

FINANCE & INVESTMENT COMMITTEE
Wednesday, November 30, 2022
1:30-3:00 p.m.
<https://cpp.zoom.us/j/83669565097>
Meeting ID: 836 6956 5097

AGENDA

Chair: Ysabel Trinidad

Members: Michelle Cardona, Daniel Foncello, Carol Lee, Dr. Phyllis Nelson, Dr. Martin Sancho-Madriz, Stephanie Pastor, Ruby Suchecki

Staff: Claudia Burciaga-Ramos, Jared Ceja, Joanne Mathew, and Yvette Lane

Guests: Karin Longhurst and Andrew Price

I. ACKNOWLEDGEMENT OF MEMBERS OF THE PUBLIC

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

II. CONSENT ACTION ITEMS

Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee 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.

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- Approval of Meeting Minutes – September 06, 2022		
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5. Investment Portfolio Report 1 st Quarter (time certain 2:00 PM)	Joanne Mathew Andy Price & Karin Longhurst, Graystone	11 – 20
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CAL POLY POMONA FOUNDATION, INC.
Finance & Investment Committee Meeting Minutes
Tuesday, September 6, 2022
11:00 a.m. – 12:30 p.m.

Minutes

Notice is hereby given that a regular meeting of the Finance/Investment Committee was held by video conference/teleconference on Tuesday, September 06, 2022 at 11:00 a.m. to discuss matters on the posted agenda. The meeting notice in its entirety was posted on the internet at <https://foundation.cpp.edu/content/d/Meeting%20Packets/F&I%20Committee%20090622.pdf>

Committee Chair: Ysabel Trinidad

Members: Michelle Cardona, Daniel Foncello, Carol Lee, Dr. Phyllis Nelson, Ruby Sushecki, Stephanie Pastor

Staff: Jared Ceja, Joanne Mathew, Yvette Lane, Claudia Burciaga-Ramos

Absent: Dr. Martin Sancho-Madriz

Guest(s): Andy Price and Karin Longhurst of Graystone Consulting

CALL TO ORDER

Chair Ysabel Trinidad began meeting discussion at 11:01 a.m.

CONSENT ACTION ITEMS

Items in this section are considered to be routine and acted on by the committee in one motion. Each item of the Consent agenda approved by the committee shall be deemed to have been considered in full and adopted as recommended. Any committee 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.

1. Approval of May 19, 2022 minutes
Moved and seconded by Phyllis Nelson and Ruby Sushecki to approve the May 19, 2022 minutes as amended following word correction on page # 1 under General Updates second paragraph, first sentence, word change to "occurred."

GENERAL UPDATES

2. Executive Director's Report
Jared provided an overview of Key Accomplished 21/22, Executive Committee Summary, Retreat Recap (Strategic Priorities), Summer Job Fair and Pumpkin Fest 2022.
Key accomplishments – Cashier-less checkout at Poly Fresh resulted in a 50% reduction in labor, BOCO partnership (over 44% growth in commuter meal plans), Commercial Real Estate at 100% occupancy (record revenue), record Farm Store sales, renegotiation filming contract (up 48.8% versus 20/21), and the Bookstore set a new course materials sales record with Instant Access (+46%) in units versus 20/21). The Executive Committee met on July 22nd. During this meeting the annual compensation increase was finalized with a proposed 5.5% increase pool plus a 1-time temporary pay cut payback. The Board had approved a 4% to 7% compensation increase noting no annual increase since 07/1/19, retroactive to the beginning of the fiscal year. This increase is acknowledged as conservative given the Foundation is still recovering after an economic hit as a result of COVID-19. With strong financials, the Foundation may request an enhanced increase next year. Board of Director Summer retreat recap: 18 out of 23 Directors were in attendance, highlights of the retreat were the Orientation & Legal Review, History of the Foundation, Mission/Vision/Values, Tours/Experiences, and Strategic Priorities. Survey feedback shows 73% of attendance were highly satisfied, 27% were satisfied, and 0% neutral or unsatisfied. Strategic priorities (F&I) began with seventeen members completing pre-work. There were a total of nine presentations delivered by members of the Foundation Leadership Team, and five discussions within work groups which resulted in additional ideas. Areas discussed were Equitable Access, Innovations Village Development, Comprehensive Conference Program, and Electronic Billboards. The Summer Job Fair resulted in 296 interviews resulting in over 150 new hires. Staff representatives from Bronco Bookstore, AGRIscaes, Farm Store, Foundation Dining Services, and Kellogg West Conference Center & Hotel participated and supported the fair. The Pumpkin Fest is scheduled October 1-30, 2022, we expect a large number in attendance. Special invitations will be sent to the Board.

INFORMATION & DISCUSSION ITEMS

3. Introduction of New Committee Members
New and returning committee members and staff introduced themselves.
4. Financial Statement 4th Quarter
Joanne Mathew summarized the financial highlights for the fiscal quarter through end of March 31, 2022; reported an operating surplus of \$3.1M, in comparison to the budgeted expectation, we are currently netting almost 3x better than anticipated. Dining reported a strong standing in a "break even" position with higher residential traffic than budgeted. There were also staffing challenges that continue to improve. The Bookstore benefits from the Instant Access program and revenue skyrocketed while costs were saved via less physical inventory and freight expenses. Kellogg West reported high repair costs as a result of facility

closure during the pandemic; business was slower than budget. University Village is reported in good standing, Summer occupancy dropped by 20% which is less than expected, with necessary expenditures to address maintenance issues and facilitate upkeep. Real Estate reported a minimal pandemic impact, with more homes sales than anticipated and 100% commercial occupancy. Filming reported high revenue with additional financial gains credited to Tesla renting one of the Foundation's vacant lots. The Unrestricted Fund Balance is at \$25M; liquidity, current, quick, and absolute ratio all reported in high positive positions.

ACTION ITEMS

5. Investment Report

Andrew Price and Karin Longhurst of Graystone Consulting delivered a detailed Portfolio Review including Commfund as of June 30, 2022. Andrew Price gave a brief background on Graystone and the organization's involvement with the Foundation for the benefit of the new committee members. The market challenges in the current climate and their negative impact on our portfolio were discussed at length. The General Investment Portfolio has a current market value of \$27.0 million as of June 30, 2021 with 19% Fixed Income, 54% Equities, and 27% Alternatives. All allocations are within current policy ranges. The majority portion managed by Graystone has a current market value of \$26.5 million. The last twelve-month return (6/30/21-6/30/22) was -16.37%. Management received capital call notices and has contributed \$234,375 against its commitment of \$250,000 to Capital Partners IV and \$697,500 against its commitment of \$750,000 to Capital Private Equity Partners VII, and received distributions of \$1,658,656.

Moved and seconded by Carol Lee and Dr. Phyllis Nelson that the members of the Finance & Investment Committee have reviewed in detail the Investing Highlights – Fourth Quarter 2021-2022 and recommend the resolution be presented to the Board of Directors for approval following completion of the proposed edit changing the date to June 30th, 2022 at their next regularly scheduled meeting. The motion was approved unanimously.

6. Policy 122 – Minimum Signature Authorization

Jared Ceja reviewed in detail the proposed changes incorporated to the revised Corporate Policy No. 122. The revised language acknowledges staffing changes to the organization resulting in new roles and titles that differ from those past. Most notable are the Associate Executive Director/Chief Operating Officer (COO) and Assistant Director of Financial Services. Many of these changes are a result of a review performed by our consultants (AREAS LLC/Point Blank Consulting) who have offered recommendations with the intention of clarifying and strengthening the document as a whole. Finance & Investment Committee members were provided with copies of the updated proposed policy and the current version for review.

