period of \$8.1M, \$5.1M when removing Grant and Transfer activities. The forgiveness of the PPP loan has significantly aided the overall financial performance. With investments, the first quarter was terrible, but the second quarter picked up. As in the last four meetings, we added a new column that has what has been charged in terms of Administration fees under each of the categories for a total of \$1,978,876. The surplus/deficit variances in Dining, Bookstore, and Kellogg West will improve once we are able to recognize the budgeted HERRF funds. Total unrestricted funds forecasted to year end at \$37,949,711, placing us in a very healthy position. The cash flow forecast showed ending balance from December 2022 to June 2023 with no anticipated need to pull from the line of credit.

Strategic Priority Update – Instant Access & Equitable Access

Jared mentioned this item was discussed with the Program Committee; he gave a brief growth timeline of Instant Access. It started in 2017-2018 with four courses, growing methodically to 700 courses in Fall of 2022 with 81.7% of students remaining opted in. The estimated savings on textbooks and course materials to students is \$4.7 million.

Thomas Sekayan provided an update: We enjoyed a milestone when the data revealed that 52% of sections using course materials are participating in Instant Access. ASI has shown its full support of the transition to an Equitable Access (EA) program. The Bookstore worked with Vital Source to determine the program cost of \$250 per semester, per student that covers 100% of course materials on day one (digital first with print where needed). This is a fixed cost billed directly to the student accounts with potential financial aid coverage prior to disbursement. The \$250 is a benchmark cost and whatever net residual generated will be reinvested into a student scholarship program. The program was presented to Academic Senate with positive feedback and important insight to further enhance the offering. Jared stated that about 15% of courses will remain in print. In addition, students will have the option of a print upgrade and the cost will be nominal. UC Davis reported less than 1% of students opted for the print books versus digital in their long-standing program. San Diego State University approved Equitable Access in 2021 with other CSUs working to follow. Students may opt out of entire program through the end of drop-add period, and acquire materials from us or other sources.

Budget Assumptions for 2023-2024

Joanne Matthew briefly reviewed the Budget 2023-2024 assumptions. General information included approval dates for the Capital Budget process, Operating Budget process; University related assumptions for programs that base their revenues on in-session classes for FY22-23 and FY23-24

including headcount, new first-time freshmen, Fall transfers, and Spring transfers. Staffing and other expenses for each semester reflect the varying foot traffic and occupancy numbers, 4% inflationary increase, 80% on-campus foot traffic. Vary staffing levels between fall, spring, and summer based on need, we focus on student employment to the best extent possible (entry level, leads, and first-level supervision). Staff wage increases pool at 3.5% Standard + 2% Additional (5.5% total); vacation accrual 2.5%.

OPEN FORUM

Ysabel Trinidad recognized Daniel Montplaisir on his upcoming adventure, he showed tremendous leadership and commitment as the Program Committee Chair, Finance and Investment Chair, and Board Vice Chair during his tenure with us. Ysabel thanked Dan for all that he has done. Dan Montplaisir congratulated Jared Ceja and his team for all that has been accomplished. Jared thanked Dan for the support shown time and time again.

ADJOURNMENT

Ysabel Trinidad adjourned the meeting by consensus at 4:09 pm.

Next Board Meeting 397 – May 25, 2023 at 2:00-4:00 p.m. at Kellogg West & via Zoom

Information Item

Date: May 25, 2023
To: Board of Directors
From: Ysabel Trinidad, Finance & Investment Committee Chair
Jared G. Ceja, CEO



Subject: Transfer to Auxiliaries Multiple Employer VEBA

Beginning in the fiscal year ended June 2011, the organization has participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association). The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System.

The Foundation contributed \$1.0M to this account on an annual basis until fiscal year 2019-2020. The contributions were halted in FY19-20 due to the impact of the COVID-19 pandemic and subsequent cost-cutting measures.

Management expects to restart the payment effective this fiscal year (FY22-23), at the historic amount of \$1.0M, in an effort to reduce the interest costs associated with the Enterprises' obligation and decrease the Actuarial Accrued liability (AAL). The approved budget for FY22-23 had a VEBA contribution of \$500,000. With a current year-end forecasted surplus of \$2.5M ahead of budget, it is prudent to resume contributions at \$1.0M annually whenever feasible. Management expects to make the transfer before June 30, 2023.

Memorandum



Date: May 25, 2023

To: Board of Directors

From: Christina Gonzales, Personnel Committee Chair
Shari Benson, CHRO

Attached: Salary Grades with Job Titles

Subject: **Annual Update to Job Title & Position List for CalPERS**

Each year, Management reviews job titles and grades. This information is then submitted to CalPERS for position tracking. All compensation ranges were previously approved by the Board of Directors.

PROPOSED ACTION:

The following resolution is recommended by Management and the Personnel Committee for approval:

BE IT RESOLVED, that the Personnel Committee has reviewed and approved the Annual Update to Position List for CalPERS, as presented, for consideration by the Board of Directors at the next regularly scheduled meeting.

BE IT FURTHER RESOLVED, that upon approval of this resolution by the Board of Directors, the CEO and CHRO are authorized and directed to take any appropriate action necessary to implement this Resolution.

PASSED AND ADOPTED THIS 25th DAY OF MAY 2023.

Dr. Martin Sancho-Madriz
Secretary/Treasurer, Board of Directors

SALARY GRADES with JOB TITLES
Effective July 1, 2023

Salary Grade	Minimum	Maximum	Job Title	Pay Frequency
Grade 7	\$15.50	\$25.58	Academic Advisor	Hourly
			Accounts Specialist	Hourly
			Accounts SpecialistII	Hourly
			AdminAsstI	Hourly
			Assistant Project Coordinator I	Hourly
			Buyer Assistant	Hourly
			Crew Member	Hourly
			Catering Coordinator	Hourly
			Cook	Hourly
			Facilities Worker III	Hourly
			Farm Labor II	Hourly
			Floor Supervisor	Hourly
			General Office Support	Hourly
			Grants Specialist	Hourly
			IT Office Coordinator	Hourly
			NR_Gen_Admin_Coordinator	Hourly
			Nursery Coordinator	Hourly
			Office Assistant	Hourly
			Office Support	Hourly
			Outreach Assistant	Hourly
ShippingReceiving Asst	Hourly			
System Coordinator	Hourly			
UV_MailClerk	Hourly			
Vault Cashier II	Hourly			
Grade 8	\$18.29	\$30.18	Accounts Specialist III	Hourly
			Area Coordinator	Hourly
			Assistant Program Coordinator	Hourly
			Community Development Specialist Gr8	Hourly
			Coordinator I	Hourly
			Course Materials Coordinator	Hourly
			General Maintenance	Hourly
			Grants Specialist II	Hourly
			Maintenance_Lead	Hourly
			Payroll Specialist	Hourly
			POS Technician	Hourly
			Residential International Housing and Con	Hourly
			Resource Coordinator	Hourly
			Service Lab Coordinator	Hourly
			Specialty Crop Farm Supervisor	Hourly
			Supervisor	Hourly
Web Developer	Hourly			
Grade 9	\$21.58	\$35.61	Agriculture Laborer Lead	Hourly
			Advisor	Hourly
			Administrative Assistant	Hourly
			Accounts Payable Supervisor	Hourly
			Assistant Manager	Hourly
			Dietician	Hourly
			Financial Systems Support	Hourly
			Human Resources Generalist	Hourly
			Information Security Analyst	Hourly
			Marketing Coordinator II	Hourly
			Outreach Coordinator	Hourly
			Sous Chef	Hourly

SALARY GRADES with JOB TITLES
Effective July 1, 2023

Salary Grade	Minimum	Maximum	Job Title	Pay Frequency
Grade 10 - Hourly	\$25.47	\$42.02	Administrative Assistant III	Hourly
			Assistant Director Residential	Hourly
			Brewery Cafe Manager	Hourly
			Fin_Sys_Accountant	Hourly
			HVAC Technician	Hourly
			Kellogg House Coordinator_Sr.	Hourly
			Learning-Reading Specialist-Advisor	Hourly
			Manager	Hourly
			Operations Manager	Hourly
			Program Coordinator	Hourly
			UB_Program Advisor	Hourly
Grade 10 - Salary	\$64,480	\$87,403	AsstDirLeadershipDev	Salary
			AsstDirLeadershipRetail	Salary
			Conference Sales Mgr	Salary
			Coordinator III	Salary
			Digital Content Strategist	Salary
			Facilities Supervisor	Salary
			NR_ProjectCoordinator	Salary
			Payroll Supervisor	Salary
			Program Coordinator	Salary
			Retail Manager	Salary
			Research Associate	Salary
Grade 11	\$65,000	\$107,250	AR_Supervisor	Salary
			Communications & External Relations Spec	Salary
			Executive Assistant	Salary
			Facilities Manager	Salary
			Farm-StoreSupvr	Salary
			Human Resources Manager	Salary
			Manager	Salary
			Marketing and Branding Dev	Salary
			Outreach Coordinator	Salary
			Property Manager	Salary
			System Manager	Salary
			Tehnology Manager	Salary
Grade 12	\$78,000	\$128,700	Assistant Director	Salary
			Director_Grants	Salary
			Director-Talent Search	Salary
			Executive Chef	Salary
			General Business Manager	Salary
			Grants and Contracts Manager	Salary
			Manager-Retail Information Technology	Salary
			Staff / Research Scientist	Salary

SALARY GRADES with JOB TITLES
Effective July 1, 2023

Salary Grade	Minimum	Maximum	Job Title	Pay Frequency
Grade 13	\$93,600	\$154,440	Associate Director	Salary
			Director_UB Programs	Salary
			Director-AGRIscares Outreach and Urban Farm	Salary
			Business Manager	Salary
			Jr-Dir for Grants	Salary
			Project Director	Salary
Grade 14	\$112,320	\$185,328	Director	Salary
Grade 15	\$134,784	\$222,394	Sr. Director	Salary
Grade 15	\$134,784	\$222,394	CFO	Salary
Grade 15	\$134,784	\$222,394	Associate Executive Director_COO	Salary
Grade 16	\$161,741	\$266,872	Executive Director_CEO	Salary

New

Memorandum

Date: May 25, 2023
To: Board of Directors
From: Christina Gonzales, Personnel Committee Chair
Shari Benson, Chief Human Resources Officer
Subject: Employee Handbook Changes and Updates



Periodically, Management and the Human Resources Department review and update the Cal Poly Pomona Enterprises Employee Handbook to account for changes in law, policy, practice, and other circumstances. The last update became effective March, 2022.

While most changes to the updated Employee Handbook are minor, all updates may be found in the proposed version. Significant changes were discussed in greater detail during the Personnel Committee meeting. They include recognition of the recently acquired Cal Poly Pomona Enterprises DBA, clarification of Bereavement Leave, and the inclusion of a Designated Person where required by California law. The Board approved final version will be available on our website for use by current and incoming employees.

The full tracked changes version of the proposed updated handbook is included in the May 17, 2023 Personnel Committee packet. It is also available to the Board at this [link](#).

PROPOSED ACTION:

The following resolution is recommended by Management and the Personnel Committee for approval:

BE IT RESOLVED, that the Board of Directors has reviewed the resolution and accepts the Personnel Committee's recommend to approve the updates to the Cal Poly Pomona Enterprises Employee Handbook as presented.

BE IT FURTHER RESOLVED, that upon approval of this resolution by the Board of Directors, the CEO and CHRO are authorized and directed to take any and all action as may be necessary to effectuate this Resolution and make the revised Cal Poly Pomona Enterprises Employee Handbook available to all employees.

PASSED AND ADOPTED THIS 25th DAY OF MAY 2023.

Dr. Martin Sancho-Madriz
Secretary/Treasurer, Board of Directors

Memorandum

Date: May 25, 2023
To: Board of Directors
From: Christina Gonzales, Personnel Committee Chair
Shari Benson, CHRO
Attached: PARS Yearly Activity
Subject: PARS Vacation/Sick Leave Conversion Program



The PARS Vacation/Sick Leave Conversion Program provides eligible employees a supplemental retirement plan as part of the overall company benefits program. It allows eligible employees to convert a portion of unused leave balances to cash and then contribute those funds directly into the employees PARS 457(b) individual account. The percentage of participation is fully elective by an eligible employee and the option to convert occurs on an annual basis. A regular, full-time benefited employee is eligible to participate in the Conversion Program once they have completed at least 4 years of full-time service.

Employees who desire to convert vacation time must have at least 160 hours of accrued vacation and have taken a minimum of 40 hours of vacation over the previous 12 months of employment preceding the current plan year. A maximum conversion of 100 hours of vacation time may occur. The resulting vacation balance may not fall below 160 hours due to converting hours.

Employees who desire to convert sick leave must have more than 320 hours of sick leave available, and then may convert up to 100 sick leave hours for hours in excess of 320. A sick leave balance may not fall below 320 hours due to converting hours.

The annual renewal of this employee benefit is designed to ensure that the financial obligations of the organization are being met prior to Board approval. The annual forecast for 2022-2023 currently shows a net surplus of almost \$8M after all annual financial obligations are paid. This compares to \$275,791 in estimated eligible contributions for June 2023. Based on historical participation and conversion levels, a realistic forecast of conversion is \$168,232. Any converted vacation will not result in an additional expense as those balances have already been accrued.

Eligible employees were invited to an online training session on May 15, 2023 delivered by representatives from John Hancock and PARS to learn about the advantages and disadvantages of converting leave with the program, along with investment information.

Proposed Action:

Management and the Personnel Committee are recommending the Board of Directors approve the annual renewal of the PARS Vacation/Sick Leave Conversion Program.

BE IT RESOLVED, that the Board of Directors has reviewed and approved the PARS Vacation/Sick Leave Conversion Plan.

PASSED AND ADOPTED THIS DAY 25th DAY OF MAY 2023.

