

THE UNIVERSITY CORPORATION
Executive Committee
September 12, 2017

A meeting of The University Corporation Executive Committee was called to order by First Vice President, Ben Yaspelkis at 3:03 p.m. on Tuesday, September 12, 2017 in University Hall Room 250, California State University, Northridge. A quorum was present.

Members Present: Dianne F. Harrison, Michael Phillips, Colin Donahue, Benedict Yaspelkis

Members Absent: Sevag Alexanian

Staff Present: Shiva Bahrami, Heather Cairns, Elizabeth Corrigan, Rick Evans, Georg Jahn, Linda Turner, Karina Ward, Lih Wu

ITEM 1 APPROVAL OF MAY 1, 2017 EXECUTIVE COMMITTEE MINUTES

MSP (Phillips/Donahue): That the minutes of the May 1, 2017 Executive Committee meeting be approved as circulated.

ITEM 2 FINANCIAL STATEMENTS

Mr. Evans reviewed the 'Net Cash Generated' schedule. As of June 30, 2017, surplus from operation is above budget. Mr. Evans commented that all divisions, except for foodservices, surpassed their budgets. However foodservices did better than expected. Increasing minimum wage continues to impact the cash generated.

Chief Financial Officer, Lih Wu reviewed the 'Balance Sheet'. Ms. Wu noted that cash is lower than fiscal year 15-16 due to the HVAC project at Matador Bookstore Complex which was completed in FY 16-17. Fixed assets increased due to the purchase of a single-family house.

Michael Phillips asked where the real estate properties are listed in the balance sheet. Ms. Wu stated the real estate properties are listed under fixed assets. Mr. Phillips asked for a chart with a breakdown of fixed assets. Ms. Wu stated she will provide a breakdown. Mr. Phillips also asked if the houses are listed at market value or acquisition value. Ms. Wu confirmed the homes are listed at acquisition value.

Ms. Wu stated TUC will be reviewing the investment policy and allocation. Chair, Dianne F. Harrison asked for an update on TUC's investments managers. Mr. Evans reported TUC will conduct a review of invest management and will bring back a recommendation to the committee.

ITEM 3 HOTEL UPDATE

Mr. Evans reported the Letter of Intent has been signed by Jupiter Reality. Currently in place is a signature ready access and option agreement (AOA). The developer is currently in discussion with UNITE Here.

Mr. Evans also reported that the decision has been made to proceed with the California Environmental Quality Act process (CEQA), estimated to take 6 months.

ITEM 4 ZELZAH HOUSE ACQUISITION

Associate Director for Real Estate, Linda Turner reported that the Corporation closed escrow this past June on its ninth single-family home. In a short sale transaction, the purchase price was \$610,000. Renovations have started with an expected completion in mid-November. Once completed, the home will be leased to faculty or staff.

ITEM 5. GENERAL UPDATE ON OPERATIONS

Sponsored Programs

Mr. Evans reported that after a national search, Dr. Sheree Schrager will start on October 2nd as the Managing Director of Sponsored Programs. She will oversee and better connect pre- and post-award. Georg Jahn's role as Director of Sponsored Programs, or post-award, at The Corporation does not change.

Mr. Jahn reported that the sponsored programs department is finally fully staffed with one manager, four liaisons, and one administrative compliance analyst. Mr. Jahn provided three highlights of the new PRO-PI 2.0 program: CARE (CSUN Center for Assessment and Research) survey, improvement of processes and systems.

Annual Financial Audit

Mr. Evans stated that the audit committee for North Campus and the Corporation are meeting on Sept. 13. Ms. Wu reported that the financial audit is straight forward and almost completed. Ms. Wu stated that additionally a single audit and an audit by LA County is in process. Mr. Jahn explained that a single audit involves an audit on all the programs collectively instead of an audit on each program individually. Mr. Evans reported this is a clean audit and that there are no material findings on the financial audit.

ITEM 6. FRAUD PREVENTION PROGRAM

Mr. Evans reported an update to the Fraud Prevention Program including revisions to the organization chart and procedural changes with regard to controls in food services and cash room.

The Executive Committee also serves as the Fraud Prevention Committee. Director of Foodservices, Betsy Corrigan reported on a recent incident of theft. A Matador Mercado senior team supervisor was fired for refunding a cash transaction without a customer present and taking the cash. Ms. Corrigan stated that added control measure, spot audits, and increased management daily oversight is necessary to avoid this type of loss in the future.

Mr. Evans reported that Controller, Shiva Bahrami has come up with improvements relating to the cash room and cash handling. Ms. Bahrami stated changes have been made to the cash on hand policy and cash counting procedure.

(Ben Yaspelkis left.)

ITEM 7. RESEARCH AND SPONSORED PROJECTS – AWARDS AND SUBMISSIONS (APRIL, MAY, JUNE, JULY 2017)

Georg Jahn, Director of Sponsored Programs, advised that indirect cost recovery for the year-to-date is 5% ahead of budget, service fee income is almost exactly meeting budget, and the net available to campus is 26% ahead of budget. Mr. Evans stated at the next meeting Dr. Schrage will discuss pre-award proposals. President Harrison reported that assistant and associate professors submitting grants are increasing.

ITEM 8. ANNOUNCEMENTS

There being no further business, the meeting adjourned at 4:00 p.m.

Respectfully submitted,



Colin Donahue, Recording Secretary