The members of the Finance & Investment Committee requested the following change in the language in Policy No. 122 on page # 5, letter D. Documentation and Limits; *To ensure proper segregation of duties, authorized signers may not (1) authorize transactions for their own direct benefit, (2) prepare and approve the same document, or (3) approve a purchase order, agreement, or other financial commitment and subsequently approve the disbursement or payment for such transaction.*

Chair Trinidad recommended the language in Policy 122 be revised for clarification, then shared with the committee members by email for review followed by an email vote. All committee members agreed. Staff forwarded language to the committee as instructed. After members weighed in, the above language was finalized and a motion to approve was made by Michelle Cardona with a second from Dr. Phyllis Nelson. The motion was passed and finalized via email by Chair Trinidad on 9/7/22 at 5:19 PM.

OPEN FORUM

ADJOURNMENT

Moved and seconded by Ruby Sushecki and Stephanie Pastor to adjourn at 12:17p.m.

Respectfully Submitted,

Ysabel Trinidad
Finance & Investment Committee, Chair



**Cal Poly Pomona
Foundation**

ED/CEO's Report

November 29, 2022

Finance & Investment Committee

Highlighted Items

- ▶ Hot Dog Caper
- ▶ Recent Awards
 - ▶ Marketing
 - ▶ Personnel
- ▶ Demand assessment for Innovation Village
- ▶ Dining RFP
- ▶ Associate ED & COO
- ▶ Rain & KW
- ▶ Recent headlines

Cal Poly Pomona Foundation

Reserve Analysis

September 30, 2022

Net Unrestricted Balance **\$ 32,460,902**

Reserves

EMPLOYEE RETIRE BENE 19001R, Net	1,719,955
CAPITAL RESERVE FUND 19004R	6,000,000
RSDNTL BRD MEAL PRG SUR RESR	4,782,372
VENTURE CAPITAL RESERVE FUND	3,599,712
University Village Development (proposed)	1,000,000
College of Agriculture Emergency Reserve	520,510
INDIRECT COST DISALL 19240R	313,968
INSURANCE RESERVE	256,496
INNOVATION VILLAGE DEMO RESERV	144,751
FOUNDATION EMERGENCY RESERVE	120,037
PINE TREE RANCH LEGAL RESERVE	75,000

Total Reserves **\$ 18,532,801**

Net Unrestricted Balance after Reserves **\$ 13,928,101**

YTD Payroll and Benefit Expense	\$ 5,572,689
<i>Monthly Average</i>	\$ 1,857,563

Net Unrestricted Balance after Reserves / Monthly Payroll and Benefit Expense (in months)	7.5
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Memorandum

Date: November 30, 2022

To: Finance & Investment Committee

From: Joanne Mathew
Director of Financial Services/CFO

Attached: Q1 Statement of Activities
Fund Balance & Net Position
Cash Flow Forecast

Subject: FINANCIAL HIGHLIGHTS – First Quarter 2022-2023

For the fiscal quarter from July 2022-September 2022, total gross revenue is \$26.1M of which \$13.6M 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 \$2.3M. Investments continue to have a lot of volatility in the first quarter and we had unrealized losses after interests and dividends of \$1.4M.

We are forecasting to end the year at a surplus of \$5.7M, slightly above our budget of \$5.4M.

With regard to Enterprise activities, Dining had 24 locations open at the end of the quarter. Revenues have been strong during the period at \$3.8M. With increased staffing costs, we are projecting to end the year at \$1.3M. Kellogg West has been experiencing challenges in building maintenance and upkeep which has affected overall revenue, resulting in a negative variance of \$137K. Bookstore has been tracking very close to budget with Instant Access accounting for over 61% of gross revenue. Real Estate and University Village have had strong performances in the period, with Real Estate surplus at 46% over budget and University Village surplus at 136% above budget. The Foundation has about 1,600 individuals employed of which 1,152 are students.

The month of September also saw the organization receiving full forgiveness on the Paycheck Protection Program loan of almost \$3.8M. That resulted in a \$3.0M quarterly surplus for the traditional cost center of Administration.

Management continues to focus on cash management and look for opportunities to increase revenue in the organization. We were able to transfer \$4.5M (\$3.0M in September and \$1.5M in October) to Morgan Stanley and put the funds into a separate savings account earning interest of over 3%.



**Cal Poly Pomona Foundation, Inc.
Statement of Activities**

	REVENUES		EXPENSES - Payroll		EXPENSES - Other		EXPENSES - Total		SURPLUS/(DEFICIT)			Annual Budget FY 22-23	Annual Forecast 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	FY 22-23 YTD				
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	\$ Variance		
Enterprise Activities													
Dining Services	3,820,559	3,565,328	1,443,227	1,331,190	2,652,790	2,381,922	4,096,017	3,713,112	(275,458)	(147,784)	(127,674)	1,456,227	1,328,553
Bookstore	4,579,908	4,381,044	434,294	374,664	3,872,455	3,707,567	4,306,748	4,082,231	273,160	298,813	(25,653)	911,343	885,690
Kellogg West	965,302	1,130,291	625,400	529,899	491,063	614,992	1,116,463	1,144,891	(151,161)	(14,600)	(136,561)	297,904	161,343
University Village	2,060,664	1,693,735	524,025	585,563	1,433,785	1,394,361	1,957,810	1,979,924	102,854	(286,189)	389,043	3,004,167	3,243,210
Real Estate/Rentals	2,200,007	2,661,898	145,163	126,693	1,268,222	1,995,787	1,413,386	2,122,481	786,622	539,417	247,204	1,488,673	1,635,877
Total Enterprise Activities	13,626,440	13,432,296	3,172,108	2,948,009	9,718,315	10,094,629	12,890,423	13,042,639	736,017	389,657	346,360	7,158,314	7,254,674
Designated Funds	26,551	0	18,102	0	109,238	75,000	127,340	75,000	(100,789)	(75,000)	(25,789)	(300,000)	(300,000)
Support Activities													
Bronco One Card	53,476	127,846	56,545	72,303	10,194	55,545	66,739	127,848	(13,263)	(2)	(13,261)	0	0
Research Office	587,535	422,786	27,425	41,372	540,110	324,838	567,535	366,210	20,000	56,576	(36,576)	20,000	20,000
Agriculture	812,010	665,121	333,844	362,591	662,601	549,774	996,444	912,365	(184,434)	(247,244)	62,810	211,617	274,427
Continuing Education	327,688	441,955	327,763	342,460	143,757	159,562	471,519	502,022	(143,831)	(60,067)	(83,764)	(598,097)	(598,097)
Foundation Programs	994,788	0	280,946	0	372,318	0	653,264	0	341,524	0	341,524	0	(0)
Total Support Activities	2,775,496	1,657,708	1,026,522	818,727	1,728,979	1,089,719	2,755,501	1,908,446	19,995	(250,738)	270,732	(366,480)	(303,670)
Operating Surplus (Deficit)	16,428,487	15,090,004	4,216,733	3,766,736	11,556,532	11,259,348	15,773,264	15,026,085	655,222	63,919	591,303	6,491,834	6,651,003
Other Activities													
Investments	(1,367,668)	218,235	0	0	18,086	25,500	18,086	25,500	(1,385,754)	192,735	(1,578,489)	948,000	(630,489)
Administration	4,781,576	944,247	1,355,956	1,345,032	382,695	309,347	1,738,651	1,654,379	3,042,925	(710,132)	3,816,151	(2,085,906)	(332,849)
Total Other Activities	3,540,095	1,162,482	1,355,956	1,345,032	400,781	334,847	1,756,737	1,679,879	1,657,171	(517,397)	2,237,662	(1,137,906)	(963,338)
Unrestricted Surplus (Deficit)	19,842,394	16,252,486	5,572,689	5,111,768	11,957,313	11,594,196	17,530,001	16,705,964	2,312,393	(453,478)	2,828,965	5,353,928	5,687,665
Grants and Contracts	6,218,668	3,799,733	0	0	6,218,668	3,799,733	6,218,668	3,799,733	0	0	0	0	0
Vesting Grant Assets	0	0	0	0	(3,074,468)	0	(3,074,468)	0	3,074,468	0	3,074,468	0	0
Transfers	0	0	0	0	2,577	0	2,577	0	(2,577)	0	(2,577)	0	(5,077)
Total Foundation Net	26,061,062	20,052,220	5,572,689	5,111,768	15,104,090	15,393,930	20,676,779	20,505,698	5,384,283	(453,478)	5,900,855	5,353,928	5,682,588