Dr. Martin Sancho-Madriz
Secretary/Treasurer, Board of Directors

Fiscal Year	Number of Employees Eligible for Vacation Conversion	Number of Employees Electing Vacation Conversion	Percentage Electing Vacation Conversion	\$ Amount Vacation Employees Eligible	\$ Amount Vacation Employees Converted
2009-2010	49	25	51%	\$ 99,177.45	\$47,224
2010-2011	53	43	81%	\$ 112,511.00	\$68,885
2011-2012	56	28	50%	\$ 105,500.00	\$61,041
2012-2013	69	38	55%	\$ 149,194.00	\$58,778
2013-2014	51	29	57%	\$ 117,000.00	\$49,479
2014-2015	65	37	57%	\$ 144,000.00	\$69,131
2015-2016	55	28	51%	\$ 129,000.00	\$73,699
2016-2017	58	34	59%	\$ 131,993.00	\$74,000
2017-2018	41	34	83%	\$ 120,534.00	\$63,004
2018-2019	55	39	71%	\$ 123,212.00	\$88,690
2019-2020	74	22	30%	\$ 193,703.00	\$60,943
2020-2021	65	28	43%	\$ 182,360.12	\$84,344
2021-2022	75	36	48%	\$ 184,872.00	\$88,563
2022-2023	56	29	52%	\$ 162,569.00	\$80,318

Fiscal Year	Number of Employees Eligible for Sick Conversion	Number of Employees Electing Sick Conversion	Percentage Electing Sick Conversion	\$ Amount Sick Employees Eligible	\$ Amount Sick Employees Converted
2009-2010	74	41	55%	\$ 84,160.49	\$54,387
2010-2011	41	29	71%	\$ 96,045.00	\$74,142
2011-2012	45	30	67%	\$ 91,947.00	\$68,879
2012-2013	56	31	55%	\$ 111,476.00	\$80,002
2013-2014	55	42	76%	\$ 114,000.00	\$90,591
2014-2015	54	30	56%	\$ 133,000.00	\$94,391
2015-2016	64	42	66%	\$ 135,000.00	\$98,318
2016-2017	49	32	65%	\$ 118,174.00	\$92,500
2017-2018	57	44	77%	\$ 141,000.00	\$102,647
2018-2019	55	42	76%	\$ 139,000.00	\$121,308
2019-2020	52	0	0%	\$ 137,774.00	\$0
2020-2021	0	0	0%	\$ -	\$0
2021-2022	45	33	73%	\$ 138,183.00	\$100,810
2022-2023	45	23	51%	\$ 138,561.43	\$97,118

Fiscal Year - Combined Total		
2009-2010		\$123,621
2010-2011		\$138,010
2011-2012		\$153,701
2012-2013		\$164,591
2013-2014		\$157,395
2014-2015		\$187,008
2015-2016		\$153,443
2016-2017		\$186,991
2017-2018		\$209,871
2018-2019		\$209,998
2019-2020		\$60,943
2020-2021		\$84,344
2021-2022		\$189,373
2022-2023		\$177,436

Memorandum



Date: May 25, 2023

To: Board of Directors

From: Christina Gonzales, Personnel Committee Chair
Shari Benson, Chief Human Resources Officer

Attached: Total FLPP Contributions for 2023

Subject: **Longevity Pay Plan Eligible Contribution – Participants Deferred Compensation Account**

The Board of Directors acted on May 25, 2010 to adopt the Foundation's Longevity Pay Plan (FLPP). The purpose of the FLPP is to encourage employment longevity and offer some level of benefit to employees who are not eligible for our post-employment healthcare benefits.

The FLPP program applies to regular, full-time benefited employees hired on or after March 1, 2009, and have 10 or more years of service. The organization may make, at its annual discretion, non-elective Employer contributions to a FLPP Participant's Deferred Compensation Account. The contribution is calculated using the below schedule:

<u>Years of Completed Service</u>	<u>Compensation Factor</u>
10	2%
11	2.5%
12	3%
13	3.5%
14	4%
15	5%
16	5.5%
17	6%
18	6.5%
19	7%
20	10%
25+	15%

Company contributions are reviewed annually by the Board and are discretionary. Participants that receive a Foundation Contribution to the Plan will be immediately 100% vested.

Currently there are seventeen (17) regular, full-time benefited employees that are eligible to participate; the company's total contribution to the Participant's Deferred Compensation Accounts is \$34,527.99

PROPOSED ACTION: Management and the Personnel Committee are recommending that the Board of Directors approve the annual funding of the Foundation Longevity Pay Plan Program as presented.

BE IT RESOLVED, that the Board of Directors has reviewed and approved the resolution to renew the Foundation Longevity Pay Plan Program with a contribution amount of \$34,527.99, as presented and that upon approval of this resolution, the CEO and CHRO are authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 25TH DAY OF MAY 2023

Dr. Martin Sancho-Madriz, Secretary/Treasurer
Board of Directors

Employee Type	Hourly Pay	Date Hired	Years of Service	FLPP Contribution
FT Exempt	\$ 31.74	1/4/2010	13	\$ 2,310.67
FT Non-Exempt	\$ 25.50	9/14/2009	13	\$ 1,856.40
FT Non-Exempt	\$ 26.09	4/7/2011	12	\$ 1,628.02
FT Exempt	\$ 40.98	11/1/2010	12	\$ 2,557.15
FT Non-Exempt	\$ 25.00	4/4/2011	12	\$ 1,560.00
FT Non-Exempt	\$ 33.72	7/11/2010	12	\$ 2,104.13
FT Exempt	\$ 53.90	1/10/2011	12	\$ 3,363.30
FT Exempt	\$ 73.44	1/10/2011	12	\$ 4,582.55
FT Non-Exempt	\$ 26.98	9/7/2010	12	\$ 1,683.55
FT Non-Exempt	\$ 20.00	11/15/2010	12	\$ 1,248.00
FT Non-Exempt	\$ 27.24	10/3/2011	11	\$ 1,416.48
FT Non-Exempt	\$ 21.78	5/7/2012	11	\$ 1,358.77
FT Exempt	\$ 53.63	1/8/2012	11	\$ 2,788.76
FT Exempt	\$ 38.04	5/7/2012	11	\$ 1,978.25
FT Non-Exempt	\$ 26.38	9/12/2011	11	\$ 1,371.50
FT Exempt	\$ 38.63	6/25/2013	10	\$ 1,606.90
FT Non-Exempt	\$ 27.85	4/16/2013	10	\$ 1,158.56

Total FLPP Contribution for 2023

\$34,572.99

Informational Item



Date: March 25, 2023

To: Board of Directors

From: Ysabel Trinidad, Finance & Investment Committee Chair
Joanne Mathew, Chief Financial Officer

Attached: Q3 Statement of Activities
Fund Balance & Net Position
Cash Flow Forecast

Subject: FINANCIAL HIGHLIGHTS – Third Quarter 2022-2023

For the fiscal quarter from January 2023-March 2023, total gross revenue is \$72.3M of which \$41.0M is for Enterprise Activities. After payroll and other expenses, the net surplus for the period, not including Grants and Contracts, and transfers to the university is \$7.6M. Investments continue to have a lot of volatility, but have had stronger performance in the third quarter and we had unrealized gains, including interests and dividends of \$1.1M. We are forecasting to end the year at a surplus of \$5.7M, slightly above our budget of \$5.4M.

Dining revenues have been strong during the period at \$14.3M. The forecast for the end of the year includes the addition HEERF funding which is expected to arrive in the fourth quarter. With increased staffing costs, we are projecting to end the year at \$1.3M. Kellogg West has been experiencing challenges in building maintenance, upkeep and staffing which has affected overall revenue, resulting in a negative variance of \$586K for the end of the year. Bookstore has been tracking very close to budget with Instant Access accounting for over 51% of gross revenue. Commencement sales are tracking at 90% to budget and will continue into the fourth quarter. University Village is performing well as of the end of the third quarter and expected to end the year slightly under, at 22% below budget. Real Estate has had strong performance for the period, with surplus at 69% forecasted over budget by year-end.

This fiscal year is an anomaly for the organization due to the receipt and full forgiveness on the Paycheck Protection Program loan of almost \$3.8M in September. That resulted in a \$2.0M quarterly surplus for the traditional cost center of Administration.

Management was able to transfer \$6M to Morgan Stanley and put the funds into a separate savings account earning interest of about 4.6%.



Cal Poly Pomona Foundation, Inc.
Statement of Activities
July 2022 - March 2023

	REVENUES		EXPENSES - Payroll		EXPENSES - Other			EXPENSES - Total		SURPLUS/(DEFICIT)			Annual Forecast FY 22-23	Annual Budget FY 22-23	
	FY 22-23 YTD	FY 22-23 YTD	FY 22-23 YTD	FY 22-23 YTD	FY 22-23 YTD			FY 22-23 YTD	FY 22-23 YTD	FY 22-23 YTD					
	Actual	Budget	Actual	Budget	Admin Fees	Other Expense	Actual	Budget	Actual	Budget	Actual	Budget			\$ Variance
Enterprise Activities															
Dining Services	14,330,799	14,051,261	5,045,509	4,793,936	930,665	8,589,522	9,520,186	8,840,435	14,565,696	13,634,371	(234,896)	416,890	(651,786)	1,260,228	1,456,227
Bookstore	9,328,335	9,664,379	1,226,441	1,231,668	210,756	7,616,651	7,827,406	8,084,424	9,053,848	9,316,092	274,487	348,287	(73,800)	902,097	911,343
Kellogg West	2,616,317	3,212,747	2,005,108	1,679,696	170,061	1,333,439	1,503,500	1,812,073	3,508,608	3,491,769	(892,292)	(279,022)	(613,270)	(585,836)	297,904
University Village	8,821,877	8,542,215	1,497,002	1,818,382	573,422	4,217,541	4,790,963	4,254,361	6,287,965	6,072,743	2,533,912	2,469,472	64,440	2,352,831	3,004,167
Real Estate/Rentals	5,945,266	6,201,294	411,994	403,587	233,891	3,355,646	3,589,537	4,658,671	4,001,531	5,062,259	1,943,736	1,139,035	804,700	2,515,780	1,488,673
Total Enterprise Activities	41,042,594	41,671,896	10,186,055	9,927,269	2,118,794	25,112,798	27,231,592	27,649,964	37,417,647	37,577,234	3,624,947	4,094,662	(469,715)	6,445,100	7,158,314
Designated Funds															
	33,774	0	23,438	0	0	200,623	200,623	225,000	224,061	225,000	(190,287)	(225,000)	34,713	(300,000)	(300,000)
Support Activities															
Bronco One Card	225,598	338,786	170,633	209,131	14,664	49,582	64,246	139,904	234,879	349,035	(9,281)	(10,249)	968	0	0
Research Office	1,391,368	1,010,543	98,341	124,117	593,824	679,203	1,273,027	866,426	1,371,368	990,543	20,000	20,000	(0)	20,000	20,000
Agriculture	3,304,486	3,382,106	1,147,911	1,078,137	131,073	1,898,180	2,029,253	2,260,921	3,177,163	3,339,058	127,322	43,048	84,274	212,787	211,617
Continuing Education	1,344,128	1,387,915	901,325	1,070,148	60,486	329,767	390,253	481,187	1,291,579	1,551,335	52,549	(163,420)	215,969	(369,955)	(598,097)
Foundation Programs	3,125,073	0	684,213	0	7,237	1,638,367	1,645,605	0	2,329,818	0	795,255	0	795,255	0	0
Total Support Activities	9,390,652	6,119,350	3,002,423	2,481,533	807,284	4,595,100	5,402,384	3,748,438	8,404,807	6,229,971	985,846	(110,621)	1,096,467	(137,168)	(366,480)
Operating Surplus (Deficit)	50,467,021	47,791,246	13,211,916	12,408,803	2,926,078	29,908,521	32,834,599	31,623,402	46,046,515	44,032,205	4,420,506	3,759,041	661,465	6,007,932	6,491,834
Other Activities															
Investments	1,187,850	773,088	0	0	0	47,188	47,188	76,500	47,188	76,500	1,140,662	696,588	444,074	948,000	948,000
Administration	7,072,707	3,256,433	3,958,597	4,299,526	(2,926,078)	1,104,862	1,104,862	921,678	5,063,459	5,221,204	2,009,248	(1,964,771)	3,974,019	991,508	(2,085,906)
Total Other Activities	8,260,557	4,029,521	3,958,597	4,299,526	(2,926,078)	1,152,050	1,152,050	998,178	5,110,647	5,297,704	3,149,910	(1,268,183)	4,418,093	1,939,508	(1,137,906)
Unrest. Surplus (Deficit)	58,727,578	51,820,767	17,170,513	16,708,328	0	31,060,570	33,986,648	32,621,580	51,167,162	49,329,908	7,570,416	2,490,859	5,079,557	7,947,440	5,353,928
Grants and Contracts	13,598,479	9,082,111	2,176,231	0	0	11,422,248	11,422,248	9,082,111	13,598,479	9,082,111	0	0	0	0	0
Vesting Grant Assets	0	0	0	0	0	69,045	69,045	0	69,045	0	(69,045)	0	(69,045)	0	0
Transfers	0	0	0	0	0	31,896	31,896	0	31,896	0	(31,896)	0	(31,896)	0	0
Total Foundation Net	72,326,057	60,902,878	19,346,744	16,708,328	0	42,583,759	45,509,837	41,703,691	64,856,581	58,412,019	7,469,476	2,490,859	4,978,617	7,947,440	5,353,928

Cal Poly Pomona Foundation, Inc.
Fund Balance and Net Position (Current only)
As of Mar 31, 2023

Current Assets	Unrestricted	Restricted	Total
Cash	3,412,037	216,242	3,628,278
Investments	31,084,863	1,410,990	32,495,853
Receivables	13,499,535	1,953,510	15,453,045
Lease Receivables (short-term)	862,613	-	862,613
Lease Receivables (long-term)	92,952,773	-	92,952,773
Inventories	2,467,504	17,234	2,484,739
Prepaid	401,343	1,010	402,353
Due to/from	(12,227,547)	12,227,547	-
Other	1,000	0	1,000
Current Assets	132,454,121	15,826,533	148,280,654

Current Liabilities	Unrestricted	Restricted	Total
Accounts Payable	3,472,659	84,489	3,557,148
Accrued Liabilities	4,153,100	1,327,096	5,480,197
Deferred Income	1,516,102	20,850	1,536,951
Other	-	924,676	924,676
Current Liabilities	9,141,861	2,357,111	11,498,973

Fund Balances	Unrestricted	Restricted	Total
Net Assets Beginning	30,427,482	12,501,869	42,929,351
Net Change in Position	55,568,756	59,863,780	115,432,536
Fund Balances	85,996,238	72,365,649	158,361,887

Note:

Restricted funds in the Foundation include sponsored programs and foundation programs

Liquidity ratios:

Current Ratio = Current Assets/Current Liabilities
Quick Ratio = (Current Assets- Inventory)/Current Liabilities
Absolute liquidity ratio = (Cash + Marketable Securities)/Current Liabilities

