

Advancement | UCF Foundation, Inc.

BOARD OF DIRECTORS Finance Committee Meeting Minutes

Monday, December 14, 2020
10:00 a.m. – 12:00 p.m.

LOCATION: Virtual Meeting

ATTENDEES: Alan Florez, *Chair*, Tony Moreno, *Vice Chair*, Theresa Borcheck, Karl Hodges, Kevin Miller, Kyle Simpson, Eva Tukdarian

ABSENT: Clint Bullock

STAFF: Jen Cerasa, Glen Dawes, Lauren Ferguson, Dan Gross, Margaret Jarrell-Cole, Erick Kepfer, Ashley McConnell, Joseph Mera, Mike Morsberger, Marcia Munroe, Brad Stricklin (UCFAA)

GUESTS: Kevin Schloot, McGriff Insurance Services

Chair Alan Florez called the meeting to order at 10:01 a.m. stating that the meeting was covered under the Florida Sunshine Law and the public and press were invited to attend. Roll call was performed and a quorum was confirmed. Chair Florez asked the committee members if any conflicts of interest to declare regarding the items of business listed on the agenda were present. No conflicts of interest were declared. Chair Alan Florez called the meeting to order at 10:01 a.m.

ACCEPTANCE OF MINUTES

A motion was made by Kevin Miller and seconded by Tony Moreno to approve the minutes of the Finance Committee meetings held on September 30, 2020 and November 17, 2020. The motion passed unanimously.

TEMPORARY SUPPORT FOR UCF ATHLETICS ASSOCIATION

The Finance Committee (Committee) was asked to consider a revised Memorandum of Understanding (MOU) to provide financial support to the UCF Athletics Association (UCFAA), as the athletics operation had been significantly impacted by COVID-19. The Committee previously approved an earlier version of the proposed MOU that outlined a loan of up to \$3 million which would be supported by UCF Foundation Facilities and Operations reserves. The MOU previously approved by the Committee also contained provisions for repayment through student fees assigned to UCFAA, in the event of default. As the previously approved MOU was not able to move forward to the UCF Board of Trustees for final consideration and approval, this item of business returned to the Finance Committee for consideration with alternate terms and additional revisions. The revised MOU included an 18-month revolving line of credit with an increased credit limit not to exceed \$4 million, and an annual interest rate of 3%. The revised MOU also excluded the student fee collateral language present in the previously proposed MOU.

Committee members discussed that while the Foundation's reserve status could support the loan, the University would need to recognize the limits of Foundation funding, based on required covenants and operational needs, and the Foundation would not be able to provide additional support until the loan is repaid or reserves are otherwise replenished.

A motion was made by Kevin Miller and seconded by Theresa Borchek to accept and recommend to the Executive Committee approval for the Foundation to issue the revised letter of credit to UCFAA, as presented. The motion passed unanimously.

RESULTS OF OPERATIONS – AS OF SEPTEMBER 30, 2020

Glen Dawes presented financial statements and quarterly reports for the period ended 9/30/2020. It was noted that total assets at the end of the quarter were \$409,095,217, approximately \$12.1 million more than at the close of the previous fiscal quarter. It was further noted that while philanthropic contributions were lower than the previous year, the Foundation's investment gains due to favorable market performance made for a strong period overall. Total net position for the quarter ended September 30, 2020 was \$334,750,046.

The Foundation Division Budget Summary and Buildings Budget Summary compared actual amounts to budgeted amounts through September 30, 2020. It was reported that the Foundation operation was ahead of budget in both sources and uses as of September 30th. Funding sources were more than \$1.1 million ahead of budget, again as a result of investment gains. Operating expenses continued to be down as a result of COVID-19's impact on operations including restrictions on travel and events and salaries for unfilled positions. The facilities budget was reported largely on target.

The UCF Foundation Debt Summary and Vice Presidents' and Deans' expenses were provided to the committee for review and specific questions may be brought before the committee. There were no questions present.

SCHEDULE OF INSURANCE IN FORCE

The Committee reviewed the UCF Foundation's Schedule of Insurance in Forces for policies renew annually in December and include coverages for property, general liability and umbrella, automobile, directors & officers, crime, and environmental insurance. The Schedule provided policy information including coverage limits, annual premiums, and fees. Total premiums for the coverage period beginning December 2020 for 12 months were \$583,396.

REAL ESTATE COMMITTEE MERGER

A proposed merger between the Finance Committee and Real Estate Committee of the UCF Foundation Board was discussed. While the Real Estate Committee is charged with developing and implementing strategies to identify real property to be considered for acquisition, actual practice of the Real Estate Committee has been largely financial in nature with regard to real estate gifts. It was noted that Board Chair John Euliano, together with Finance Committee Chair, Alan Florez and Real Estate Committee Chair, Brian Butler believe the consolidation of both standing committees would streamline committee operations and enhance the existing Finance Committee through the inclusion of members with experience in real estate and tangible assets management. Committee members were supportive of the merger.

POLICY REVIEW

The Committee was presented with 17 UCF Foundation policy amendments for review. It was noted that the policy revisions were generally cosmetic and part of an effort by Foundation staff to update and reformat all Foundation policies in accordance with the UCF Board of Trustees standards. Procedural language was removed from the policies and transitioned to the Foundation's internal knowledge base; some policies were consolidated for efficiency purposes. There were no material changes made to the content of the policies.

A motion was made by Tony Moreno and seconded by Kevin Miller to accept and recommend to the Executive Committee approval of all amendments to the UCF Foundation policies listed below. The motion passed unanimously.

- Advertising, Royalty, and Other Miscellaneous Income Policy
- Budget Development and Approval Policy
- Changes to a Foundation Project Including Transfers and Closure Policy
- Conflicts of Interest in Authorizing Expenditures Policy

- Disposition of Securities Policy
- Fringe Benefit Reporting Policy
- Fundraising Events Advertising, Trade Shows, Conferences, & Exclusive Arrangements Policy
- Fundraising Events Publicity & Printed Materials Policy
- Fundraising Events Risk Management Policy
- Fundraising Events Sponsorship Guidelines Policy
- General Spending Guidelines from Foundation Accounts
- License Plate Funds Policy
- Management and Spending of Unrestricted Contributions Policy
- Meals for Business Meetings and Banquet Reception Events Policy
- Outside Revenue from Work Performed (Assignment of Income) Policy
- Travel Reimbursement Policy
- W9 Distribution/Social Security Number Collection Notice Policy

PUBLIC COMMENT

There were no public comments.

There being no further business to discuss, Chair Florez adjourned the meeting at 10:56 a.m.

Respectfully submitted,



Alan Florez, *Chair*
UCF Foundation Board of Directors
Finance Committee

Prepared by: Ashley McConnell, Executive Assistant, UCF Foundation

Approved by Finance Committee on April 27, 2021.