Cal Poly Pomona Foundation, Inc.
Fund Balance and Net Position (Current only)
As of September 30, 2022

Current Assets	Unrestricted	Restricted	Total
Cash	3,821,820	142,150	3,963,970
Investments	28,643,021	1,408,030	30,051,051
Receivables	9,772,237	2,080,041.38	11,852,278
Lease Receivables (short-term)	821,514	-	821,514
Inventories	3,270,872	14,915	3,285,787
Prepaid	1,289,812	1,010	1,290,822
Due to/from	(12,102,116)	12,111,871	9,755
Current Assets	35,517,160	15,758,018	51,275,177

Current Liabilities	Unrestricted	Restricted	Total
Accounts Payable	6,165,553	393,795	6,559,348
Accrued Liabilities	1,990,950	1,695,110	3,686,060
Deferred Income	506,936	257,685	764,621
Other	-	447,294	447,294
Current Liabilities	8,663,439	2,793,884	11,457,323

Fund Balances	Unrestricted	Restricted	Total
Net Assets Beginning	30,427,482	12,501,869	42,929,351
Net Change in Position	2,033,420	3,350,862	5,384,283
Fund Balances	32,460,902	15,852,732	48,313,634

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	4.10	1.5-3
Quick Ratio	3.72	>=1
Absolute liquidity ratio	3.75	>0.5

Available Resources	
Unrestricted current assets	35,517,160
Less Inventory	(3,270,872)
Less Current Liabilities	(8,663,439)

Total Available Resources for period ending Sep 2022 23,582,849

Operating surplus/(deficit) before depreciation as of Sep 2022 3,115,962

Total unrestricted funds available as of Sep 2022 **26,698,811**

Forecasted operating surplus/(deficit) before depreciation at year-end 9,103,848

Total unrestricted funds forecasted to year-end **32,686,697**

Cal Poly Pomona Foundation
Cash Flow Forecast
September 2022 - June 2023

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Operating cash - Beginning Balance	3,410,644	3,963,970	4,135,338	1,705,933	2,671,211	2,206,592	2,676,302	897,063	2,004,543	2,956,672
Cash Inflow	Sep-22									
Operating cash inflow	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash from operations	4,538,087	4,352,675	3,904,065	4,300,585	3,545,316	4,540,965	5,600,638	6,190,128	7,262,003	5,463,842
Grants & Contracts	4,391,020	845,663	112,944	1,537,563	986,813	1,258,177	1,168,293	962,160	637,830	1,498,903
Financing Activities										
GIP - withdrawals	-	-	-	-	-	-	-	-	-	-
LOC - withdrawals	-	-	-	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-	-	-	-
Total Cash Inflow	8,929,107	5,198,338	4,017,009	5,838,147	4,532,129	5,799,142	6,768,931	7,152,288	7,899,834	6,962,744
Cash Outflow										
Operating cash outflow	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Expenses from operations	6,005,625	3,239,319	4,294,312	2,553,428	3,316,501	3,198,969	6,633,817	2,782,772	4,045,478	3,199,507
Salaries/wages	1,538,693	1,133,059	1,200,183	1,627,586	954,848	1,274,590	1,364,632	1,248,374	1,172,401	2,098,804
Tax/Benefit payments	733,156	481,854	901,919	641,855	525,398	605,873	499,722	413,661	679,827	714,763
Capital Expenditure										
Capital projects	95,431	172,738	50,000	50,000	200,000	250,000	50,000	100,000	50,000	50,000
Financing Activities										
GIP - deposits	-	-	-	-	-	-	-	1,500,000	1,000,000	1,000,000
LOC - repayment	-	-	-	-	-	-	-	-	-	-
LOC - interest	2,875	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-	-	-	-
Total Cash Outflow	8,375,781	5,026,970	6,446,414	4,872,869	4,996,748	5,329,432	8,548,170	6,044,808	6,947,705	7,063,073
Net Cash Activities	553,325	171,368	(2,429,405)	965,279	(464,619)	469,710	(1,779,240)	1,107,481	952,128	(100,329)
Operating cash - Ending Balance	3,963,970	4,135,338	1,705,933	2,671,211	2,206,592	2,676,302	897,063	2,004,543	2,956,672	2,856,343



Memorandum

Date: November 30, 2022
To: Finance & Investment Committee
From: Joanne Mathew, Director of Financial Services/CFO
Attached: Graystone Consulting Portfolio Review
Commonfund Investment Report

Subject: INVESTMENT HIGHLIGHTS – First 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 \$28.4M as of September 30, 2022. The majority portion managed by Graystone Consulting has a current market value of \$28.1M with 18.3% Fixed Income, 46.8% Equities, 23.9% Alternatives, and 11% Cash. All allocations are within current policy ranges. The return over the last quarter was -4.3% (gross) and -17.43% over the last twelve months (9/30/21-9/30/22). 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 \$697,500 against its commitment of \$750,000 to Capital Private Equity Partners VII. The value of the Non-Marketable Investments are \$306,155. The CommonFund Summary Investment and Performance Reports are available for further details.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed the comprehensive quarterly investment report, believe the report is in compliance with the investment policy, and recommends the quarterly investment report be presented to the Board of Directors for approval at their next regularly scheduled meeting.

PASSED AND ADOPTED THIS 30TH DAY OF NOVEMBER 2022.

By: _____
Ysabel Trinidad, Chair
Finance & Investment Committee



A business of Morgan Stanley

Cal Poly Pomona Foundation



Andrew B. Price, CIMA® (310) 788-2043
Managing Director, Wealth Management
Institutional Consulting Director
andrew.price@msgraystone.com

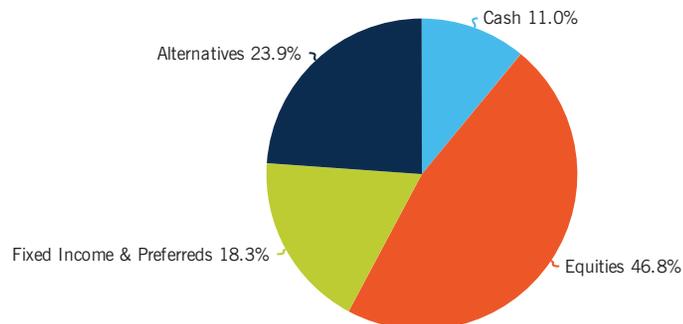
Karin Longhurst, CFA (310) 788-2156
Senior Vice President, Wealth Management
Senior Institutional Consultant
karin.longhurst@msgraystone.com

Portfolio Review As of September 30, 2022

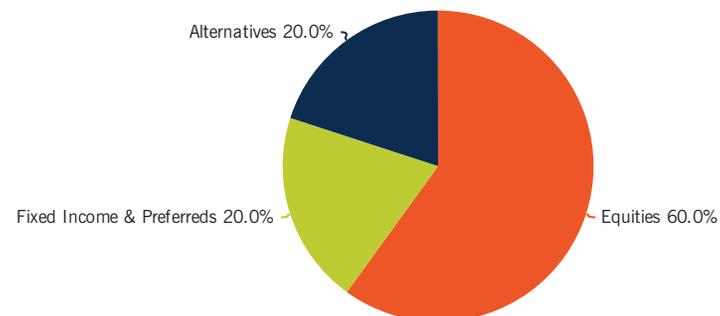
1999 Avenue of the Stars, Suite 2400
Los Angeles, CA 90067