Liquidity Ratio	CPPF	Benchmark
Current Ratio	4.23	1.5-3
Quick Ratio	3.96	>=1
Absolute liquidity ratio	3.77	>0.5

Available Resources	
Unrestricted current assets	132,454,121
Less Inventory	(2,467,504)
Less Current Liabilities	(9,141,861)
Less Long-term Portion of Lease Receivables	(92,952,773)

Available Resources As of Mar 31, 2023 **27,891,983**

Operating Surplus for the period before depreciation 8,607,030

As of Mar 31, 2023 , net **36,499,012**

Forecasted operating surplus/(deficit) before depreciation at year-end 10,362,967

Total unrestricted funds forecasted to year-end **38,254,950**

Cal Poly Pomona Foundation

Cash Flow Forecast

Mar 2023 - Jun 2023

	Mar-23	Apr-23	May-23	Jun-23
Operating cash - Beginning Balance	2,322,435	4,218,241	2,940,898	2,100,292
Cash Inflow	Mar-23			
Operating cash inflow	Actual	Forecast	Forecast	Forecast
Cash from operations	6,264,037	8,264,037	7,479,863	6,253,063
Grants & Contracts	208,119	208,119	656,965	1,715,411
Financing Activities				
GIP - withdrawals	2,000,000	-	-	-
LOC - withdrawals	-	-	-	-
Other financing	-	-	-	-
Total Cash Inflow	8,472,156	8,472,156	8,136,829	7,968,474
Cash Outflow				
Operating cash outflow	Actual	Forecast	Forecast	Forecast
Expenses from operations	4,386,001	4,563,508	4,764,674	3,768,308
Salaries/wages	1,917,035	1,917,035	1,432,935	2,308,684
Tax/Benefit payments	218,955	218,955	679,827	714,763
Capital Expenditure				
Capital projects	54,359	50,000	100,000	150,000
Financing Activities				
GIP - deposits	-	3,000,000	2,000,000	1,000,000
LOC - repayment	-	-	-	-
LOC - interest	-	-	-	-
Lease payments	-	-	-	-
Other financing	-	-	-	-
Total Cash Outflow	6,576,350	9,749,498	8,977,435	7,941,755
Net Cash Activities	1,895,806	(1,277,343)	(840,606)	26,719
Operating cash - Ending Balance	4,218,241	2,940,898	2,100,292	2,127,011

Investment Portfolio

Cash	3,579,079
Non-Cash	27,121,439
Total Investment	30,700,518
Net Change	(1,535,469)

Total Cash and Investment **34,918,759**

Memorandum

Date: May 25, 2023

To: Board of Directors

From: Ysabel Trinidad, Finance & Investment Committee Chair
Joanne Mathew, CFO

Attached: Graystone Capital Market Commentary
Graystone Consulting Portfolio Review
Commonfund Investment Report

Subject: INVESTMENT HIGHLIGHTS – Third Quarter 2022-2023



The Foundation's General Investment Policy 131 requires a comprehensive quarterly report of the investment portfolio's performance be provided to the members of the Finance & Investment Committee and Board of Directors at each regularly scheduled meeting.

GENERAL INVESTMENT PORTFOLIO

The General Investment Portfolio ("Portfolio") has a current total market value of \$31.1M as of March 31, 2023. The majority portion managed by Graystone Consulting has a current market value of \$27.5M with 24.6% Fixed Income, 53.6% Equities, 21.5% Alternatives, and 0.3% Cash. All allocations are within current policy ranges. The return over the last quarter was 4.62% (gross) and 5.23% over the last nine months (06/30/22-03/31/23). Additional information is included in the report provided by Graystone.

Management received capital call notices and has contributed \$236,250 against its commitment of \$250,000 to Capital Partners IV and \$699,375 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the Non-Marketable investments are \$262,722. The CommonFund Summary Investment and Performance Reports are included.

During Q2 2022-23, the Foundation opened a MSPBNA Preferred Savings account. The balance and APY as of 3/31/23 is \$3.1M and 4.0%, respectively.

RECOMMENDATION: Management and the F&I Committee recommend approval of the comprehensive quarterly investment reports as presented.

BE IT RESOLVED, that the Board of Directors has reviewed the comprehensive quarterly investment reports, believe the reports to be in compliance with the investment policy, and have accepted the recommendation of the Finance & Investment Committee to approve as presented.

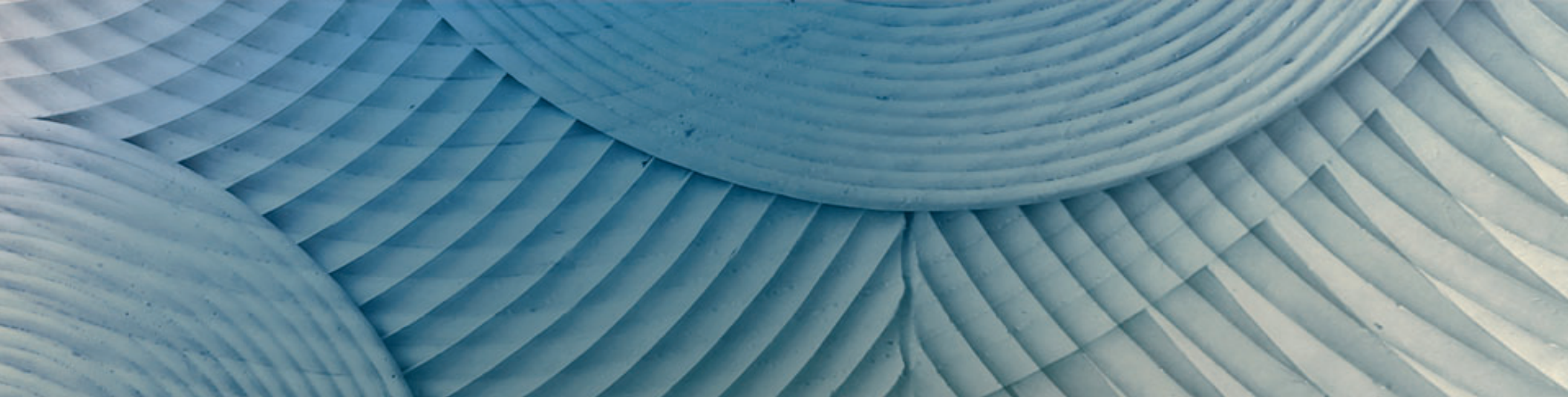
PASSED AND ADOPTED THIS 25TH DAY OF MAY 2023.

By: _____
Dr. Martin Sancho-Madriz
Secretary / Treasurer, Board of Directors



A business of Morgan Stanley

Cal Poly Pomona Foundation



Andrew B. Price, CIMA® (310) 788-2043
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Senior Vice President, Wealth Management
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Capital Markets Commentary 3-31-2023

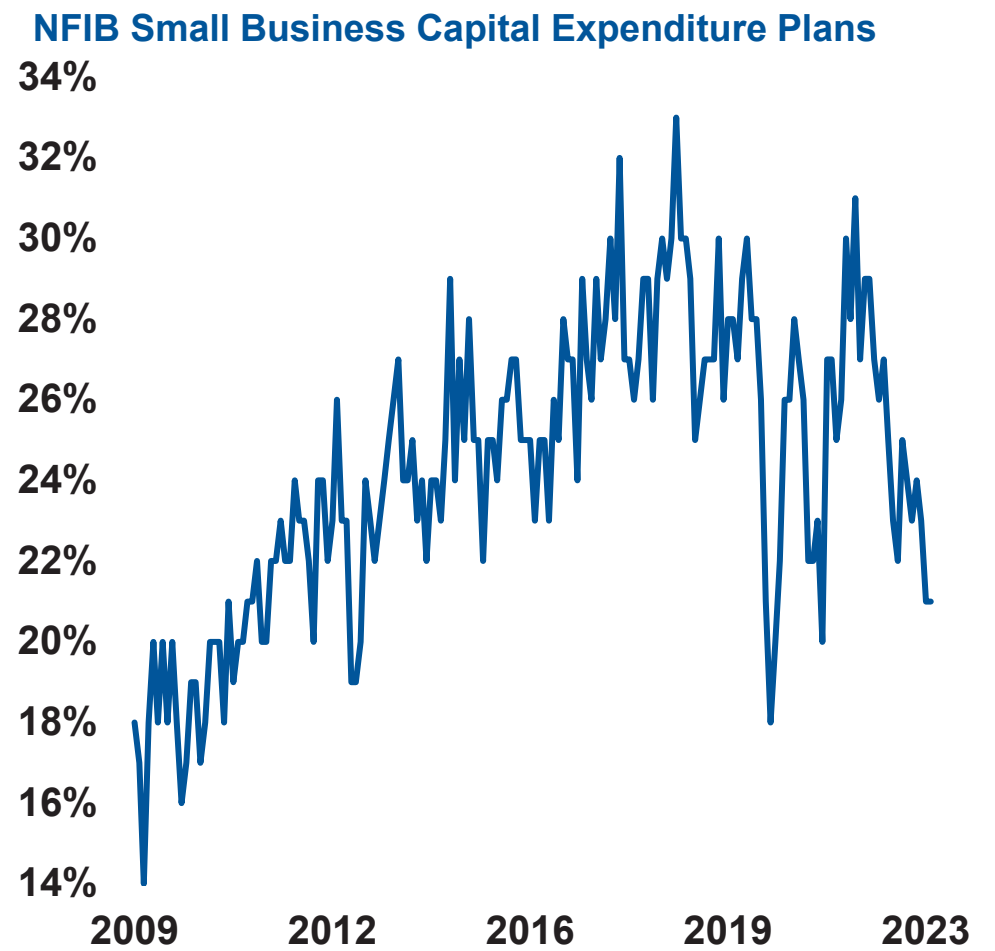
1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067

Executive Summary GIC Tactical Asset Allocation

- The bear market rally that began in mid-October 2022 has continued in Q123 with the S&P 500 as of March 31 up 7% YTD, while the NASDAQ surged even more, up 16.8% YTD. While the move was due to the 45bp fall in the 10-year Treasury yield and the resultant multiple expansion, performance again became incredibly concentrated, with large mega-cap tech names disproportionately driving results. While some investors assert this positioning is appropriately defensive, the GIC disagrees, asserting that both economic and market betas of this group are higher than believed. We continue to contend that earnings risk for the S&P 500 under a soft landing and/or recession scenario is not properly priced and represents 10-20% downside to profit forecasts as volumes and pricing power simultaneously fade from unsustainable 2021-22 extremes.
- Most noteworthy about the past 90 days has been the round trip in expectations for the Fed Funds rate, which after surging to 5.5% in the beginning of March has since recoiled back towards 5% as concerns about financial stability emanating from the regional bank turmoil and SVB failure mute Fed aggressiveness. While elevated bond market volatility is understandable given the levels of uncertainty, current market expectations for ~3 rate cuts before January '24 appear to us overly sanguine given the inflation fight remains somewhat unresolved. We forecast one more hike in May and potential only 1 cut in December. Forecast for 10-year Treasury yields over next 12 months is 3.15-3.25%.
- An S&P 500 equity risk premium of ~210bps and a 3-month/10-year yield curve inversion of over 160bps (a 30-year low) suggests investors are assuming long-run costs of capital will revert to sub-2%. The GIC fundamentally disagrees. Real 10-year yields are likely to revert to pre-GFC levels in next cycle.
- The regional banking stress is completely different than the GFC of 2008, premised not on weak, packaged and opaque credits but on liquidity mismatches between the stickiness of deposits and the ability to avoid taking mark-to-market losses on held-to-maturity Treasury and MBS portfolios. Deposit betas have been weak this cycle and banks remain vulnerable to outflows as market yields in money markets, CDs and ultra-short bond funds represent good opportunities for investors. While regulators have calmed dynamics, the consequences are likely much tighter lending standards. Recession odds have tripled to over 30% probability in the next 12 months.
- Labor markets hold the key to how things develop from here. We don't think the physics of business cycles have been repealed but the post-COVID cycle is historic for the amount of "cash on the sidelines" which may continue to cause market distortions. Financial conditions are tightening but remain much more benign than at previous market turning points.
- Broadly, our advice is to overweight cash and ultra-short fixed income, collecting positive real yields with an eye toward patience regarding the start of a new bull market. Volatility should be managed through a combination of maximum diversification and active risk management.
 - We are neutral to slightly underweight benchmark weights in US equities, with a tilt toward value and growth-at-a-reasonable price strategies. Sector tilts are somewhat defensive with preferences for energy, health care, staples, utilities, materials, financials and some consumer services. Index investors should use an equal-weighted strategy.
 - We are slightly overweight international/non-US equities with a preference for Emerging Markets given the recovery in China and our view of global currency dynamics, which ultimately support a weaker US dollar.
 - We like alternative investments in this environment and are using gold, energy infrastructure, market-neutral hedge fund strategies and private credit investments as ways to enhance returns, lower portfolio volatility and manage equity beta risk.

