

Tuesday, January 19, 2021

12:00 pm to 1:00 pm

<https://csudh.zoom.us/j/85982067118?pwd=KytmMnkwWWdWMEZlaU90cEI5QXNBUT09>

Dial: +1 669 900 6833 (US Toll) or +1 253 215 8782 (US Toll)

Meeting ID: 859 8206 7118 Password: 532410

Executive Committee Ad Hoc "Special Meeting" Minutes

Members Present: Tranitra Avery, Dr. Cornelia Brentano, Del Huff, Deborah Wallace, and Dana Ward

Members Absent: Gil Ivey

Guests: Nicole Aguilar (CLA), Amanda Dodd (Director of Human Resources and Payroll), Sarah Hauser (CLA), Eric Lenard (Envision Strategies), Jinna Matzen (Manager Business Process Improvement, Customer & Board Relations), Bob Sesnon (Interim CFO), Cherisse Ross (Interim Controller), and Gene Surh (Procurement and Contracts)

I. Roll Call

Meeting was held via the virtual platform, Zoom. Members and guests could be heard clearly. Quorum met.

II. Call to Order – Chair Del Huff

Meeting called to order by Huff at 12:07 PM.

III. Approval of Meeting Agenda

Brentano moved, and Wallace seconded. Motion carried.

IV. Public Comment

No one was present to represent the public

V. Informational Items

a. Retirement Plan Governing body (12 PM – 12:15 PM). Guests: Clifton Larson Allen Aguilar and Hauser presented a PowerPoint presentation to the Executive Committee, introducing their engagement team and reviewing their presentation. CLA's presentation including an explanation of retirement plan audit basics, employee benefit plans, what the audit will entail, the audit timeline and scope, audit progress and findings, and CLA's specialization with retirement benefit audits. Aguilar then clarified the audit details, including that the audit will be conducted using a risk-based approach to test financial statement accounts. There will be a focus on participant data and transactions, and a review will be conducted on plan operations compared to plan documents. CLA further stated that their report explaining that the limited scope audit satisfies audit requirements and that the audit is currently about eighty percent complete. At the completion of the audit, a control letter will be issued for internal use only. CLA concluded their report reviewing

some of their findings with the Executive Committee and reminded them that the results were for internal use only. As auditors, they cannot provide specific recommendations to remediate the findings. Instead, CLA will advise Foundation on particular areas of improvement with a possible recommendation to review plan documents with an ERISA attorney

The Executive Committee accepted CLA's information; due to timing constraints, the Executive Committee was directed to email any follow-up questions for CLA to staff.

b. Envision Strategies Report with Recommendation (12:16pm - 12:50pm)

Guests: Envision Strategies.

Eric Lenard presented the Executive Committee a report on Envision Strategies dining assessment and recommendations. Lenard explained to the committee that he toured the campus and conducted remote virtual interviews with key stakeholders, including the Board of Directors, Foundation campus partners, the University Cabinet, students, Housing, Loker Student Union staff, etc. Lenard then explained his findings with the committee informing them that from his assessment, it was clear that Dining had a lack of internal financial controls with history reflecting that basic accounting principles were not followed. Lenard notified the committee that this made the analysis difficult as labor costs were not allocated to the correct entities. Lenard concluded that based on findings, there was no adequate system infrastructure or qualified staff to meet the current challenges in rebuilding to sustain self-operations. Lenard further stated that Envision Strategies recommend that Foundation outsource its dining operations. Lenard reviewed current tenant lease terms and buy-outs with the committee, addressed the lack of a structured meal plan for residential Dining, and engaged in conversation on RFPs with a proposed timeline. The committee accepted and thanked Lenard for his presentation.

VI. Action Items

- a) Approval for authorized individuals to bind CSUDH Foundation to terms of agreements with Merrill, a Bank of America Company.

Action Item brought before the Board for a change of signers on Foundation's investment account held with Merrill Lynch. New account signers will be designated as Tranitra Avery, Executive Director, and Cherisse Ross, Interim Controller. These individuals would be granted authority to bind CSUDH Foundation to terms of agreements with Merrill, a Bank of America Company. Previous account administrators' access will be revoked.

Ward moved, Wallace Seconded. Motion Carried. Resolution FY2021-06 approved.

VII. Other Items

The Executive Committee engaged in a discussion regarding accounting policies and procedures and requested that at the next meeting, they be provided documents that reflect accounting is using standard accounting principles and have written procedures regarding thresholds for risk mitigation in accounting.

VIII. Adjournment

Huff moved to adjourn, Ward seconded. Motion Carried. Meeting adjourned at 1:47 PM.