

THE UNIVERSITY CORPORATION
Executive Committee
September 11, 2013

A meeting of The University Corporation Executive Committee was called to order by Chair, Dianne F. Harrison at 3:06 p.m. on Wednesday, September 11, 2013 in The University Corporation Conference Room, Sierra Center, California State University, Northridge. A quorum was present.

MEMBERS PRESENT: Dianne F. Harrison, Dan Hosken, Marbella Lupercio, Jennifer Matos, Ben Yaspelkis

STAFF PRESENT: Elizabeth Corrigan, Rick Evans, John Griffin, Georg Jahn, Tim Killops, Elizabeth Kioussis, Linda Turner

OTHERS PRESENT: Crist Khachikian, Scott Perez

ITEM #1 APPROVAL OF MAY 3, 2013 EXECUTIVE COMMITTEE MINUTES

MSP (Harrison/Yaspelkis): That the minutes of the May 3, 2013 Executive Committee meeting be approved as circulated.

ITEM #2 SHORT-TERM INVESTMENTS

The Executive Committee serves as the Corporation's Investment Committee.

Executive Director, Rick Evans stated that some changes were made to the Corporation's short-term investments following the May 23, 2013 Board meeting, at which a Director questioned the amount of cash and cash equivalents.

CFO John Griffin reported that in consultation with investment advisor, Northern Trust, a new short-term bond fund had been created, consisting of the Northern Trust Ultra-Short-Term and the Franklin Floating Rate bond funds. On June 17, 2013, \$2.0 million was transferred from the Wells Fargo money market account into the new bond fund. Additionally, more cash was moved into the CSU System-Wide Investment Fund Trust (SWIFT). Mr. Griffin added that these changes should provide more yield while protecting funds.

ITEM #3 REAL ESTATE FUND – REPORT OF ACQUISITION

Associate Director of Real Estate, Linda Turner reported that the Corporation purchased a single-family home on Kinzie Street at Lindley Avenue. The 2100-square-foot home has three bedrooms, three baths and a pool, on a 10,674 square foot lot. The purchase price was \$558,000. The commission of \$13,950 was returned to the Corporation. Renovations will commence after the tenant vacates the property at the end of September and the home will be available for lease to faculty/staff in early 2014.

ITEM #4 SECURITY AND CASH CONTROLS

Mr. Evans introduced the item by reminding the Executive Committee that they now serve as the Fraud Oversight Committee and in keeping with the spirit of that charge, he asked Mr. Griffin and Associate Director of Facilities and Operations, Tim Killops to report on recent burglaries at two food units.

Mr. Griffin advised that each of the eighteen campus food units has a safe. All units have security cameras and most have alarm systems connected to CSUN Police. Daily cash sales are roughly \$30,000; daily total sales are approximately \$70,000. An armored service moves cash between the units and the cash room. Cash handling procedures are in place that reveal shortages within twenty-four hours.

The first burglary was in early August at the Orange Grove Bistro, where a suspect forced entry and stole cash from an unlocked safe. The police investigation is ongoing. The unit did not have an alarm system.

A few days later, two incidents occurred at the Pub Sports Grill. A suspect forced entry and stole cash from an unlocked safe. The alarm had not been set at closing. The same individual returned the following night and took cash from a second safe, the combination for which he found in the first safe the previous night. This time, the alarm had been set and university police made an arrest.

Mr. Killops added that the Orange Grove Bistro security cameras provided a photo of the first suspect and it has been distributed to all food units. Installations have been scheduled at units without alarm systems. Closing check lists have been amended to include additional security steps and more frequent audits will be conducted to ensure proper procedures are being followed.

Mr. Evans noted that these are the first burglaries in at least fifteen years and have served as an opportunity for management to re-examine and improve security and cash controls.

ITEM #5 FINANCIAL STATEMENTS

Mr. Evans reported that 2012/13 was the best year to date for the Corporation, with Net Cash Generated exceeding budget by over \$335,000, even after augmenting the indirect cost (IDC) funds transferred to the university, making the required contribution to the sponsored programs reserve, and funding a study to be done by the Office of Research and Sponsored Programs.

Mr. Griffin added that the Corporation was growing stronger, noting the trend of reducing liabilities and increasing assets. The overall return on investments for the year was 7.79%.

ITEM #6 RESEARCH & SPONSORED PROJECTS – AWARDS AND EXPENDITURE REPORTS (APRIL, MAY, JUNE, JULY 2013)

Director of Sponsored Programs Georg Jahn reported that for 2012/13, sponsored programs activity of \$30.8 million was \$6.8 million over budget. The indirect cost recovery rate was 12.1%.

Newly appointed Associate Vice President for Research and Graduate Studies, Crist Khachikian stated that he would focus his initial efforts on increasing research and contract activity in the Colleges of Engineering and Health and Human Development. He added that space needs will become an issue as research activity increases.

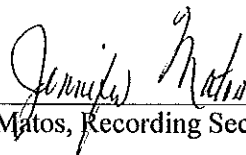
Chair Harrison asked Dr. Khachikian to share the Research & Sponsored Projects reports with the deans and to discuss with them ways to increase sponsored activity.

ITEM #13 ANNOUNCEMENTS

Ethics Hotline. The Corporation now provides its employees an ethics hotline, available by phone and internet. The hotline affords employees the opportunity to anonymously report unethical or improper occurrences or behavior.

There being no further business, the meeting ended at 3:48 p.m.

Respectfully submitted,



Jennifer Matos, Recording Secretary