Source: Morgan Stanley Wealth Management GIC, Bloomberg as of April 12, 2023

Most Recent Data Suggests Economic Slowing Ahead



Source: Morgan Stanley Wealth Management GIC, Bloomberg as of March 31, 2023

Source: Morgan Stanley Wealth Management GIC, Bloomberg as of February 28, 2023

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

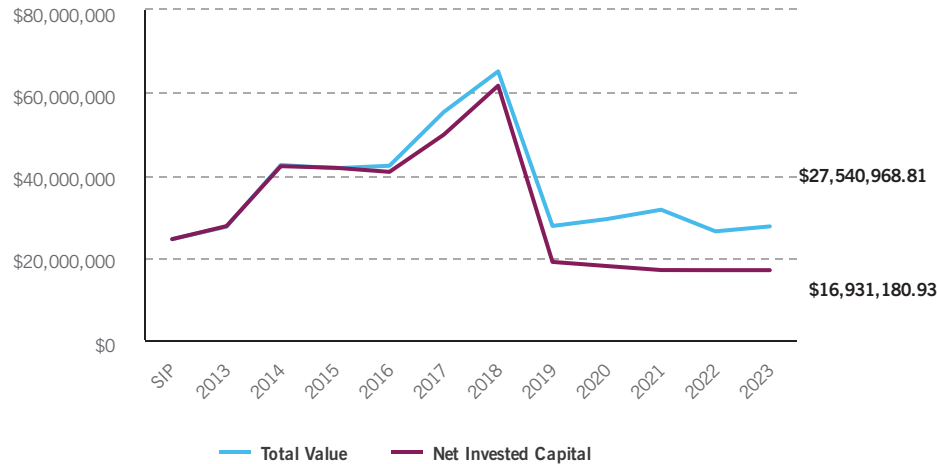
Signposts for Buying the Next Bull Market

- New Leadership
- Equity Risk Premium widens to at least 350bps
- Forward P/E multiples move below 15x on earnings that are DOWN in 2024
- Next 12-month earnings estimates that crack below \$215/sh
- Fed pause, end of QT and clear guidance on cuts
- Unemployment rate that cracks meaningfully above 4%
- Capitulatory Price Action/Oversold Technicals, sentiment and positioning indicators

Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

Source: Morgan Stanley Wealth Management GIC, Bloomberg as of February 28, 2023

TOTAL VALUE VS. NET INVESTED CAPITAL

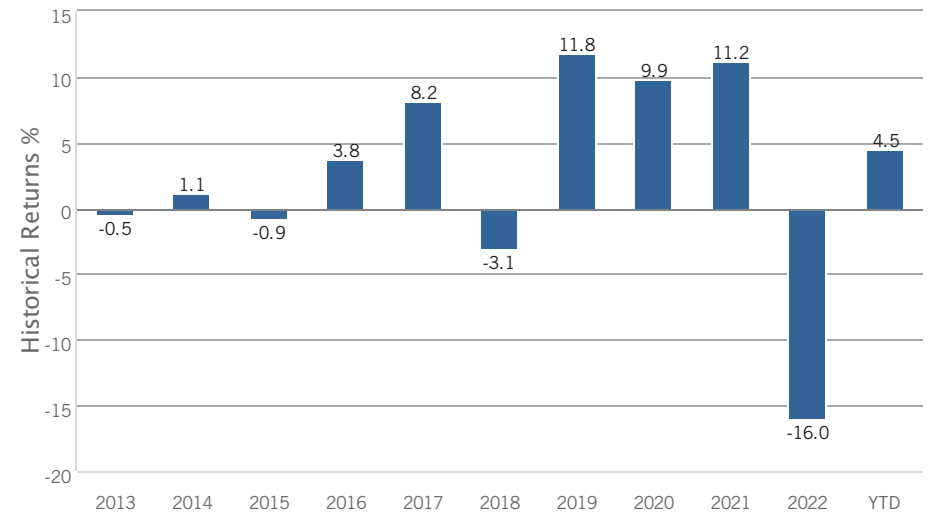


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

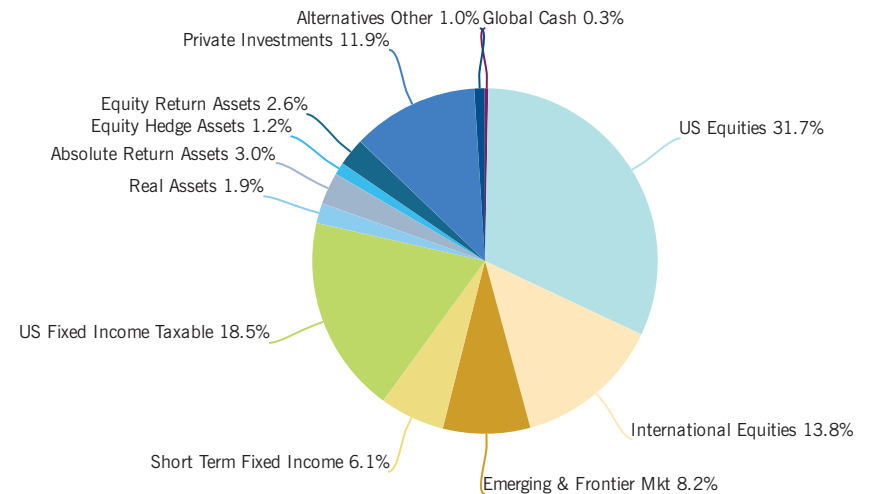
	Quarter to Date (\$) 12/31/22-03/31/23	Year to Date (\$) 12/31/22-03/31/23	Performance Inception (\$) 03/04/13-03/31/23
Beginning Total Value	26,340,152	26,340,152	24,450,830
Net Contributions/Withdrawals	1,074	1,074	-7,519,649
Investment Earnings	1,199,742	1,199,742	10,609,788
Ending Total Value	27,540,969	27,540,969	27,540,969
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	4.55	4.55	2.66

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)



Does not include Performance Ineligible Assets.

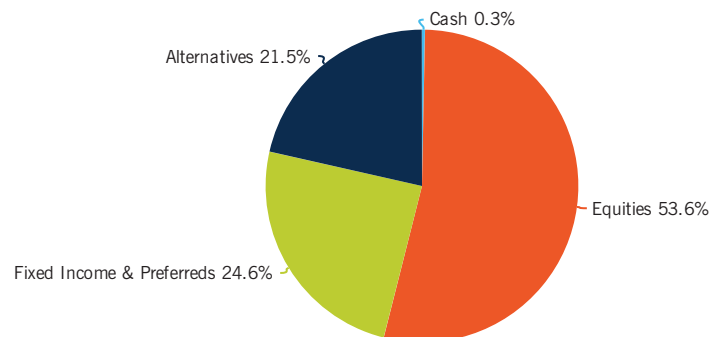
ASSET ALLOCATION



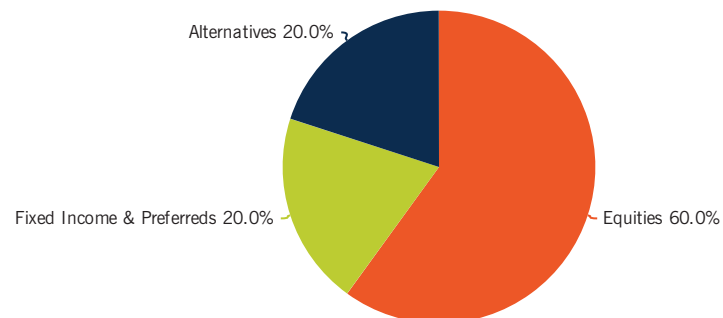
The investment returns shown on this page are dollar-weighted measurements which are affected by the timing and amount of your contributions and withdrawals.

ACTUAL VS. TARGET

Actual

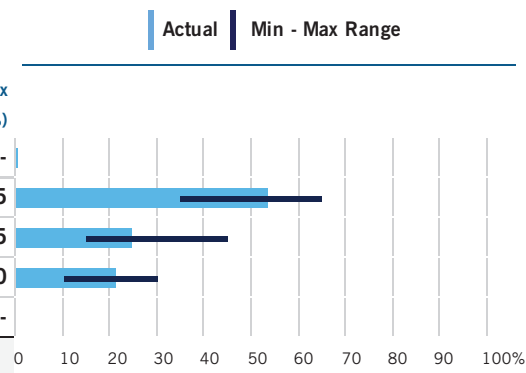


Target



ASSET ALLOCATION: ACTUAL VS. TARGET WITH MIN-MAX RANGE

Asset Class	Actual 03/31/2023		Target		Difference		Min-Max Range (%)
	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Cash	88,570.45	0.32	0.00	0.00	88,570.45	0.32	-
Equities	14,762,001.72	53.63	16,514,157.30	60.00	-1,752,155.59	-6.37	35 - 65
Fixed Income & Preferreds	6,767,684.93	24.59	5,504,719.10	20.00	1,262,965.83	4.59	15 - 45
Alternatives	5,905,338.41	21.46	5,504,719.10	20.00	400,619.31	1.46	10 - 30
Other	0.00	0.00	0.00	0.00	0.00	0.00	-
Total Assets	27,523,595.51	100.00	27,523,595.51	100.00			



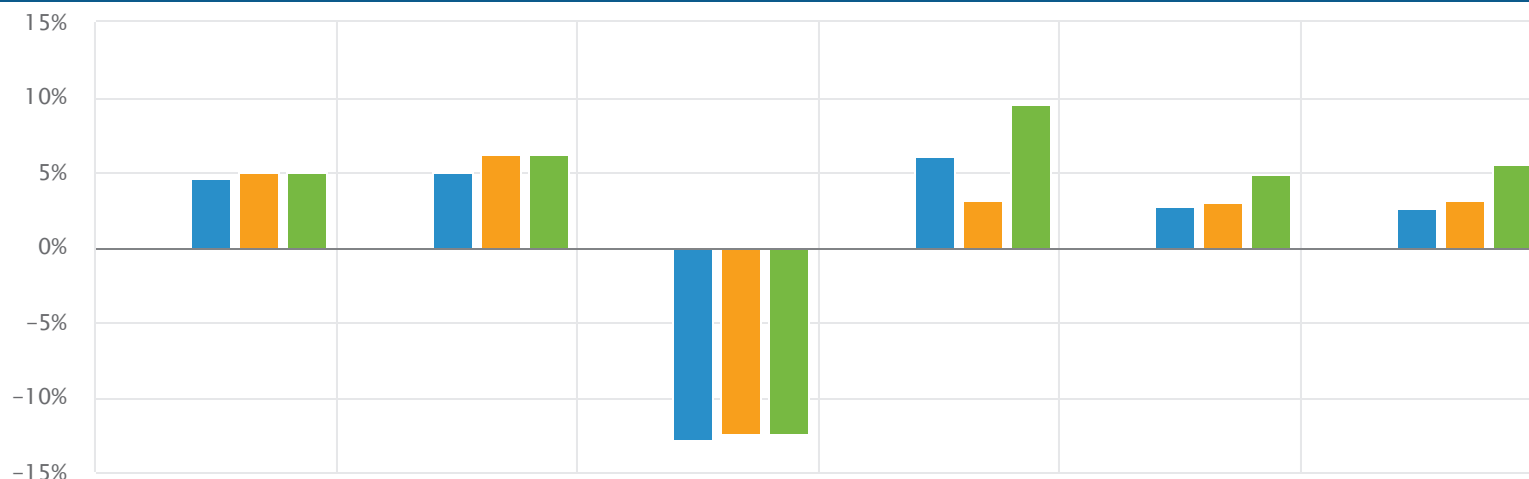
Target Allocation as determined by you and your Financial Advisor for this account only.
Total Value and % of Portfolio are based on US Dollar values.

TIME WEIGHTED PERFORMANCE SUMMARY

OCIO - Cal Poly Pomona Foundation

As of March 31, 2023 | Reporting Currency: USD

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Performance Inception Month					
	Quarter to Date 12/31/22 - 03/31/23	Fiscal 2023 YTD 06/30/22 - 03/31/23	Fiscal 2022 06/30/21 - 06/30/22	Last 3 Years 03/31/20 - 03/31/23	Last 5 Years 03/31/18 - 03/31/23	End 03/31/13 - 03/31/23
Beginning Total Value (\$)	26,340,152.48	26,257,759.35	30,561,867.95	23,901,791.79	59,155,026.00	24,506,768.54
Net Contributions/Withdrawals (\$)	1,074.01	-22,469.83	-422,840.17	-996,379.61	-36,719,323.35	-7,520,688.73
Investment Earnings (\$)	1,199,742.32	1,305,679.30	-3,881,268.43	4,635,556.63	5,105,266.17	10,554,889.00
Ending Total Value (\$)	27,540,968.81	27,540,968.81	26,257,759.35	27,540,968.81	27,540,968.81	27,540,968.81
Return % (Gross of Fees)	4.62	5.23	-12.67	6.29	3.04	2.81
Return % (Net of Fees)	4.55	5.04	-12.93	6.01	2.77	2.56
Allocation Over Time (%)	4.98	6.16	-12.44	3.12	2.96	3.07
Cal Poly Pomona Policy BM (%)	4.98	6.16	-12.44	9.57	4.93	5.56

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. The performance shown may have been chosen to highlight certain time periods and/or not reflect others.

OCIO - Cal Poly Pomona Foundation

As of March 31, 2023 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS

Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 03/31/23	% Of Portfolio 03/31/23	Quarter to Date (%) 12/31/22 - 03/31/23	Custom Period (%) 06/30/22 - 03/31/23	Last 12 Months (%) 03/31/22 - 03/31/23	Last 3 Years (%) 03/31/20 - 03/31/23	Last 5 Years (%) 03/31/18 - 03/31/23	Performance Inception (%) to 03/31/23
US Large Cap Growth			3,152,721.08	11.45						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Vanguard Growth ETF <i>CRSP Lg Cap Gr</i>	12/22/21	1,917,944.16	6.96	17.17 17.27	11.97 12.66	-12.50 -12.59	-	-	-16.14 -15.95
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Brown Advisory LC Sustain Grth <i>Russell 1000 Gr</i>	05/21/21	758,770.43	2.76	14.61 14.37	11.49 12.67	-9.68 -10.90	-	-	-0.09 -0.88
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	JP Morgan Large Cap Growth <i>Russell 1000 Gr</i>	02/02/23	476,006.49	1.73	-0.66 3.78	-	-	-	-	-0.66 3.78
US Large Cap Value			4,335,829.14	15.74						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	ClearBridge Large Value ESG <i>Russell 1000 Value</i>	05/21/21	1,760,149.54	6.39	1.79 1.01	11.31 7.17	-5.12 -5.91	-	-	-1.20 0.01
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Boston Partners LC Value <i>Russell 1000 Value</i>	05/21/21	1,743,090.06	6.33	0.71 1.01	6.08 7.17	-6.63 -5.91	-	-	-1.69 0.01
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Vanguard Value ETF <i>CRSP Lg VL</i>	12/22/21	832,589.54	3.02	-0.99 -1.00	7.42 7.03	-3.61 -3.95	-	-	-0.49 -0.37
US Small Cap Value			555,668.64	2.02						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Neuberger SC Intrinsic Value <i>Russell 2000 VL</i>	04/18/22	555,668.64	2.02	5.73 -0.66	9.67 2.74	-	-	-	-11.50 -11.05
US Mid Cap			673,420.52	2.45						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Earnest Prnts Small/Mid Core <i>Russell Midcap</i>	05/21/21	673,420.52	2.45	6.01 4.06	10.93 9.70	-4.99 -8.78	-	-	0.85 -3.42
International Equities			3,384,460.43	12.29						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	iShares ESG Aware MSCI EAFE <i>MSCI EAFE ESG Focus NR USD</i>	05/21/21	1,712,665.60	6.22	9.28 8.64	15.07 15.45	0.16 -1.25	-	-	-3.24 -
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	T. Rowe Price Intl Eqty ADR <i>MSCI EAFE Net</i>	07/20/22	1,671,794.83	6.07	7.96 8.47	-	-	-	-	11.23 13.67

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OCIO - Cal Poly Pomona Foundation

