



Approved August 27, 2024

**May 7, 2024
9:00 AM (EST)
Virtual Meeting**

I. **Call to Order**

Committee Chair, Joshua McCoy, called the meeting of the Florida Polytechnic University Foundation Finance and Investment Committee to order at 9:01 AM.

II. **Roll Call**

Kim Kennedy called the roll: Chair, Joshua McCoy, Cindy Alexander, John Curls, Travis Hills, Adrian Muhammad, Ryan Whittemore and Ana Wood-Rogers were present (Quorum). Foundation CEO, Kathy Bowman, and Foundation Board Chair, Jack Harrell, were also present. University staff present were David Blanton, Chief Compliance Officer/Audit Executive; George Cotellis, Senior Accountant; Penny Farley, University Controller; Kim Kennedy, Executive Assistant to the CEO; Jasmine Peterson, Staff Accountant and Melaine Schmitz, Associate General Counsel. Guest present was Scott Lowke of CAPTrust.

III. **Public Comment**

Kim Kennedy stated no requests for public comment were received.

IV. **Approval of Minutes**

Jack Harrell motioned to approve the minutes of the Florida Polytechnic University Foundation Finance and Investment Committee meeting held January 16, 2024, as presented. Cindy Alexander seconded the motion; a vote was taken, and the motion passed unanimously.

V. **Workplan Overview**

Chair McCoy made note of the items within the Committee's area of responsibility for each meeting through the fiscal year.

VI. **Foundation Financial Review**

Jasmine Peterson presented the following to the Committee:

- FY24 Net Position (thru third quarter) – compared to FY23 YTD
 - Assets up 59.79%
 - Ending Fund Balance up 85.40%
 - Total Liabilities down 11.53%
- FY24 YOY Variance (thru third quarter)
 - Revenue up 7.91% over FY23 third quarter
 - Operational Expenses up 5.34% over FY23 third quarter
 - Net Assets up 21.69% over FY23 third quarter
- Budget to Actuals
 - Revenue 9.25% below FY24 budget
 - Expenses 1.41% below budget

Chair McCoy asked how we are forecasting in order to remain aligned with the budget. CEO Bowman stated for the year we anticipate being behind what was projected for the campaign. This is due to two major gifts being put on hold until the fall.

VII. **CAPTrust YTD Overview**

Scott Lowke, Principal Financial Officer with CAPTrust provided the Committee with an overview of the Foundation's current Executive Summary.

- Ending Market Value as of 3/1/24 - \$8,908,155
- Portfolio is in good shape and outperforming

VIII. **Endowment Spend Rate Approval**

Jack Harrell motioned to approve the release of an annual 4% of the March 31, 2024 endowment fund for a total of \$151.618. Cindy Alexander seconded the motion; a vote was taken, and the motion passed unanimously. (The word "annual" was added to the motion at the recommendation of John Curls prior to the vote.)

IX. **Foundation FY25 Proposed Budget Approval**

CEO Bowman highlighted the following regarding the proposed budget:

- Revenue - \$2,320,000
- Operational Expenses:
 - Auditing Fee – Budgeted amount was \$26,000; however, the actual was \$60,506. Bowman stated due to this increase from CLA's original quote, she will be discussing with the firm a reduction in costs for FY25. Jasmine Peterson is currently completing a cost comparison with other local firms in the event we are unable to reach a financial agreement with CLA. A report on the selected firm will be provided during the next scheduled meeting.
- Oper. Exp Amortization & Write Offs – Because we have more pledges coming in on an annual basis where a large gift is being given over a longer period of time, the expected amortization needs to be documented on the expense as a part of our budget.
- Use of University resources – The Foundation (DSO – Direct Support Organization) is allowed by state statute to use University resources (personnel/facilities/software) as long as we seek approval for estimated amount of the resources each spring and report out the actual expenses each fall. This budgeted amount has been increased significantly for FY25 due to changes made after reevaluating the allocation of staff member's time on Foundation work. The increase in percentages took place in October 2023 and will remain in place moving forward as they better align with each position's responsibility to the Foundation.
- Academic Affairs – CEO Bowman stated because we are raising money allocated specifically for the Academic Affairs department, we need to document in our budget the estimated amount of funds Academic Affairs will request annually.
- Leadership Support – This is looked at annually to remain aligned with state statute in consultation with Finance and Administration CFO and VP.
- Total FY25 Proposed Budget - \$1,582,650.

Ryan Whittemore asked if we anticipate the budget remaining static over the next few years. Kathy stated she anticipates that being the case. For example, We are now including the amortization amount and the university resources for the DSO into the budget which has not been done previously.

Whittemore also suggested that moving forward the University Support items be separated out as salary/benefits, facilities and software usage. Travis Hills also suggested a YOY variance report for expenses would be helpful.

Jack Harrell motioned to approve the Florida Polytechnic University Foundation FY25 proposed budget as presented. Adrian Muhammad seconded the motion; a vote was taken, and the motion passed unanimously.

X. **University Resources used by DSO**

CEO Bowman presented the following regarding university resources used by the DSO:

- Approved FY24 Usage - \$280,000
- Projected FY24 Usage - \$402,208 (increase due to recalculation of percentages)
- Request for FY25 Estimated Usage - \$430,000

The estimate for FY25 allows for increases in salary and fringe benefits for faculty/staff, facilities, and the addition of software usage.

Jack Harrell motioned to recommend to the Foundation Board and then confirmation by the Board of Trustees approval of the estimate of \$430,000 of University resources used by the DSO for FY25. Travis Hills seconded the motion; a vote was taken, and the motion passed unanimously.

XI. **Appointment of Foundation COO**

CEO Bowman stated in accordance with the Foundation's Bylaws and out of the need for a Chief Operation Officer (COO) to assist with Foundation management, she is appointing Lidia Vigil to the role of COO. This will become effective at the close of the upcoming May 17, 2024 Foundation Board of Directors meeting.

XI. **Closing Remarks and Adjournment**

CEO Bowman mentioned the budget for the University advocates has been reduced to \$192,000 for FY25 and the contracts will be reviewed by President-elect Stephenson upon his arrival in early July. Also, he has asked to be kept busy his first 90 days and plans are being made to schedule meetings with major stakeholders during that time.

With no further business to discuss Chair McCoy adjourned the meeting of the Florida Polytechnic University Foundation Finance and Investment Committee at 9:41 AM.