ACTUAL VS. TARGET

Actual

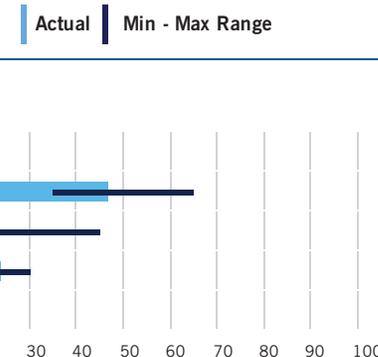


Target



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

Asset Class	Actual 09/30/2022		Target		Difference		Min-Max Range (%)
	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Cash	3,083,931.25	10.98	0.00	0.00	3,083,931.25	10.98	-
Equities	13,157,060.07	46.84	16,852,980.79	60.00	-3,695,920.72	-13.16	35 - 65
Fixed Income & Preferreds	5,139,345.63	18.30	5,617,660.26	20.00	-478,314.63	-1.70	15 - 45
Alternatives	6,707,964.37	23.88	5,617,660.26	20.00	1,090,304.10	3.88	10 - 30
Other	0.00	0.00	0.00	0.00	0.00	0.00	-
Total Assets	28,088,301.31	100.00	28,088,301.31	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 September 30, 2022 | Reporting Currency: USD

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



	Quarter to Date 06/30/22 - 09/30/22	Year to Date 12/31/21 - 09/30/22	Last 12 Months 09/30/21 - 09/30/22	Custom Period 06/30/21 - 09/30/22	Last 3 Years 09/30/19 - 09/30/22	Last 5 Years 09/30/17 - 09/30/22	Performance Inception 03/04/13 - 09/30/22
Beginning Total Value (\$)	26,257,755.77	31,582,307.59	30,843,689.68	30,561,867.95	28,256,748.85	49,226,697.76	24,450,830.11
Net Contributions/Withdrawals (\$)	3,000,000.00	3,000,000.00	2,577,159.83	2,577,159.83	-677,642.71	-24,696,217.29	-4,497,179.35
Investment Earnings (\$)	-1,361,993.77	-6,686,545.58	-5,525,087.51	-5,243,265.77	316,655.86	3,365,281.54	7,942,111.25
Ending Total Value (\$)	27,895,762.01	27,895,762.01	27,895,762.01	27,895,762.01	27,895,762.01	27,895,762.01	27,895,762.01
Return % (Net of Fees)	-4.30	-20.43	-17.43	-13.55	0.41	1.23	1.71
Allocation Over Time (%)	-4.86	-19.42	-16.18	-13.58	-1.30	0.83	2.10
Cal Poly Pomona Policy BM (%)	-4.86	-19.42	-16.18	-13.58	2.43	3.21	4.75

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.

TIME WEIGHTED PERFORMANCE DETAIL

OCIO - Cal Poly Pomona Foundation

As of September 30, 2022 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS

Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 09/30/22	% Of Portfolio 09/30/22	Month to Date (%) 08/31/22 - 09/30/22	Quarter to Date (%) 06/30/22 - 09/30/22	Year to Date (%) 12/31/21 - 09/30/22	Last 12 Months (%) 09/30/21 - 09/30/22	Last 3 Years (%) 09/30/19 - 09/30/22	Last 5 Years (%) 09/30/17 - 09/30/22	Performance Inception (%) to 09/30/22
US Large Cap Growth			2,943,386.37	10.55							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Vanguard Growth ETF <i>CRSP Lg Cap Gr</i>	12/22/21	1,882,252.89	6.75	-10.44 -10.46	-4.27 -3.78	-32.67 -33.03	-	-	-	-31.68 -31.55
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Brown Advisory LC Sustain Grth <i>Russell 1000 Gr</i>	05/21/21	531,497.89	1.91	-10.44 -9.72	-4.85 -3.60	-32.20 -30.66	-26.26 -22.59	-	-	-11.08 -11.87
Polen Large Cap Growth Equity <i>Russell 1000 Gr</i>		05/21/21	529,635.59	1.90	-10.11 -9.72	-5.31 -3.60	-37.41 -30.66	-34.31 -22.59	-	-	-20.81 -11.87
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Polen Large Cap Growth Equity <i>Russell 1000 Gr</i>	05/21/21	529,635.59	1.90	-10.11 -9.72	-5.31 -3.60	-37.41 -30.66	-34.31 -22.59	-	-	-20.81 -11.87
US Large Cap Value			4,124,474.10	14.79							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Boston Partners LC Value <i>Russell 1000 Value</i>	05/21/21	1,445,983.98	5.18	-7.79 -8.77	-6.03 -5.62	-19.48 -17.75	-11.80 -11.36	-	-	-10.61 -8.88
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	ClearBridge Large Value ESG <i>Russell 1000 Value</i>	05/21/21	1,425,415.08	5.11	-8.90 -8.77	-4.87 -5.62	-22.92 -17.75	-16.40 -11.36	-	-	-12.34 -8.88
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Vanguard Value ETF <i>CRSP Lg VL</i>	12/22/21	1,253,075.04	4.49	-7.80 -7.89	-5.33 -5.72	-14.24 -14.56	-	-	-	-12.42 -12.34
US Small Cap Value			465,545.15	1.67							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Neuberger SC Intrinsic Value <i>Russell 2000 VL</i>	04/18/22	465,545.15	1.67	-10.94 -10.19	-4.18 -4.61	-22.67 -17.42	-	-	-	-22.67 -17.42
US Mid Cap			575,189.63	2.06							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	Earnest Prnts Small/Mid Core <i>Russell Midcap</i>	05/21/21	575,189.63	2.06	-9.27 -9.27	-3.12 -3.44	-19.90 -24.27	-13.69 -19.39	-	-	-8.40 -13.15
International Equities			2,894,586.33	10.38							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	T. Rowe Price Intl Eqty ADR <i>MSCI EAFE Net</i>	07/20/22	1,449,117.34	5.19	-8.89 -9.35	-12.03 -10.69	-12.03 -10.69	-	-	-	-12.03 -10.69

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TIME WEIGHTED PERFORMANCE DETAIL

OCIO - Cal Poly Pomona Foundation

As of September 30, 2022 | Reporting Currency: USD

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

	Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 09/30/22	% Of Portfolio 09/30/22	Month to Date (%) 08/31/22 - 09/30/22	Quarter to Date (%) 06/30/22 - 09/30/22	Year to Date (%) 12/31/21 - 09/30/22	Last 12 Months (%) 09/30/21 - 09/30/22	Last 3 Years (%) 09/30/19 - 09/30/22	Last 5 Years (%) 09/30/17 - 09/30/22	Performance Inception (%) to 09/30/22
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares ESG Aware MSCI EAFE <i>MSCI EAFE ESG Focus NR USD</i>	05/21/21	1,445,468.99	5.18	-9.45 -9.40	-10.46 -9.36	-27.87 -27.44	-26.05 -25.37	-	-	-20.46 -
Japan Equities				338,774.75	1.21							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares MSCI Japan <i>MSCI Japan Net</i>	04/18/22	338,774.75	1.21	-8.84 -10.36	-7.60 -7.67	-14.88 -16.50	-	-	-	-14.88 -16.50
Emerging Market Equities				1,815,408.79	6.51							
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	1,098,324.45	3.94	-11.78 -11.96	-14.20 -12.88	-29.49 -29.17	-30.92 -30.61	-	-	-25.59 -
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Martin Currie Emerging Markets <i>MSCI EM Net</i>	05/21/21	717,084.34	2.57	-11.84 -11.72	-11.47 -11.57	-33.12 -27.16	-33.50 -28.11	-	-	-28.11 -24.15
Short Term Fixed Income				1,023,050.68	3.67							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Vanguard Short-Term Treasury <i>BC TSY 1-3 Yr</i>	08/30/22	631,297.96	2.26	-1.18 -1.18	-1.18 -1.25	-1.18 -1.25	-	-	-	-1.18 -1.25
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Vanguard Short Term Corp Bond <i>BC Corp 1-5 Yr</i>	07/20/22	391,752.72	1.40	-2.15 -2.18	-2.17 -2.03	-2.17 -2.03	-	-	-	-2.17 -2.03
Long Term Govt/Corp				305,505.90	1.10							
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	305,505.90	1.10	-8.23 -8.56	-10.28 -10.75	-13.89 -	-	-	-	-13.89 -
Securitized				636,284.70	2.28							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	JP Morgan Mort Backed Sec Fd <i>BC MBS Fixed Rate</i>	07/20/22	636,284.70	2.28	-4.03 -5.05	-4.40 -5.96	-4.40 -5.96	-	-	-	-4.40 -5.96
US Taxable Core				3,180,051.41	11.40							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Western Core Plus Bond Fd <i>Barclays Aggregate</i>	04/20/22	1,376,622.53	4.93	-6.31 -4.32	-6.23 -4.75	-10.17 -5.78	-	-	-	-10.17 -5.78