As of March 31, 2023 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS (Continued)

Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 03/31/23	% Of Portfolio 03/31/23	Quarter to Date (%) 12/31/22 - 03/31/23	Custom Period (%) 06/30/22 - 03/31/23	Last 12 Months (%) 03/31/22 - 03/31/23	Last 3 Years (%) 03/31/20 - 03/31/23	Last 5 Years (%) 03/31/18 - 03/31/23	Performance Inception (%) to 03/31/23
Japan Equities			408,257.72	1.48						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 iShares MSCI Japan <i>MSCI Japan Net</i>	04/18/22	408,257.72	1.48	7.78	11.24	-	-	-	2.48
					6.19	11.01	-	-	-	0.39
Emerging Market Equities			2,251,644.11	8.18						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 iShares ESG Aware MSCI EM <i>MSCI EM ESG Focus NR USD</i>	05/21/21	1,416,253.72	5.14	4.69	-0.74	-11.78	-	-	-12.91
					3.95	-0.42	-12.98	-	-	-
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 Martin Currie Emerging Markets <i>MSCI EM Net</i>	05/21/21	835,390.39	3.03	6.23	4.91	-8.75	-	-	-13.97
					3.96	0.84	-10.70	-	-	-12.35
Short Term Fixed Income			1,665,964.11	6.05						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 Vanguard Short Term Corp Bond <i>Bloomberg US Corporate 1-5 Y</i>	07/20/22	1,077,676.70	3.91	1.87	-	-	-	-	1.79
					1.68	-	-	-	-	1.57
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 Vanguard Short-Term Treasury <i>Bloomberg US Tres 1-3 Y</i>	08/30/22	588,287.41	2.14	1.64	-	-	-	-	1.15
					1.59	-	-	-	-	1.06
Long Term Govt/Corp			332,673.23	1.21						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 iShares BC 20 Plus Treas Bd <i>ICE US Treasury 20+ yr Bd</i>	04/18/22	332,673.23	1.21	7.03	-5.60	-	-	-	-9.39
					6.52	-6.24	-	-	-	-
Securitized			1,426,584.56	5.18						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 JP Morgan Mort Backed Sec Fd <i>BB US Agg Securitized - MBS</i>	07/20/22	1,426,584.56	5.18	3.48	-	-	-	-	0.31
					2.53	-	-	-	-	-1.52
US Taxable Core			3,349,051.86	12.16						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 Western Core Plus Bond Fd <i>Bloomberg US Aggregate</i>	04/20/22	1,493,114.07	5.42	3.37	0.05	-	-	-	-4.15
					2.96	-0.09	-	-	-	-1.17
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415 iShares BC Aggregate Bond <i>Bloomberg US Aggregate</i>	04/18/22	692,199.08	2.51	3.24	-0.05	-	-	-	-1.62
					2.96	-0.09	-	-	-	-2.07

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TIME WEIGHTED PERFORMANCE DETAIL

OCIO - Cal Poly Pomona Foundation

As of March 31, 2023 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS (Continued)

	Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 03/31/23	% Of Portfolio 03/31/23	Quarter to Date (%) 12/31/22 - 03/31/23	Custom Period (%) 06/30/22 - 03/31/23	Last 12 Months (%) 03/31/22 - 03/31/23	Last 3 Years (%) 03/31/20 - 03/31/23	Last 5 Years (%) 03/31/18 - 03/31/23	Performance Inception (%) to 03/31/23
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares BC 7-10 Yr Treas Bd <i>ICE BofA US Treasury 7-10 Y</i>	07/20/22	617,517.60	2.24	3.92	-	-	-	-	-1.16
						3.54	-	-	-	-	-1.15
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	CCM Community Impact Bond Fund <i>Bloomberg US Aggregate</i>	05/21/21	546,221.10	1.98	2.33	-0.65	-3.44	-	-	-4.44
						2.96	-0.09	-4.78	-	-	-5.15
Alternatives				5,596,911.44	20.32						
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX416	Alternative Investments Advisory <i>HFRI Fund Weighted Comp</i>	06/25/21	3,008,218.12	10.92	1.10	2.47	-2.23	-	-	0.36
						1.19	2.79	-2.05	-	-	-
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Hamilton Lane	835-XXX325	Alternative Investments Advisory <i>HFRI Fund Weighted Comp</i>	06/05/17	2,588,693.32	9.40	0.00	-1.92	-7.25	12.54	10.91	10.57
						1.19	2.79	-2.05	10.55	4.66	-
Managed Futures				317,365.82	1.15						
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Abbey Capital Futures Fd <i>CS Managed Futures Hedged Fund</i>	04/18/22	317,365.82	1.15	-3.20	-3.58	-	-	-	-0.95
						-6.91	-6.48	-	-	-	-
Other				1,543.81	0.01						
N/A			03/31/23	1,543.81	0.01	-	-	-	-	-	-
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	N/A	03/31/23	1,543.81	0.01	-	-	-	-	-	-
Cash				88,872.36	0.32						
CAL POLY POMONA FOUNDATION INC (AAA) - Short Term FI	812-XXX546	Cash	03/07/13	75,955.52	0.28	-	-	-	-	-	-
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX416	Alternative Investments Advisory	06/22/21	12,290.02	0.04	-	-	-	-	-	-
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Hamilton Lane	835-XXX325	Alternative Investments Advisory	06/05/17	626.82	0.00	-	-	-	-	-	-

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All Accounts

ACCOUNT SUMMARY AS OF 3/31/2023

	Vintage Year	Capital Committed	Capital Called	Remaining Capital to be Called	Capital Distributions	Capital Balance	Multiple	IRR	Value Date
General Fund - 06									
Commonfund Real Estate									
Realty Investors 2004-12 (Tranche)	2005	\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
Total Commonfund Real Estate		\$1,500,000	\$1,500,000	\$0	(\$283,096)		0.2	-26.2%	
US Private Equity									
Private Equity Partners VII	2007	\$750,000	\$699,375	\$50,625	(\$1,367,751)	\$200,866	2.2	14.0%	12/31/2022
Total US Private Equity		\$750,000	\$699,375	\$50,625	(\$1,367,751)	\$200,866	2.2	14.0%	12/31/2022
Multi-Asset									
Capital Partners IV	2007	\$250,000	\$236,250	\$13,750	(\$393,047)	\$61,856	1.9	10.1%	12/31/2022
Total Multi-Asset		\$250,000	\$236,250	\$13,750	(\$393,047)	\$61,856	1.9	10.1%	12/31/2022
Total General Fund - 06		\$2,500,000	\$2,435,625	\$64,375	(\$2,043,894)	\$262,722	0.9	-0.6%	12/31/2022
Grand Total		\$2,500,000	\$2,435,625	\$64,375	(\$2,043,894)	\$262,722	0.9	-0.6%	12/31/2022

Explanatory Notes:

- Performance data is net of all fees and carried interest. Transaction flows and capital for these funds are included in the appropriate totals.
- Multiple, also referred to as TVPI, total value to invested capital net of the general partners and special limited partners (Capital Distributions + Capital Balance/Capital Distributions).
- Each partnership's net IRR (Internal Rate of Return) should be evaluated in light of information on such partnership's investment program, the risks associated therewith, and partnership performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports. Return information calculated on a dollar-weighted (e.g., internal rate of return), since inception basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis. Comparison of returns calculated on a net IRR basis with returns on a time-weighted basis is not appropriate. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating net IRRs or Net Multiples or that the calculated net IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale.
- Capital Called and Capital Distributions are since inception through the report End Date.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

All Accounts

NON-MARKETABLE INVESTMENTS ROLL FORWARD FROM VALUE DATE TO 3/31/2023

Non-Marketable Fund	Incep. Date	Commitment	Valuation Date	Most Recent Valuation	Capital Calls since Valuation Date	Distributions since Valuation Date	Adjusted Market Value
Private Equity Partners VII	9/30/2007	\$750,000.00	9/30/2022	\$223,177.00	\$1,875.00	(\$21,461.00)	\$203,591.00
Capital Partners IV	9/30/2007	\$250,000.00	9/30/2022	\$68,265.00	\$0.00	(\$5,657.00)	\$62,608.00
Total Core Funds		\$1,000,000.00	9/30/2022	\$291,442.00	\$1,875.00	(\$27,118.00)	\$266,199.00
Non-Marketable Total		\$1,000,000.00	9/30/2022	\$291,442.00	\$1,875.00	(\$27,118.00)	\$266,199.00

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is not indicative of future performance.

Memorandum



Date: May 25, 2023
To: Board of Directors
From: Christina Gonzales, Personnel Committee Chair
Shari Benson, Employment Services Director/CHRO
Subject: **Juneteenth Holiday**

Juneteenth is a nationally celebrated commemoration of the ending of slavery in the United States. On May 17, 2022, the Personnel Committee approved the holiday for the Foundation and it was placed on hold as the CSU System had not yet recognized the holiday as paid. The CSU system has now recognized Juneteenth as a paid holiday effective in 2023.

While a number of Foundation units continue to operate during holidays, the workload for many units is generated by campus foot traffic. We also have employees imbedded within the colleges and other University and ASI facilities. The traditional practice is to mirror those holidays observed by our campus partners.

PROPOSED ACTION:

The following resolution is recommended by Management and the Personnel Committee for approval:

BE IT RESOLVED, that the Board of Directors accepts the recommendation of the Personnel Committee and approves Juneteenth as an observed paid holiday beginning in 2023, for fully-benefited employees.

BE IT FURTHER RESOLVED, that the CEO and CHRO are authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

PASSED AND ADOPTED THIS 25th DAY OF MAY 2023.

Dr. Martin Sancho-Madriz, Secretary/Treasurer
Board of Directors

Information Item

Date: May 25, 2023

To: Board of Directors

From: David Speak, Audit Committee Chair
Jared G. Ceja, CEO

Attached: Cal Poly Pomona Foundation, Inc. Audit Report 22-12

Subject: CSU Auxiliary Compliance Audit

The CSU Audit & Advisory Services team from the Chancellor's Office completed an audit of the organization as part of their 2022-2023 Audit Plan. The audit fieldwork period extended from October of 2022 to January of 2023 and went beyond the scope of the annual financial audits performed by external firms. CSU auxiliary compliance audits look at individual enterprise and support divisions as well as the company as a whole. The audit was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. The Executive Summary on page two of the attached report outlines the overall objectives of this effort.

The Foundation received a top-level result with "reasonable assurance that risks were being managed and objectives were met." This result compares favorably to all enterprise auxiliary audits that have been conducted over the last five years, especially given our size and breadth of services. Three recommendations were identified in the process including subrecipient monitoring, effort reporting, and expenditure processing in grants and contracts. Details on the three recommendations may be found in the attached report. All three are correctable and action is already underway, in collaboration with the CPP Internal Auditor and CSU Chancellor's Office, to implement enhancements.



CAL POLY POMONA FOUNDATION, INC.

California State Polytechnic University, Pomona

Audit Report 22-12
April 27, 2023

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to confirm compliance with regulatory requirements for the establishment and governance of auxiliary organizations; ascertain the effectiveness of operational, administrative, and financial controls for the activities conducted by the Cal Poly Pomona Foundation, Inc. (Foundation); evaluate adherence to auxiliary policies and procedures and applicable Integrated California State University Administrative Manual (ICSUAM) policies, or, where appropriate, to an industry-accepted standard; and to ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

CONCLUSION

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational, administrative, and financial controls for the Foundation, as of February 14, 2023, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we found that the Foundation had an appropriate framework for the administration of the auxiliary; however, we identified a few areas related to administration of sponsored projects that needed some improvement. We found that subrecipient monitoring procedures did not fully address how risk is initially assessed for subawards; sponsored programs effort-reporting policies needed to be updated to clarify roles and responsibilities; and travel expenditures did not always comply with Foundation policies and procedures.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. SUBRECIPIENT MONITORING

OBSERVATION

Policies and procedures for subrecipient monitoring needed to be updated to clearly address initial subrecipient risk assessments and determinations on the required level of monitoring.

Code of Federal Regulations (CFR) Title 2, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) §200.332, sets forth certain requirements for subrecipient monitoring, including a requirement for an evaluation of each subrecipient's risk of noncompliance with federal statutes, regulations, and terms of conditions of the subaward for the purpose of determining the appropriate subrecipient monitoring to be performed. Factors to be considered include, but are not limited to, the subrecipient's prior experience, results of subrecipient audits, and changes to subrecipient personnel or systems.

We noted that the Foundation uses a subrecipient monitoring form for subrecipients on federal projects to document the tasks that have been completed for the fiscal year, including review of single audit reports and ongoing monitoring of invoices and expenditure documentation for appropriateness and allowability. However, the existing form and subrecipient monitoring policy did not clearly describe how risk is initially assessed and documented, nor did it include criteria to determine the level of risk and monitoring required for each subrecipient. Furthermore, none of the five subrecipient forms reviewed were completed prior to the subaward being fully executed.

Sufficient administration and monitoring of subrecipients decreases the risk of noncompliance with federal requirements and possible regulatory scrutiny and protects the campus, auxiliary organizations, and California State University (CSU) from potential liability.

RECOMMENDATION

We recommend that the campus, in conjunction with the Foundation:

- a. Update Foundation subrecipient monitoring policies and procedures and the subrecipient monitoring form to clearly describe and document how risk is initially assessed, and to include criteria used to determine the level of risk and monitoring required for the subrecipient.
- b. Communicate and distribute the updated policies and procedures to appropriate Foundation and campus administrators and staff.

MANAGEMENT RESPONSE

We concur.

- a. We will update Foundation subrecipient monitoring policies and procedures and the subrecipient monitoring form to clearly describe and document how risk is initially

assessed, and to include criteria used to determine the level of risk and monitoring required for the subrecipient.

- b. We will communicate and distribute the updated policies and procedures to appropriate Foundation and campus administrators and staff.

Expected completion date: June 30, 2023

2. EFFORT REPORTING

OBSERVATION

Foundation policies and procedures addressing effort reporting needed improvement.

Effort reporting is the method used to confirm to sponsors that the effort spent on a sponsored project reasonably reflects the salary and wages charged to that project. CSU employees are primarily paid for work on sponsored programs in one of two ways. One method is release time, which reduces the employee's normal workload by a certain percentage to free up time to work on the research project. In these cases, the university is reimbursed from grant funds for that portion of the salary. The other method is through additional employment, in which the employee retains their normal workload but receives additional pay for time spent outside their normal hours on sponsored project activities. The additional pay amount is charged to the grant budget.

Based on the First Amended Restated Memorandum of Understanding between the Foundation and the campus, the Foundation is responsible for monitoring release time, while the campus is responsible for monitoring additional employment. However, regardless of the method and the parties involved, it is the responsibility of the post-award administrator (the Foundation), in partnership with the campus, to demonstrate comprehensive tracking of effort and to provide supporting documentation for the salaries and wages paid on these projects.

We reviewed seven awards with effort-reporting requirements and asked the Foundation to provide effort certifications for key personnel named in the award budget. For one of these awards, although there were seven senior personnel named in the budget, an effort certification was provided for only one employee. We reviewed correspondence between the Foundation and the program manager and noted that these individuals may have been paid via additional pay instead of release time, and therefore did not have any effort certification sheets. However, we were unable to obtain specific documentation such as employment transaction forms, timesheets, and general ledger detail to substantiate the amounts worked and charged to the grant. We also noted that Foundation policies and procedures were unclear as to who was responsible for initiating and approving additional employment transactions for grants and contracts, how additional employment for grants and contracts was certified and tracked, and how these payments should be documented and retained.

Comprehensive policies addressing effort-reporting responsibilities enhance accountability and decrease exposure to noncompliance with CSU and federal regulations.

RECOMMENDATION

We recommend that the campus, in conjunction with the Foundation, update policies and procedures to better clarify processes and responsibilities for ensuring that additional employment for grants and contracts is appropriately approved, monitored, and documented.

MANAGEMENT RESPONSE

We concur. We will update policies and procedures to better clarify processes and responsibilities for ensuring that additional employment for grants and contracts is appropriately approved, monitored, and documented.

Expected completion date: July 31, 2023

3. EXPENDITURE PROCESSING

OBSERVATION

Administration of grants and contracts expenditures needed improvement.

We reviewed 40 expenditures and found that:

- In one instance, the travel authorization and expense report relating to student travel was not timely completed. Foundation personnel noted that they repeatedly reminded the responsible individual, but no other actions were taken. The form was not completed until February 2021 for an expense that occurred in October 2019.
- For two expenditures related to student travel, the Foundation did not review or retain the *Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims* forms as part of the supporting documentation for approval of the expenditure. Per Foundation policy, the forms must be included with the travel authorization form when it is submitted for reimbursement.

In addition, we noted that the Foundation travel policy does not directly address the requirements for student travel using enterprise foundation funds, specifically, whether pre-authorization is required.

Adequate processing and proper review of expenditures decreases the risk that unallowable costs will be incurred and funds will be misused and decreases the risk of noncompliance with CSU and governmental requirements.

RECOMMENDATION

We recommend that the campus, in conjunction with the Foundation:

- a. Update the current travel policy to address the requirements for student travel using enterprise foundation funds and to establish escalation procedures for expenses not submitted in a timely manner.

- b. Clarify and recommunicate to Foundation and appropriate campus staff the requirements and responsibility for completion and retention of the *Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims* form.

MANAGEMENT RESPONSE

We concur.

- a. We will update the current travel policy to address the requirements for student travel using enterprise foundation funds and to establish escalation procedures for expenses not submitted in a timely manner.
- b. We will clarify and re-communicate to Foundation and appropriate campus staff the requirements and responsibility for completion and retention of the *Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims* form.

Expected completion date: June 30, 2023

GENERAL INFORMATION

BACKGROUND

Auxiliary organizations are separate business and legal entities that perform activities essential to the educational program of a campus that cannot be legally or effectively administered using state funding. California Code of Regulations (CCR) Title 5, §42401, states that auxiliary organizations provide the fiscal means and the management procedures that allow the campus to carry on activities providing those instructional and service aids not normally furnished by the state budget.

Education Code §89900 states, in part, that the operation of auxiliary organizations shall be conducted in conformity with regulations established by the Trustees, and CCR Title 5, §42402, confirms the campus president's authority and responsibility for auxiliary organization operations. Campus management is responsible for establishing and maintaining an adequate system of internal compliance/internal control and assuring that each of its auxiliary organizations similarly establishes such a system.

Education Code §89904 states, in part, that the Trustees of the California State University (CSU) and the governing boards of the various auxiliary organizations shall:

- Institute a standard systemwide accounting and reporting system for businesslike management of the operation of auxiliary organizations.
- Implement financial standards that will assure the fiscal viability of auxiliary organizations. Such standards shall include proper provision for professional management, adequate working capital, adequate reserve funds for current operations and capital replacements, and adequate provisions for new business requirements.
- Institute procedures to assure that transactions of auxiliary organizations are within the educational mission of the state colleges.
- Develop policies for the appropriation of funds derived from indirect cost payments.

Executive Order (EO) 1059, *Utilization of Campus Auxiliary Organizations*, dated June 6, 2011, represents Trustee policy addressing appropriate use of CSU auxiliary organizations. This EO requires CSU auxiliary organizations to operate within the regulations and oversight of the campus. The EO reiterates that the campus president is responsible for ensuring the fiscal viability of auxiliary organizations and their compliance with applicable CSU policies, and it further designates the campus chief financial officer as the individual responsible for administrative compliance and fiscal oversight of auxiliary organizations.

The Foundation was established in 1966 as a non-profit public benefit corporation responsible for operation of commercial services in support of the university's educational mission. The Foundation operates the Bronco Bookstore; Kellogg West Conference Center and Hotel; Kellogg House, a venue used for weddings, corporate meetings, and other events; Innovation Village, a research and development environment for public-private partnerships; and dining services, including restaurants, convenience stores, and vending. The Foundation also operates and/or administers sponsored programs, farm and agriculture operations, student

and faculty housing, and various campus program accounts. Further, the Foundation performs accounting and business administration services for all of its operations and for other auxiliary organizations as needed. The Foundation is governed by a board of directors composed of representatives from the community, university administration, faculty, student body, and staff.

SCOPE

We performed fieldwork from October 3, 2022, through February 14, 2023. Our audit and evaluation included the audit tests we considered necessary in determining whether operational, administrative, and financial controls are in place and operative at the Foundation. The audit focused on procedures in effect from January 1, 2021, to January 6, 2023.

Specifically, we reviewed and tested:

- Timely and proper execution of agreements, contracts, and memoranda of understanding.
- Fiscal, operational, and program compliance, such as reserve provisions, unrelated business income tax, and conflicts of interest.
- Internal controls and segregation of duties over fiscal administration of areas such as cash receipts, accounts receivables, property and equipment, procurement, and disbursements.
- Sponsored program and grants administration, including preliminary review and risk assessment, fiscal operations, conflict of interest management, effort reporting and subrecipient monitoring.
- Dining services administration, including financial and operational activities at both Foundation-run and vendor restaurants and convenience stores.
- Bookstore operations, including management oversight, cash handling, purchasing and disbursements.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

Our testing and methodology, which was designed to provide a review of key operational, administrative, and financial controls, included interviews, walkthroughs, and detailed testing on certain aspects of the Foundation. Our review was limited to gaining reasonable assurance that essential elements at the Foundation were in place and did not examine all aspects of the organization.

CRITERIA

Our audit was based upon standards as set forth in CSU Board of Trustee policies; Office of the Chancellor policies, letters, and directives; campus and auxiliary procedures; as well as sound administrative practices and consideration of the potential impact of significant risks. This audit was conducted in conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

This review emphasized, but was not limited to, compliance with:

- Code of Federal Regulations (CFR) Title 2, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- Education Code §89720
- Education Code §89756
- Education Code §89900
- Education Code §89904
- CCR, Title 5 §42401, *Declaration of Policy*
- CCR, Title 5 §42402, *Authority of Campus President*
- CCR, Title 5 §42500, *Functions of Auxiliary Organizations*
- RFIN 7-81-4
- EO 1059, *Utilization of Campus Auxiliary Organizations*
- *CSU Auxiliary Organizations Compliance Guide*
- *CSU Auxiliary Organizations Sound Business Practices Guidelines*
- ICSUAM §8000.00, *Information Security*
- ICSUAM §1301.00, *Hospitality, Payment or Reimbursement of Expenses*
- ICSUAM §15000, *University Advancement*
- ICSUAM §13680.00, *Placement and Control of Receipts for Campus Activities and Programs*
- *Grants & Contracts Post Award Project Administration Manual*

AUDIT TEAM

Senior Audit Manager: Ann Hough
Audit Manager: Kyle Ishii
Senior Auditor: Cinthia Santamaria
Internal Auditor: Jesse Santos



CAL POLY POMONA
ENTERPRISES

ED/CEO'S REPORT
MAY 25, 2023

AGENDA

- CPP Enterprises
- San Gabriel Valley's Best
- LA County Fair Participation
- Instant Access Complete Approval
- Meal Plan Perks
- CPP Open House & IBW Anniversary Events
- Continuing to Turn Over Stones
- Our Graduates
- Competitive Staffing Environment & Summer Job Fair

Memorandum

Date: May 25, 2023

To: Board of Directors

From: Ysabel Trinidad, Finance & Investment Chair
Jared Ceja, CEO
Joanne Mathew, CFO

Attached: 2023-2024 Consolidated Forecast, Proposed Budget, & Proforma
2023-2024 Statement of Activities (Proposed Budgets by Unit)
2023-2024 Proposed Capital Budget

Subject: **Operating & Capital Budget Summary 2023-2024 and Forecast Proforma**



Pursuant to the provisions of the *Compliance Guide for California State University Auxiliary Organizations Section 11.7* and in accordance with *Foundation Policy #118 – Budget Process*, Enterprises is presenting its annual budgets for review and approval by the governing Board before the start of the fiscal year. The Operating Budgets include: Enterprise Activities (Bookstore, Dining Services, Kellogg West, University Village and Real Estate); Supplemental Programs (Bronco One Card Office, Research Office, Agriculture Aid-to, Continuing Education, Unrestricted Programs); Designated Gifts, Reserves; and Other Administrative Activities.

Operating Budget includes:

- Total Revenue of \$74.7M; of which \$60.2M relates to Enterprise Activities, \$8.8M to Support Activities and \$5.7M to Other Administrative Activities.
- Total Expenses of \$72.6M; of which \$54.1M relates to Enterprise Activities, \$8.9M to Support Activities, \$1.9M to Designated Gifts, and \$7.7M to Other Administrative Activities.
- Budgeted surplus for the year is at \$2.1M.

Forecast Proformas present the total Operating budget and the individual budget units with additional detail estimated out to Fiscal Year 2027-28.

Capital Budget, as approved in the meeting dated February 15 currently includes the addition of capital investments to Kellogg West Conference Center and Innovation Village at a total of \$300K, in collaboration with the University.

PROPOSED ACTIONS:

Management and the Finance & Investment Committee recommend approval of the 2022-2023 forecast and 2023-2024 operating budgets, capital budgets, designated gift, reserves, and proforma pursuant to Budget Process Policy No. 118, and

BE IT RESOLVED, that the Board accepts the recommendation of the Finance & Investment Committee and approves the 2022-2023 forecast and proposed Operating and Capital Budgets for fiscal year 2023-24 for Enterprise Activities, Supplemental Programs, Designated Gifts, and Reserves with the associated proforma.

Passed and adopted this 25th day of May, 2023.

By: _____

Dr. Martin Sancho-Madriz
Secretary/Treasurer, Board of Directors

Cal Poly Pomona Foundation, Inc.
Consolidated Budget Comparison Summary
Cal Poly Pomona Enterprises

	2022-23 Forecast	2023-24 Proposed Budget	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Revenues						
Administrative Fees	3,691,850	4,037,800	4,143,321	4,278,595	4,420,920	4,569,281
Indirect Cost Recoveries	1,421,762	1,673,004	1,723,196	1,774,892	1,828,139	1,882,983
Investment Returns	2,280,129	2,266,753	2,281,588	2,310,160	2,339,402	2,369,137
Other	7,474,129	1,757,016	1,634,175	1,688,281	1,745,090	1,802,663
Sales	56,416,357	64,986,636	67,739,740	70,040,502	72,532,096	75,184,709
Total Revenues	71,284,227	74,721,209	77,522,021	80,092,430	82,865,647	85,808,773
Cost of Goods Sold						
Cost of Goods Sold	15,500,853	18,927,176	19,724,404	20,556,971	21,426,523	22,334,770
Total Cost of Goods Sold	15,500,853	18,927,176	19,724,404	20,556,971	21,426,523	22,334,770
Expenditures - Controllable						
Utilities	2,355,750	2,526,111	2,650,044	2,772,436	2,808,022	2,953,754
Agr/RE Fees	361,352	365,450	364,550	374,154	384,868	392,898
Feed	52,000	59,000	60,000	61,240	62,484	63,733
Insurance	586,079	749,825	782,954	825,001	872,106	921,546
Repairs & Maintenance	3,703,065	3,893,160	4,013,804	4,077,017	4,312,074	4,518,941
Meals & Refreshments	87,690	77,578	80,691	85,022	89,043	93,311
Postage & Freight	48,781	54,212	56,063	58,268	60,484	62,747
Advertising	312,769	474,034	487,564	482,193	508,036	534,332
Rent/Commissions	1,090,167	1,177,668	1,214,138	1,254,159	1,293,938	1,336,501
Services	2,807,039	2,599,424	2,560,567	2,453,860	2,527,638	2,592,795
Designated Gifts	300,000	1,850,000	1,000,000	1,000,000	1,000,000	1,000,000
Supplies	1,745,246	1,717,395	1,749,512	1,792,265	1,822,278	1,888,833
Telephone	535,369	585,246	564,745	588,754	613,753	640,001
Travel	37,403	43,043	44,724	47,531	49,825	52,169
Laundry	155,028	135,127	139,181	143,357	147,657	152,087
Real Estate Fees	14,891	20,003	20,600	21,218	21,855	22,511
Other	1,438,385	1,630,693	1,509,001	1,552,342	1,597,591	1,638,209
Total Exp. - Controllable	15,631,014	17,957,969	17,298,136	17,588,817	18,171,652	18,864,368
Expenditures Non-Controllable						
Administrative Fees	3,691,850	4,037,800	4,168,725	4,302,996	4,444,025	4,590,757
Depreciation	3,222,603	3,548,239	3,559,158	3,604,797	3,608,609	3,668,551
Interest Expense	1,355,632	1,286,241	1,252,973	1,204,132	1,134,000	1,105,000
Rent/Commissions	579,791	519,136	544,681	561,150	578,086	595,535
Bank Card Fees	507,755	672,361	636,037	657,736	680,141	703,277
Other	1,193,800	1,210,072	1,237,575	1,089,382	1,124,904	1,162,099
Total Exp. Non-Controllable	10,551,431	11,273,849	11,399,147	11,420,192	11,569,765	11,825,219
Labor Costs						
Salaries & Wages	16,061,387	17,846,152	18,223,652	18,799,843	19,435,714	20,089,464
Employee Benefits	5,592,102	6,575,591	6,615,549	6,864,424	7,117,283	7,385,164
Total Labor Costs	21,653,489	24,421,743	24,839,201	25,664,267	26,552,997	27,474,628
Total COGS & Expenses	63,336,787	72,580,737	73,260,888	75,230,247	77,720,937	80,498,985
Net Income	7,947,440	2,140,472	4,261,133	4,862,183	5,144,710	5,309,789
Transfer to Reserves:						
University Village Development	1,180,000	226,000	800,000	800,000	800,000	800,000
Real Estate/Development	710,000	375,000	500,000	500,000	500,000	500,000
AG State Share Reserve	120,000	200,000	310,000	330,000	400,000	500,000
Insurance	30,000	25,000	20,000	15,000	30,000	30,000
Demo Reserve	15,000	15,000	15,000	15,000	15,000	15,000
Residence Student Program Trust Fund	120,000	120,000	120,000	120,000	130,000	130,000
Residential Meal Program Surplus Res.	480,000	490,000	520,000	710,000	800,000	900,000
Operating/Working Capital Reserve	500,000	100,000	100,000	500,000	500,000	500,000
Retiree Medical	1,250,000	500,000	850,000	850,000	930,000	900,000
VEBA (Pension contribution)	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000
	5,405,000	2,051,000	4,235,000	4,840,000	5,105,000	5,275,000
Net after Reserves & Pension	2,542,440	89,472	26,133	22,183	39,710	34,789
Projected Fund Balance	48,160,371	50,300,843	54,561,975	59,424,158	64,568,868	69,878,657