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TIME WEIGHTED PERFORMANCE DETAIL

OCIO - Cal Poly Pomona Foundation

As of September 30, 2022 | Reporting Currency: USD

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

	Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 09/30/22	% Of Portfolio 09/30/22	Month to Date (%) 08/31/22 - 09/30/22	Quarter to Date (%) 06/30/22 - 09/30/22	Year to Date (%) 12/31/21 - 09/30/22	Last 12 Months (%) 09/30/21 - 09/30/22	Last 3 Years (%) 09/30/19 - 09/30/22	Last 5 Years (%) 09/30/17 - 09/30/22	Performance Inception (%) to 09/30/22
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares BC Aggregate Bond <i>Barclays Aggregate</i>	04/18/22	669,273.98	2.40	-4.14 -4.32	-4.69 -4.75	-6.19 -6.64	-	-	-	-6.19 -6.64
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	iShares BC 7-10 Yr Treas Bd <i>ICE U.S. Treasury 7-10 yr Bd</i>	07/20/22	598,017.70	2.14	-4.73 -4.92	-5.44 -5.46	-5.44 -5.46	-	-	-	-5.44 -5.46
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	CCM Community Impact Bond Fund <i>Barclays Aggregate</i>	05/21/21	536,137.21	1.92	-3.25 -4.32	-3.71 -4.75	-10.34 -14.61	-10.93 -14.60	-	-	-8.14 -10.16
Alternatives				5,388,167.80	19.32							
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Hamilton Lane	835-XXX325	Alternative Investments Advisory <i>HFR1 Fund Weighted Comp</i>	06/05/17	2,711,375.74	9.72	0.00 -2.41	0.00 -0.72	-5.43 -6.32	-0.08 -5.91	14.61 6.13	11.87 4.49	12.02 -
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX416	Alternative Investments Advisory <i>HFR1 Fund Weighted Comp</i>	06/25/21	2,676,792.06	9.60	-1.45 -2.41	-0.72 -0.72	-8.27 -6.32	-6.02 -5.91	-	-	-1.97 -
Real Estate/REITs				595,786.54	2.14							
CAL POLY POMONA FOUNDATION INC (Select UMA) - Unified Managed Account	835-XXX415	Cohen & Steers Realty Shares <i>FTSE NAREIT All Equity REITS</i>	09/16/21	595,786.54	2.14	-12.30 -12.72	-10.65 -10.83	-27.15 -27.93	-15.60 -16.27	-	-	-18.79 -19.49
Managed Futures				351,718.13	1.26							
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	351,718.13	1.26	4.74 3.46	5.74 4.02	8.62 -	-	-	-	8.62 -
Cash				3,257,831.75	11.68							
CAL POLY POMONA FOUNDATION INC (AAA) - Short Term FI	812-XXX546	Cash <i>FTSE Treasury Bill 3 Month</i>	03/07/13	3,083,022.29	11.05	0.18 0.20	0.32 0.45	0.40 0.62	0.41 0.63	-	-	-
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Alternative Investments	835-XXX416	Alternative Investments Advisory <i>FTSE Treasury Bill 3 Month</i>	06/22/21	174,738.13	0.63	0.00 0.20	41.10 0.45	41.21 0.62	-	-	-	-
CAL POLY POMONA FOUNDATION INC (Alternative Investments Advisory) - Hamilton Lane	835-XXX325	Alternative Investments Advisory <i>FTSE Treasury Bill 3 Month</i>	06/05/17	71.33	0.00	0.06 0.20	20.37 0.45	20.47 0.62	-	-	-	-

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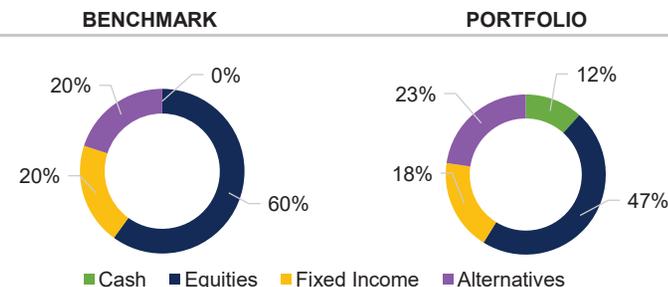
OCIO PORTFOLIO POSITIONING

CAL POLY POMONA FOUNDATION PORTFOLIO ANALYSIS

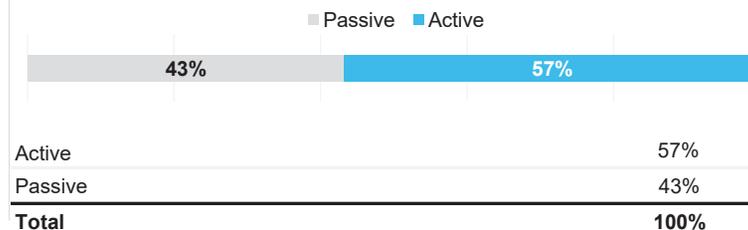
REPORTING DATE: NOV 2022

PORTFOLIO POSITIONING VS. POLICY BENCHMARK

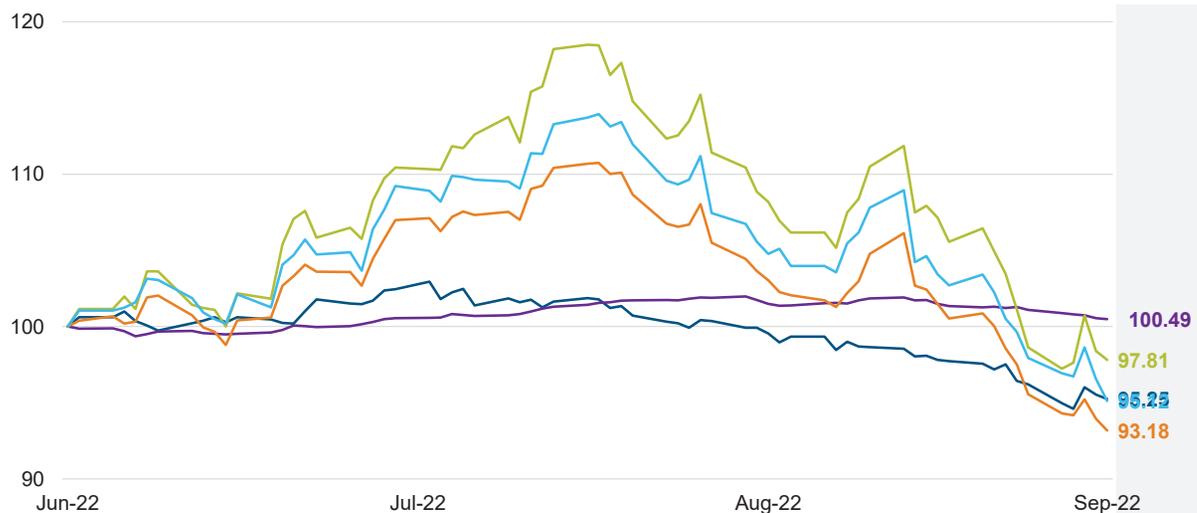
ASSET CLASS	BENCHMARK	PORTFOLIO	UNDERWEIGHT	NEUTRAL	OVERWEIGHT
Cash	-	11.7%			■
Equities	60.0%	47.2%	■		
US Large Cap	33.1%	25.3%	■		
US SMID Cap	4.0%	3.7%		■	
International	16.1%	11.6%	■		
Emerging Market	6.8%	6.5%		■	
Fixed Income	20.0%	18.4%	■		
Investment Grade FI	20.0%	18.4%	■		
Non-US Fixed Income	-	-			
Sub-Investment Grade FI	-	-			
Tax Exempt Fixed Income	-	-			
Alternatives	20.0%	22.7%			■
Real Assets	-	2.1%			■
Hedged Strategies	20.0%	6.7%	■		
Private Investments	-	13.9%			■