**Cal Poly Pomona Enterprises
Statement of Activities**

	REVENUES		EXPENSES - Payroll		EXPENSES - Other		EXPENSES - Total		SURPLUS/(DEFICIT)			FUND BALANCE		
	FY 22-23	FY 23-24	FY 22-23	FY 23-24	FY 22-23	FY 23-24	FY 22-23	FY 23-24	FY22-23	FY 23-24	\$ Variance	Beginning	Forecast	Budget
	Forecast	Budget	Forecast	Budget	Forecast	Budget	Forecast	Budget	Forecast	Budget	versus Forecast	As of 7/1/22	As of 6/30/23	As of 6/30/24
Enterprise Activities														
Dining Services	20,436,096	21,148,012	6,949,288	7,404,456	11,771,412	12,841,528	19,175,868	20,245,984	1,260,228	902,028	(358,200)	1,889,111.47	2,864,406.87	3,266,908.94
Bookstore	11,980,857	14,699,419	1,582,433	1,685,116	9,496,327	12,494,406	11,078,760	14,179,522	902,097	519,897	(382,200)	5,710,556	7,081,985	7,173,578
Kellogg West	3,660,039	4,666,776	2,174,536	2,390,801	2,071,339	2,255,202	4,245,875	4,646,003	(585,836)	20,773	606,609	(5,545,776)	(6,131,612)	(6,110,839)
University Village	10,377,356	11,511,952	1,827,862	2,417,332	6,196,663	6,825,616	8,024,525	9,242,948	2,352,831	2,269,004	(83,827)	14,824,510	18,390,683	19,114,008
Real Estate/Rentals	7,739,523	8,151,690	507,881	497,504	4,715,862	5,297,242	5,223,743	5,794,746	2,515,780	2,356,944	(158,836)	9,018,151	11,775,698	12,716,482
Total Enterprise Activities	54,193,871	60,177,849	13,042,000	14,395,209	34,251,603	39,713,994	47,748,771	54,109,203	6,445,100	6,068,646	(376,454)	25,896,552	33,981,160	36,160,138
Designated Funds	0	0	0	0	300,000	1,850,000	300,000	1,850,000	(300,000)	(1,850,000)	(1,550,000)	0	0	0
Support Activities														
Bronco One Card	422,839	475,205	226,949	252,724	195,890	222,477	422,839	475,201	0	4	4	(5,261)	(5,261)	(5,257)
Research Office	1,421,762	1,673,004	142,394	301,192	1,259,368	1,321,812	1,401,762	1,623,004	20,000	50,000	30,000	(1,140,949)	(1,120,949)	(1,070,949)
Agriculture	4,583,734	4,963,810	1,553,636	1,686,443	2,817,311	2,910,503	4,370,947	4,596,946	212,787	366,864	154,077	(1,301,833)	(1,089,046)	(722,182)
Continuing Education	1,620,306	1,721,949	1,205,377	1,298,183	784,884	879,141	1,990,261	2,177,324	(369,955)	(455,375)	(85,420)	5,719,666	5,349,711	4,894,336
Foundation Programs	0	0	0	0	0	0	0	0	0	0	0	11,044,756	11,044,756	11,044,756
Total Support Activities	8,048,641	8,833,968	3,128,356	3,538,542	5,057,453	5,333,933	8,185,809	8,872,475	(137,168)	(38,507)	98,661	14,316,379	14,179,211	14,140,704
Operating Surplus (Deficit)	62,242,512	69,011,817	16,170,356	17,933,751	39,609,056	46,897,927	56,234,580	64,831,678	6,007,932	4,180,139	(1,827,793)			
Other Activities														
Investments	1,050,000	1,050,000	0	0	102,000	102,000	102,000	102,000	948,000	948,000	0			
Administration	7,991,715	4,659,392	5,483,133	6,487,992	1,517,074	1,159,067	7,000,207	7,647,059	991,508	(2,987,667)	(3,979,175)			
Total Other Activities	9,041,715	5,709,392	5,483,133	6,487,992	1,619,074	1,261,067	7,102,207	7,749,059	1,939,508	(2,039,667)	(3,979,175)			
Unrestricted Surplus (Deficit)	71,284,227	74,721,209	21,653,489	24,421,743	41,228,130	48,158,994	63,336,787	72,580,737	7,947,440	2,140,472	(5,806,968)	40,212,931	48,160,371	50,300,842

CAL POLY POMONA FOUNDATION
2023-2024 CAPITAL EXPENDITURES BUDGET
DRAFT

Project	Division	Reserves	Requested Capital Budget Carryover to Proposed Budget Year	2023-2024 Requested Proposed Budget	Purpose	Category
130010	Bookstore		36,000		Replacement registers.	Scheduled Renewals/Security
130010	Bookstore		-	10,000	Replacement workstations	Scheduled Renewals/Security
130010	Bookstore		-	30,000	Furniture, fixtures	Scheduled Renewals/Security
130010	Bookstore		45,000	30,000	Upstairs remodel+credit union build out	Programmatic
Bookstore Total		-	81,000	70,000		
180850	University Village		12,100		Replace Blinds: 4 bldgs. Blinds are overdue to be replaced due to damage/wear and tear. New blinds would provide consistency of the fixtures	Deferred Maintenance
180850	University Village		-	25,000	Carpet & Tile replacement	ADA Related
180850	University Village		120,889	125,000	HVAC replacement	Deferred Maintenance
180850	University Village		-	68,000	Iron work railing and pool fencing repairs, walkway repair, exterior painting	Health & Safety
180850	University Village		-	83,333	Parking light pole replacement 65 poles some are below grade	Scheduled Renewals/Security
180850	University Village		-	40,000	Replace ball valves on Buildings	Scheduled Renewals/Security
180850	University Village		-	260,000	Pool Furniture 4 tables 16 chairs and 4 umbrellas (99,300) as well as apartment furniture for 8 units (928,200)+100 twin mattresses annually	Deferred Maintenance
180850	University Village		-	75,000	Phase III elevator floor replacement - 4 Elevators	Deferred Maintenance
180850	University Village		70,000	759,067	Roof replacement - all buildings	Deferred Maintenance
180850	University Village		39,250	85,000	Community Center Village building 300 - Replace four 3.5 ton package units in house	Health & Safety
180850	University Village		8,674	50,000	Toilet replacement 100 toilets	Scheduled Renewals/Security
180850	University Village		14,976	18,000	Duct Cleaning Phase I: 3 bldgs. The duct cleaning schedule is typically done in apts. where additional work has been completed, for health and safety.	Health & Safety
180850	University Village		15,088	18,000	Repair Stairwells: 7 stairwells. Seven stairwells require replacement of broken or damaged stair treads for safety.	ADA Related
180850	University Village		14,900	85,000	Painting: 24 apts. Interior only. We regularly repaint the interior of the apartments due to damage/wear and tear. This typically coincides with other maintenance work.	Scheduled Renewals/Security
University Village Total		-	295,877	1,691,400		
170104	Innovation Brew Works		73,400		Update HVAC system. Current HVAC system is not able to keep the IBW space cool during the summer. An exhaust fan needs to be installed	Health & Safety
170104	Innovation Brew Works		30,000		Add needed refrigeration space to meet increased demand, reduce labor expenses, enable bulk discount product buys, and enhance customer experience.	Programmatic
170105	Poly Fresh		40,000		Replace 4 open aired coolers and 1 Freezer \$40,000, implement frictionless checkout (Zippin) \$45,000.	Deferred Maintenance
170101	Taco Bell		25,000		Branded QSR Concept conversion	Programmatic
170130	Centerpointe	25,000	-	25,000	Nutri-Slice Menu Board display system	Programmatic
170130	Centerpointe	35,000	-	35,000	new Recipe, inventory, menu management system	Programmatic
170130	Centerpointe	45,000	-	45,000	Food Lockers and ordering kiosks	Programmatic
170107	Mini Poly Trolley (SSB)		-	85,000	Electric mobile café serving beverages, sandwiches and burritos.	Programmatic
170130	Vending-Micro Fridge		-	35,000	RFID fresh food vending for food desserts	Programmatic
Dining Services Total		105,000	168,400	225,000		
280510	Kellogg West Conf Center & Hotel		100,000		Exterior/Landscape remodel. The landscape/hardscape has begun to deteriorate at the entry and perimeter of Kellogg West. The current plan is to replace the existing landscape with a new design.	Health & Safety
280510	Kellogg West Conf Center & Hotel		575,000		Roof repair	Deferred Maintenance
280510	Kellogg West Conf Center & Hotel		150,000		Carpet replacement	Deferred Maintenance
280510	Kellogg West Conf Center & Hotel		500,000		Fire/life safety system replacement	Health & Safety
280510	Kellogg West Conf Center & Hotel		-	90,000	The Audio Visual systems within the conference center are long passed their prime, and need to be upgraded to meet the current needs of our users.	Programmatic
280510	Kellogg West Conf Center & Hotel		-	90,000	Replace existing low temp dish machine. The current machine is causing damage to our drain pipes. This High temp machine will not cause damage to the drain pipes.	Deferred Maintenance
280510	Kellogg West Conf Center & Hotel		-	25,000	Purchase smallwares, serviceware and catering equipment. To upgrade our catering signature look	Programmatic
280510	Kellogg West Conf Center & Hotel		-	750,000	Contingency to support campus work on buildings	Deferred Maintenance
280510	Kellogg West Conf Center & Hotel		-	150,000	Updates and rehabilitation to space for stateside use	Programmatic
Kellogg West Total		-	1,325,000	1,105,000		
190040	Executive Administration		50,000		Select door, window, and flooring upgrades to rectify leaks and safety issues (2021-22). Some windows leak, doors have gaps resulting in energy loss.	Deferred Maintenance
190040	Executive Administration		20,000		Bldg. 55 Wall & Paint Refresh. Walls damaged and marked, last painted in 2014.	Deferred Maintenance
190040	Executive Administration		15,000	5,500	Additional costs for roof sealing of building 55	Deferred Maintenance
190040	Executive Administration		-	26,125	Repair/replace portions of damaged patio/entrance coverings	Deferred Maintenance
TBD	General		-	525,000	Emergency & unanticipated needs	Programmatic
190044	Marketing		-	10,000	Workstation renewals	Scheduled Renewals/Security
190110	Human Resources		-	45,000	Kronos Timeclocks+interfaces+equipment	Scheduled Renewals/Security

Administration Total		-	85,000	611,625		
190010	Information Technology		30,000		Grants Module Implementation: Purchase and implement the OneSolution grants module.	Programmatic
190010	Information Technology		30,000		Budget Application: Budget application implementation.	Programmatic
190030	Information Technology		20,000		Migration to POD IAAS - Hardware migration expenses related to moving equipment from b55 to new POD co-location facility. Including spare	Programmatic
190030	Information Technology		10,000	15,000	UKG Workforce Ready - Updates	Scheduled Renewals/Security
190030	Information Technology		15,000	10,000	Migration to POD Datacenter: Hardware migration expenses related to moving equipment from b55 to new POD co-location facility. Including	Scheduled Renewals/Security
190030	Information Technology		16,000	14,000	VM Host Installation: Add a 4th host to our VM infrastructure.	Scheduled Renewals/Security
190030	Information Technology		15,000	20,000	Laptop Rollout: IT to continue offering laptops as workstations replacements.	Scheduled Renewals/Security
190030	Information Technology		-	25,000	PCI Consultant: PCI DSS3.2.1 to 4.0, need consultant to help with the uplift.	Contractual/Legal
280510	Information Technology		-	30,000	Honeywell Server Upgrade: Honeywell application version requires an upgrade as the OS and DB versions are end of life at the end of 2023.	Scheduled Renewals/Security
190030	Information Technology		-	15,000	Marketing Storage Server: Marketing needs to upgrade their network attached storage server to an enterprise level server.	Scheduled Renewals/Security
190030	Information Technology		-	30,000	Enterprise Workstation & Equipment Refresh	Scheduled Renewals/Security
Information Technology Total		-	136,000	159,000		
220080	Center for Training Technology and Incubation		13,000	2,000	Carpet replacement for tenant suites at CTTI.	Scheduled Renewals/Security
220080	Center for Training Technology and Incubation			150,000	Pre-development cost for future capital investment at Innovation Village (based on demand study results)	Programmatic
130010	Bldg. 66 Bookstore Side		-	42,320	Roof re-coat needed to seal any openings	Deferred Maintenance
200660	Bldg. 66 Classroom Side		-	42,320	Roof re-coat needed to seal any openings	Deferred Maintenance
190970	Building 97		-	45,556	Roof re-coat needed to seal any openings	Deferred Maintenance
170500	Building 97 - Dining		-	45,556	Roof re-coat needed to seal any openings	Deferred Maintenance
190970	Building 97		-	200,000	Firewall Extention/ Code Update affecting Classroom 120	Health & Safety
170080	Facilities		-	25,000	Additional used utility Vehicle needed for facilities technicians	Programmatic
Real Estate Activities Total		-	13,000	552,753		
016200	Agronomy Farm		36,000		3-Row Direct Seeder. To Direct Plant Seed in New Plastic Mulch. Will replace hand seeding and weeding labor (by using plastic mulch) for cr	Programmatic
016200	Agronomy Farm		16,500		Sweet Corn Sprayer. Replace 70 year old Corn Sprayer.	Deferred Maintenance
016200	Agronomy Farm		20,000		4 Seat 4x4 Utility Vehicle w/Dump Trailer. Replace Stolen Vehicle / Needed to Transport Crew and materials at Spadra.	Deferred Maintenance
016200	Agronomy Farm		65,000		Off-Road 4x4 Forklift. Needed to Work I Field for Harvest of Bins and Avoid Future Rental Costs. Estimated annual savings for rentals and imp	Programmatic
320300	Ornamental Horticulture		170,000		Greenhouse Shade Curtain Repair. Replacing 20 year old shade curtains. Shade curtain is essential to growing quality plants for both or retail	Deferred Maintenance
320300	Ornamental Horticulture		140,000		Greenhouse Pad Vent Support Repair. The pad vent and insect screened supports are deteriorating due to age and outside conditions.	Deferred Maintenance
320300	Ornamental Horticulture		8,000		Update exterior Greenhouse lighting. The lighting on the exterior of the greenhouses are faulty- They need to be repaired and upgraded to tw	Scheduled Renewals/Security
320300	Ornamental Horticulture		4,000		Greenhouse and Nursery Cameras. Cameras are needed due to increased theft in the nursery.	Scheduled Renewals/Security
462530	Westwind Ranch		27,000		Water Mainline Pipe. Will allow Connection to alternate water source.	Programmatic
462610	Agriscapes Outreach		44,000		Cargo Van. Increasing need for Farm Produce Delivery and Farmers Markets. Estimated additional revenues at \$1,500 / week during 7 month	Programmatic
020010 & 420010	AVS Cattle & Sheep Units		-	206,250	Barn. Current barn will be demolished and and a new barn is required.	Deferred Maintenance
428460	Vet Clinic		-	50,000	Feasibility/ engineering study to convert Building 67 into a vet clinic. Current space deemed unfit for use by campus.	Programmatic
260220	Farm Store		-	5,000	Purchase of a surveillance system that includes cameras, cloud recording storage, and analytic software for the Farm Store. Reduce theft and	Scheduled Renewals/Security
016200	Agronomy Farm		-	40,000	Westwind Irrigation Upgrade - To repair and replace ageing underground irrigation mainline, filtration systems, pump controls, and provide cor	Deferred Maintenance
016200	Agronomy Farm		-	155,000	Multipurpose Produce ashline - To replace antique produce washing lines with modern technology, increase washing volume and effectiveness	Deferred Maintenance
016200	Agronomy Farm		-	80,000	Citrus and Avocado Sizing Line - Multi-purpose weight sorter that can handle various fruit varieties. Being able to sort all fruit will allow farm t	Programmatic
016200	Agronomy Farm		-	55,000	Vegetable Wash Line - To increase washing volume and effectiveness, meet current food safety requirements, and increase worker safety. L	Deferred Maintenance
016200	Agronomy Farm		-	25,000	Multipurpose Spray Washer - Simple spray and wash conveyor table to clean and sanitize harvest crates between harvests and any crops tha	Deferred Maintenance
016200	Agronomy Farm		-	19,000	Zero Turn Mower - Needed to efficiently mow weeds in small areas, orchards, turf, and experimental plots. Eliminate weed eating and herbicid	Programmatic
016200	Agronomy Farm		-	5,000	14' Utility trailer - Needed to safely haul utility vehicle and zero turn mower to various locations across campus	Programmatic
016200	Agronomy Farm		-	87,000	Rough Terrain Forklift - To replace existing forklift that is far past its useful life and undersized for safe operation. New forklift would allow for e	Deferred Maintenance
016200	Agronomy Farm		-	30,000	Baler for ag plastic recycling -To bale ag plastic waste such as plastic mulch and drip tape. This will allow us to recycled all of our plastic inste	Programmatic
016200	Agronomy Farm		-	10,000	Hydraweeder - New method for cultivating that is suited for small scale farms with diverse crops. Will greatly reduce hand weeding in certain c	Programmatic
016200	Agronomy Farm		-	6,000	Pallet scale - To weigh all incoming and outgoing produce. This will allow for better inventory management and yield data which will allow pre	Programmatic
193040	Pine Tree Ranch		-	22,000	Variable Speed Drive - New Control for primary water pump to eliminate runoff onto adjacent property and street due to excess volume.	Deferred Maintenance
462610	Agriscapes Outreach		-	32,000	Tuff Shed or Similar - Manufactured storage building to provide additional eeded space for event & farming equipment and materials	Programmatic
Agriculture Total		-	530,500	827,250		
283500	CPGE		-	150,000	International Village Consultant 50% FDN	Scheduled Renewals/Security
CPGE Total		-	-	150,000		

Grand Total	105,000	2,634,777	5,392,029	
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Prior Years & Proposed Capital Budget
 Capital Funding from Reserves
 Capital Funding from Operations

\$ 8,026,806
105,000
\$ 7,921,806



Memorandum

Date: May 25, 2023
To: Board of Directors
From: Jared G. Ceja, CEO
Subject: **Election of Board Members**

Serving as a member of the Cal Poly Pomona Foundation Board of Directors is a challenging and rewarding position of serious responsibility. Board member decisions affect the lives of students, faculty, staff, and the surrounding CPP community now and into the future.

Per Article V of the Bylaws, the maximum authorized number of voting Directors of the Board shall be twenty-four (24). This includes nine (9) Designated Directors appointed by virtue of the position they hold at the University as follows:

- University President, Vice President for Academic Affairs, Vice President for Student Affairs, Vice President for Advancement, Vice President for Administrative Affairs, Vice President for Instructional & Information Technology, Chair of the Academic Senate, Chair of Staff Council and President of the Associated Students, Inc.

There are an additional fifteen (15) elected Directors with terms and nominations as follows:

- a) one (1) Dean Director – three (3) year term (nominated by the Deans Action Council);
- b) two (2) Faculty Directors – three (3) year term (nominated by the Academic Senate);
- c) five (5) At Large Directors – two (2) year term (nominated by the University President);
- d) three (3) Community Directors - three (3) year term (nominated by the University President);
- e) two (2) Staff Directors - three (3) year term (nominated by the Staff Council); and
- f) two (2) Student Directors - two (2) year term (nominated by the Associated Students Senate).

For the 2023-2024 fiscal year we welcome six (6) potential new members (“N”), four (4) of which are being presented today, and potentially reconfirming five (5) returning members.

Designated Directors – Dr. Rita Kumar (N), Ilke Suzer (N), Frances Teves (N)
At-large Director – Mayra Brown, Erica Frausto
Community Director – Cynthia Nelson
Faculty Director – Dr. Homeyra Sadaghiani
Staff Director – April Jimenez-Valadez, Kris Zoleta (N)
Student Directors – two (2) to be nominated by ASI and approved at the next meeting

Of the eleven (11) new or renewed Directors, eight (8) are nominees and require a vote of the Board to accept their nomination. Six (6) nominees are being presented at this meeting for consideration by the Board.

BE IT RESOLVED that the Board of Directors accepts the nominations of Mayra Brown, Erica Frausto, and Cynthia Nelson (nominated by the University President), April Jimenez-Valadez and Kris Zoleta (nominated by Staff Council), and Dr. Homeyra Sadaghiani (nominated by Academic Senate), as presented, and welcomes them to the 2023-2024 Board of Directors effective July 1, 2023.

PASSED AND ADOPTED THIS 25th DAY OF MAY 2023.

By: _____
Dr. Martin Sancho-Madriz
Secretary/Treasurer, Board of Directors

CPP Foundation Board of Directors - Member Terms 2023/2024

<u>Board Member</u>	<u>Service Began</u>	<u>Term Period</u>	<u>Term Expires</u>	<u>Position</u>
Chair, President Dr. Coley	2015	Term of Emp w/ CPP or resignation	N/A	Designated Director
Vice Chair, Ysabel D. Trinidad	2021	Term of Emp w/ CPP or resignation	N/A	Designated Director
Christina Marie Gonzales	2020	Term of Emp w/ CPP or resignation	N/A	Designated Director
Frances Teves	2023	Term of Emp w/ CPP or resignation	N/A	Designated Director
Dr. Jennifer Brown	2022	Term of Emp w/ CPP or resignation	N/A	Designated Director
John W McGuthry	2011	Term of Emp w/ CPP or resignation	N/A	Designated Director
Dr. Rita Kumar	2023	Term of Emp w/ CPP or resignation	N/A	Designated Director
Stephanie Pastor	2020	Term of Emp w/ CPP or resignation	N/A	Designated Director
Ilke Suzer	2023	Term in Office w/ ASI or resignation	N/A	Designated Director
Dr. Phyllis R. Nelson	2022	3 Years	6/30/2025	Director
Dr. Homeyra Sadaghiani	2020	3 Years	6/30/2026	Director
April M. Jimenez-Valadez	2020	3 Years	6/30/2026	Director
Kris Zoleta	2022	3 Years	6/30/2025	Director
Student TBD	2023	2 Years	6/30/2025	Director
Student TBD	2022	2 Years	6/30/2024	Director
Cynthia Nelson	2022	3 Years	6/30/2026	Director
Lowell Overton	2022	3 Years	6/30/2025	Director
Oliver Santos	2022	3 Years	6/30/2025	Director
Dr. Martin F. Sancho-Madriz	2022	3 Years	6/30/2025	Director
Ruby Suchecki	2020	2 Years	6/30/2024	Director
Erica Frausto-Aguado	2015	2 Years	6/30/2025	Director
Dr. David M. Speak	2022	2 Years	6/30/2024	Director
Dr. Maryann Tolano-Leveque	2020	2 Years	6/30/2024	Director
Mayra Brown	2021	2 Years	6/30/2025	Director
Returning				
New				

Memorandum

Date: May 25, 2023
To: Board of Directors
From: John McGuthry, Nominating Committee Chair
Jared G. Ceja, CEO
Subject: Election of Officers for 2023-2024



Per Article VI, Section 2 of the Bylaws, Dr. Soraya Coley, Chair of the Board, nominated John McGuthry (committee Chair), Dr. Jennifer Brown, and Deborah Goman to serve on the Nominating Committee for 2022-2023. The Board approved the nomination.

The Nominating Committee voted on May 18th, 2023 and selected the following slate of officers as nominees for the 2023-2024 Board of Directors.

Chair	Dr. Soraya M. Coley
Vice-Chair	Ysabel Trinidad
Secretary/Treasurer	John McGuthry

Each officer nominee has indicated their desire to serve. The new Board Officers will take their seats beginning July 1, 2023 to serve for the 2023-2024 fiscal year.

PROPOSED ACTION:

The Nominating Committee recommends approval of the slate of officers as presented.

THEREFORE, BE IT RESOLVED that the Board of Directors elects the slate of Board officers presented by the Nominating Committee for the fiscal year 2023-2024, effective July 1, 2023, for a term of one year.

PASSED AND ADOPTED THIS 25th DAY OF MAY, 2023.

By: _____
Dr. Martin Sancho-Madriz
Secretary/Treasurer, Board of Directors

Market Demand Study Update

Spring/Summer 2022 – Project Concept

Management and the Board of Directors brainstormed possibilities for the continued development of Innovation Village. This includes presentations and roundtables at the Summer Board Retreat. Housing was identified as the primary focal point with the possibility of associated dining, retail, commercial, lab, conference, and educational spaces. A demand analysis was identified as the initial need.

Fall 2022 – Demand Analysis

An RFP was issued in partnership with University Housing Services (UHS) for an independent consulting firm to perform an intensive market demand study. Areas of focus include (a) various forms of student housing, (b) faculty-staff housing for both CPP and Mt. SAC, (c) supporting retail, office, and lab space, (d) conference space. JLL was awarded the partnership.

January 2023 – Data Requests & Kick off Meetings

JLL prepared detailed data lists for review. The goal was to distribute targeted surveys to campus stakeholders. The data requested is critical to the accuracy and value of the market demand study. JLL hosted Kick off meetings with working group members and multiple campus stakeholders including a tour of our existing facilities and infrastructure.

Data Analysis April 2023

Cal Poly Pomona	Emails Sent	Survey Responses	Response Rate	Margin of Error
Student	27,146	1,754	6%	2.3%
Faculty/ Staff	3,308	910	28%	4.0%
Total	30,454	2,664	9%	

Mt. SAC	Emails Sent	Survey Responses	Response Rate	Margin of Error
Student	51,177	2,825	6%	1.8%
Faculty/Staff	4,148	617	15%	4.7%
Total	55,325	3,442	6.2%	

Preliminary findings show demand for an additional 1,700 student beds for CP and 388 beds for Mt. Sac

Faculty/Staff for CP show demand of 283 For Sale units and 209 Rental Units

Faculty/Staff for Mt. Sac show demand of 70 For Sale units and 109 Rental Units

Commercial, Retail, and conference room space demand is underway

A Financial Analysis Proforma with development costs and revenue/expense projections is underway

June, 2023 - Target Date for Study Completion

Potential next step is a pre-development analysis

2023-2024

Proposed Board of Directors Meeting Schedule Cal Poly Pomona Foundation, Inc.

<u>Meeting</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
# 398	Tuesday, September 26, 2023	2:00-4:00 p.m.	Kellogg West Conference Center & Hotel Room: Valley Vista <i>Virtual connection by Zoom available</i>
# 399	Tuesday, December 12, 2023	2:00-4:00 p.m.	Kellogg West Conference Center & Hotel Room: Valley Vista <i>Virtual connection by Zoom available</i>
# 400	Tuesday, February 20, 2024	2:00-4:00 p.m.	Kellogg West Conference Center & Hotel Room: Valley Vista <i>Virtual connection by Zoom available</i>
# 401	Wednesday, May 29, 2024	2:00-4:00 p.m.	Kellogg West Conference Center & Hotel Room: Valley Vista <i>Virtual connection by Zoom available</i>