ACTIVE/PASSIVE ALLOCATION



MARKET INDICES PERFORMANCE



INDEX (Total Return Indices)	7/1/22 - 9/30/22
Barclays U.S. Aggregate	-4.75%
S&P 500	-4.88%
Russell 2000	-2.19%
MSCI All-Country World	-6.82%
HFRX Global Hedge Fund	0.49%

Indices are unmanaged and not available for direct investment

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.

Private Programs Investment Report

Cal Poly Pomona Foundation

All Accounts

July 1, 2022 - September 30, 2022

commonfund

All Accounts

ACCOUNT SUMMARY AS OF 9/30/2022

	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	\$697,500	\$52,500	(\$1,346,290)	\$223,177	2.3	14.0%	9/30/2022
Total US Private Equity		\$750,000	\$697,500	\$52,500	(\$1,346,290)	\$223,177	2.3	14.0%	9/30/2022
Multi-Asset									
Capital Partners IV	2007	\$250,000	\$236,250	\$13,750	(\$387,390)	\$82,978	1.9	10.2%	6/30/2022
Total Multi-Asset		\$250,000	\$236,250	\$13,750	(\$387,390)	\$82,978	1.9	10.2%	6/30/2022
Total General Fund - 06		\$2,500,000	\$2,433,750	\$66,250	(\$2,016,776)	\$306,155	0.9	-0.6%	9/30/2022
Grand Total		\$2,500,000	\$2,433,750	\$66,250	(\$2,016,776)	\$306,155	0.9	-0.6%	9/30/2022

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.

Informational Memorandum



Date: November 30, 2022

To: Finance & Investment Committee

From: Jared Ceja
Executive Director/CEO

Subject: **Contract Dispute Summary & Outcome**

Overview & Timeline: Republic Master Chefs (“RMC”), a linen provider, served Kellogg West regularly until the onset of the Pandemic in March of 2020. As business began to come back in 2021, the team reevaluated all agreements and requested RMC provide an updated linen services proposal. RMC provided the first of three proposals on April 28, 2021. The Hospitality team compared the RMC proposal to a number of other offers and elected to enter into agreement with an alternative linen provider with more advantageous pricing and service.

RMC was notified that they were not the winning bid on 7/13/21. On 8/6/2021, RMC sent Foundation a demand for payment per terms of the “existing contracts”. They focused on an automatic renewal clause and refused to recognize the pandemic-era cancellation of business despite their engagement in our contract bidding process and our repeat attempts to request that they pick up their linens. RMC ultimately sold their claim to a Collections Agency (“Agency”) that pursued legal action against us.

RMC/Agency’s Initial Claim: \$353,679

Our Calculation (including linens): \$64,988

Settlement Summary: We retained the services of counsel as their claim was significantly higher than what we had calculated. Agency’s counsel did not respond for months and declined the initial settlement offer. In October, 2022, Agency assigned new counsel and dialogue opened up. The counsel recognized the error in RMC’s calculations, and after some negotiation, settled on \$52,500 (not including linens).

Memorandum



Date: November 30, 2022
To: Finance & Investment Committee
From: Jared Ceja, Executive Director/CEO
Attached: Schedule D Additions for Kellogg West
Subject: **Mid-Year Capital Budget Requests 2022-2023**

The recent combination rainy weather and renewed business at Kellogg West has exposed needs that must be addressed. These requests were not known when the full 2021-2022 list of capital requests were completed in February of 2022. All three requests have a health and safety component.

- 1) \$350,000 - The recent rains exposed major infrastructure issues with the Hillside and Conference Center roofs. We saw more than 8 active leaks that traveled inside walls all the way to the basement floor in some cases. Leaks can cause damage throughout the facility and limit revenue opportunities.
- 2) \$150,000 – The carpet was last replaced more than 20 years ago, and has begun separating at every seam, posing a trip hazard to guest attending events within the conference center.
- 3) \$500,000 – The current fire/life safety system is more than 20 years past its life expectancy. The system is analog, not as reliable when connecting to the digital system used by campus safety. The current system cannot guarantee an emergency notification will be received based on the outdated technology.

RECOMMENDED ACTION:

Management is requesting that the Finance & Investment Committee approve the mid-year capital budget increase of \$1,000,000 for 2022-2023 as presented for consideration by the Program Committee and full Board.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed and approved the presented 2022-2023 mid-year capital budget increase of \$1,000,000 associated with needed health and safety work at Kellogg West.

BE IT FURTHER RESOLVED, that the Finance & Investment Committee forwards this resolution to the Program Committee and full Board for consideration at their next scheduled meetings.

PASSED AND ADOPTED THIS 30th DAY OF NOVEMBER 2022

By: _____
Ysabel Trinidad, Chair
Finance & Investment Committee

CAL POLY POMONA ENTERPRISES

2022-2023 BUDGET Additions
 SCHEDULE - D (Capital Budget)

Department Name: **KW Hotel**
 Project Number: **280510**

Itemized Description	Current Year Approved or Carry Over from Previous Years	Forecasted Capital expenditures through Current Year	Requested Capital Budget Carryover to Proposed Budget Year	2022-2023 Requested Proposed Budget	Total Cost of Project	Estimated In-Service Date (mm/dd/yy)	Useful Life of Asset	Explain why this is Needed	Explain how you arrived at the amount requested
Roof Repair - Hillside & Conference Center				350,000	350,000	1/1/2023	15 years	The recent rains exposed major infrastructure issues with the Hillside roof. We saw more than 8 active leaks that traveled inside walls all the way to the basement floor. The roof must be fixed, and the existing damage must be remediated.	The estimate is based on previous roof repair estimates. The number is being updated now through professional assessment
KW Conference Center Carpet Replacement				150,000	150,000	3/1/2023	20 years	The carpet was last replaced more than 20 years ago, and has begun separating at every seam, which poses a substantial risk to all guest attending events within the conference center.	The request is based on current replacement estimates from a variety of carpet installers.
Replace Fire/Life Safety System				500,000	500,000	2/1/2023	20 years	The current fire/life safety system is more than 20 years past its life expectancy. The system is analog, not as reliable when connecting to the digital system used by campus safety. The current system cannot guarantee an emergency notification will be received based on the outdated technology.	Rough estimate from communication with system's professionals prior to a full site assessment.
	0	0	0	1,000,000	1,000,000				

***When completing your current forecast and proposed capital budgets, please review the balance in construction work in progress.

Memorandum



Date: November 30, 2022
To: Finance & Investment Committee
From: Joanne Mathew, Director of Financial Services/CFO
Attached: Policy 157 with tracked changes
Subject: **Policy Update – Purchasing and Capitalization - 157**

Foundation Management is recommending changes to the Purchasing and Capitalization Policy - 157 that require an amendment to the policy under sections D and E:

- **Section D: Exceptions to Bidding Requirements and Purchase Orders**

To recognize the impact of Policy 122 – Minimum Authorized Signatures including unit/division approval parameters:

Purchases of items as listed below will require authorizations per the approvals listed in Policy #122, and will adhere to the limits stated in the division/unit purchase order policies.

- **Section E: Purchases form Board Approved Budgets**

Increase management approval limit to \$15,000 and add exception for items not subject to Policy 157 bidding requirements:

Purchases, with the exception of those items listed under Section D, having a value greater than \$15,000 require the additional approval of Foundation's Chief Financial Officer or designee.

RECOMMENDED ACTION:

Management is requesting that the Finance & Investment Committee approve the proposed updates to Purchasing and Capitalization Policy 157 in Sections D and E, as stated.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed and approved the proposed changes to the Purchasing and Capitalization Policy 157 as presented and forward this resolution for consideration by the Board of Directors at the next scheduled meeting.

PASSED AND ADOPTED THIS 30th DAY OF NOVEMBER 2022

By: _____
Ysabel Trinidad, Chair
Finance & Investment Committee



POLICIES AND PROCEDURES

CORPORATE POLICY

Subject: Purchasing and Capitalization

Policy No.: 157

Date: 5/22/2018

Last Revision Date: ~~3/7/2022~~11/30/2022

Revision: ~~23~~

- A. Policy
 - B. Policy, Regulations and Guidelines
 - C. Insurance Requirements
 - D. Exceptions to Bidding Requirements and Purchase Orders
 - E. Purchases from Board Approved Budgets
 - F. Capital Purchases Not from Board Approved Budgets
 - G. Purchases From Sponsored Programs, Grants or Contracts
 - H. Capitalization
-

A. Policy

1. This policy applies to purchase of materials, equipment, supplies, and services paid from Foundation administered funding sources. All project purchases must be in compliance with the Foundation's purchasing policy. The Foundation has implemented purchasing procedures which meet project purchasing needs and which satisfy the requirements of federal, state and independent auditors. Travel and the retention of artists, entertainers, lecturers, catering and speakers for services are not subject to the provisions of this policy.

B. Policy, Regulations and Guidelines

All purchase orders must be approved by the Foundation prior to order commitment, accordingly; a Purchase Order Request Form must be submitted to the Foundation prior to making purchases within the guidelines of this policy and procedure.

1. Policy Provisions

- a. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and at the lowest cost consistent with quality, specifications, service and product availability.
- b. Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.

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- c. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products whenever such products are available at no more than the total cost of their non-recycled counterparts.
 - d. Grant and Contract account purchases must also comply with the requirements set forth in the agency agreement and/or Uniform Guidance compliance requirements 2 CFR 200.
 - e. Volume or pool purchases, annual purchase agreements and State-purchasing contracts shall be utilized when deemed to be advantageous to the Foundation.
 - f. Purchases from Foundation employees, CSU staff or faculty of items for resale shall be certified as to their competitive value by the appropriate department head and be approved by the appropriate dean or Foundation management.
 - g. Sole source purchases on a non-competitive basis will require written justification and approval. The sole source written justification should include:
 - i. Unique performance factors of the products specified.
 - ii. Why these factors are required
 - iii. What other products have been evaluated and rejected, and why.
 - iv. Special circumstances requiring immediate action.
 - h. No Foundation Board member, employee, or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the purchase of materials, equipment, supplies or services.
 - i. Authorized signers failing to follow the Foundation's purchasing policy and procedures may incur personal liability or financial obligation with the vendor.
2. Regulations & guidelines for purchase of materials, equipment and supplies:
- a. Purchases under \$10,000: Foundation does not require a Purchase Order. If a vendor requires a purchase order, the Foundation will prepare a purchase order based on the purchase order request and price quotation obtained in writing from the vendor.
 - b. Purchases of \$10,000 to \$25,000: Authorized signer is required to submit a purchase order and a price quotation must be attached from the vendor.
 - c. Purchases over \$25,000 to \$50,000 for Materials, Equipment, and Supplies: Authorized signer is required to submit a purchase order request with a minimum of three price quotations attached from the vendor.
 - d. Purchases over \$50,000 for Materials, Equipment, and Supplies: Authorized signer is required to submit a request for a purchase order and attach a minimum of three formal bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications and reputation of vendors.
 - e. Volume purchase and annual purchase agreements that will result in an advantage to the Foundation will be utilized whenever possible. The Foundation will utilize State Purchasing contracts whenever possible to the Foundation's advantage.
3. Regulations & guidelines for purchase of services:
- a. Purchases over \$50,000 for services: Authorized signer is required to submit a request for purchase order and attach a minimum of three formal bids from



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providers based on written specifications, which recognize competitive pricing, responsiveness to specifications and reputation of vendors.

C. Insurance Requirements

For insurance coverage, limits and endorsements, refer to the Foundation's Risk Management Policy and Procedure. (Policy #190)

D. Exceptions to Bidding Requirements and Purchase Orders

Purchases of items as listed below will require authorization per the approvals listed in Policy #122, and will adhere to the limits stated in the division/unit purchase order policies.

- a. Food stuffs and seasonal commodities. The purchase of food stuffs and seasonal commodities shall be made upon the basis of quotations from several reliable and convenient sources of supply. Awards shall be made on terms most advantageous to the Foundation based on quality, price, service, and delivery.
- b. Bookstore supplies and textbooks. The purchase of textbooks, certain technical material and resale merchandise shall be made upon the basis of several reliable and convenient sources of supply. Awards shall be on terms most advantageous to the Foundation based on quality, price, reliability, and delivery.
- c. Agricultural feed, supplies, livestock. Purchases shall be made on the basis of quotations from several reliable sources and awards made on the basis of price, quality, reliability, and delivery.
- d. Grant/Contract purchases governed by the terms and conditions of the executed agreement and/or Uniform Guidance compliance requirements 2 CFR 200.
- e. Retention of service contractors on an hourly time and material basis. Authorized signer's approval must be obtained prior to retention of service contractors.

E. **Capital Purchases from Board Approved Budgets**

- a. All purchases from Foundation Board approved budgets must be approved by the authorized signer having approval authority for the accounts charged. Quotation and bid requirements as outlined above should be followed. Purchases, with the exception of those items listed under Section D, having a value equal to or greater than \$150,000 require the additional approval of Foundation's Chief Financial Officer or ~~his/her~~ designee.
 - i. Purchase of food stuffs and commodities, Bookstore merchandise, Agriculture and Sponsored Programs shall be approved by the authorized signer within the parameters of their respective operating guideline budgets.
 - ii. Standing purchase orders may be used for routine, repetitive purchases from the same vendor. Standing purchase orders may not be used to purchase equipment or to circumvent this policy statement.
 - iii. The purchase of "services" from faculty or staff shall be conducted in a manner that constitutes "an arm's length transaction."



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F. Capital Purchases Not from Board Approved Budgets

- a. This applies to Foundation's unrestricted funds including Fund 1 (General Fund), Fund 3 (Designated Fund), Fund 4 (Auxiliary Fund), Fund 5 (Agriculture Fund) and Fund 10 (Foundation Program Funds). Capital purchases not approved by the Foundation's Board must be indicated as such on the purchase order request.

All purchases not previously approved by the Foundation Board are subject to the availability of funding within the applicable account and the following approvals:

Purchases \$25,000 or less - The authorized signers have approval authority for the charged account and Foundation's Chief Financial Officer or ~~his/her~~ designee must approve.

Purchases over \$25,000 - Require the approval of the administrator having authority for the charged account, Foundation's Chief Financial Officer or ~~his/her~~ designee and the Executive Director of the Foundation or ~~his/her~~ designee.

The Executive Director of the Foundation is authorized to expend beyond the budget an accumulative total of \$50,000 per quarter. If the purchase exceeds \$50,000, the Executive Director will request the purchase be approved by the Board.

Quotation and bid requirements as outlined above should be followed for all purchases.

G. Purchases from Sponsored Programs, Grants or Contracts

- a. Purchases made from Grants or Contracts funds may be made only during the term of the grant or contract or during an approved extension or renewal. The authorized signer should anticipate purchase requirements far enough in advance so that the purchasing process can be completed, the service rendered, and goods received prior to expiration of the award.

H. Capitalization

- a. Capital purchases with a cost greater than \$5,000 and a normal useful life of at least one year will be capitalized and depreciated over the economic life of the asset for all accounts except Grants and Contracts. A capital purchase is defined as a tangible piece of property with an acquisition cost greater than \$5,000 and a useful life of one year or greater.

Memorandum

Date: November 30, 2022
To: Finance & Investment Committee
From: Jared Ceja, Executive Director/CEO
Attached: Policy 172 with tracked changes
Subject: **Policy 172 Update – Unrestricted Net Assets & Reserves**



Foundation Management is recommending changes to the Unrestricted Net Assets & Reserves Policy – 172 under **Section D.3.i Capital Reserve**, to ensure that the limit is tied to the assessed resource needs associated with maintenance of our facilities.

Current:

Capital Reserve – shall be funded by an amount equal to 1.75% of the annual gross revenues of the unrestricted funds (currently the general fund, enterprise fund, agricultural-aid-to-instruction fund, continuing education fund and the real estate fund) to a maximum of \$6,000,000, exclusive of the Real Estate / Venture Capital Reserve; the Campus Center State account and the Distribution of Los Olivos Surplus policy 171.

Updated:

Capital Reserve – shall be funded by an amount equal to 1.75% of the annual gross revenues of the unrestricted funds (general fund, enterprise fund, agricultural-aid-to-instruction fund, and continuing education fund) to a maximum of the annual deferred maintenance value as outlined in the most recent Facilities Condition Assessment Report minus the value of work completed, not to exceed the total unrestricted net assets after consideration for all unrestricted reserves.

RECOMMENDED ACTION:

Management is requesting that the Finance & Investment Committee approve replacement of the capital reserve fund limit of \$6,000,000 as presented for consideration by the full Board of Directors.

BE IT RESOLVED, that the members of the Finance & Investment Committee have reviewed and approved the replacement of the capital reserve fund limit of \$6,000,000 with a limit tied to the Facilities Condition Assessment Report as presented.

BE IT FURTHER RESOLVED, that the resolution be forwarded for consideration and approval at the next scheduled meeting of the Board of Directors.

PASSED AND ADOPTED THIS 30th DAY OF NOVEMBER 2022

By:

Ysabel Trinidad, Chair
Finance & Investment Committee



POLICIES AND PROCEDURES

CORPORATE POLICY

Subject: Unrestricted Net Assets and Reserves

Policy No.: 172

Original Date: 4/14/1995

Last Revision Date: ~~5/11/130~~/2022

Revision #: ~~56~~

A. Purpose

B. Terms and Definitions

C. Background and Purpose

D. Process

A. Purpose

This Unrestricted Net Assets and Reserves Policy is established to provide the basis for the annual review of fiscal viability, to comply with Board of Trustee's policies on maintaining appropriate debt service coverage, working capital/current operations, reserves and planned future operations.

B. Terms and Definitions

1. Sources of Funds

The Cal Poly Pomona Foundation, Inc. receives its sources of funds from the following sources:

- a. Surplus
- b. Non-cash transactions
- c. Financing
- d. Draw down from reserves

2. Use of Funds

The funds received from the above sources are used for the following purposes:

- a. Debt Service Obligations
- b. Working Capital
- c. Reserves
- d. Capital Expenditures

C. Background and Purpose

1. California State University Policy

The Chancellor of the California State University, on April 7, 1983, issued a policy statement entitled Financial Standards and Fiscal Viability Guidelines for CSU Auxiliary Organizations, and directed that this policy be implemented by the Campus



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Presidents and each auxiliary governing board. On the subject of reserve requirements this policy statement states:

Annually each auxiliary governing board shall review the fiscal viability of the auxiliary organization to include:

- a. A review of the management functions to ensure provisions for adequate professional management (Reference: Ed. Code, 89904[b]).
- b. An evaluation of the need for the use of unrestricted net assets in the following areas:
 - i. Debt Service Coverage
 - ii. Working Capital/Current Operations
 - iii. Reserves
 - iv. Planned future operations (including future new business requirements which have been recognized by the campus and the auxiliary organization as appropriate and within the educational mission of the campus)
- c. The establishment or revision of the use of unrestricted net assets for the above areas shall be approved by the Board, and their funding levels shall be approved by the Board when the annual budget is approved.

2. Disposition of Assets and Earnings

A written agreement on behalf of the State of California by the Chancellor of the California State University and the Foundation is required for the performance of various functions by the Foundation. These agreements each contain a section on the disposition to be made of the Assets and Earnings (other than trust funds) in accordance with Section 42600, Title 5, California Code of Regulations. The disposition of Net Earnings (Net Assets) section states:

“Auxiliary agrees to comply with Trustees policy on expenditure of funds, including but not limited to Trustee guidelines for disposition of revenues in excess of expenses and Trustee policies on maintaining appropriate reserves.”

D. Process

1. Debt Service Coverage:

The first priority for the use of Unrestricted Net Assets shall be the debt service obligation. The debt service obligation as required by the California State University shall be at least a ratio of 1.25 (available for debt service over total debt service);

2. Working Capital:

The second priority for the use of Unrestricted Net Assets shall be working capital/current operations equal to three months of the annual budgeted revenues less cost of goods sold and depreciation and shall not include the working capital/current operations requirements for sponsored programs;

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3. Reserves:

- i. **Capital Reserve** – shall be funded by an amount equal to 1.75% of the annual gross revenues of the unrestricted funds (~~currently the~~ general fund, enterprise fund, agricultural-aid-to-instruction fund, and continuing education fund ~~and the real estate fund~~) to a maximum of ~~\$6,000,000, exclusive of the Real Estate / Venture Capital Reserve, the Campus Center State account and the Distribution of Los Olivos Surplus policy 171~~ the annual deferred maintenance value as outlined in the most recent Facilities Condition Assessment Report minus the value of work completed, not to exceed the total unrestricted net assets after consideration for all unrestricted reserves.
- ii. **Enterprises:**
 - a. Dining/ Hospitality – shall be funded by an amount equal to 1% of the annual gross revenues less cost of goods sold to a maximum of \$1,000,000 per year.
 - b. University Village - shall be funded by an amount equal to 1% of the annual gross revenues of the University Village funds to a maximum of \$2,000,000 per year.
 - c. Kellogg West – shall be funded by an amount equal to 1% of the annual gross revenues of the Kellogg West fund to a maximum of \$1,000,000
 - d. Real Estate / Affordable Faculty Staff Housing (AFSH) – shall be funded by an amount equal to 1% of the annual gross revenues of the real estate fund to a maximum of \$750,000 per year.
 - e. Operating Reserves - shall be funded by an amount equal to 1% of the annual operating surplus after all other reserves have been funded to a maximum of \$500,000 per year.
- iii. **Other** - The funding from unrestricted net assets for all other reserve policies such as those referenced below shall occur in the same order as stated in this policy, after the debt service obligation (debt service coverage/ratio) and working capital/current operations requirements have been met:
 - a. Reserve – Indirect Cost Funds (*See Policy 103*)
 - b. Reserve – Agricultural Program (*See Policy 170*)
 - c. Residential Board Meal Surplus Program Reserve (*Policy 171*)
 - d. Reserve – Retiree Medical Benefits (*See Policy 173*)
 - e. Reserve – Insurance (*See Policy 174*)
 - f. Reserve – Research & Sponsored Programs (*See Policy 175*)