

**SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION
BOARD OF DIRECTORS
MARCH 6, 2015
MINUTES**

The meeting was called to order by President Elliot Hirshman at 9:03 a.m. in the James W. Cobble Boardroom of the Gateway Center.

Present: Dr. Elliot Hirshman, presiding; Dr. Kim Barrett; Ms. Paula Brock; Mr. J. Cole; Ms. Vickie Capps; Dr. Karen Emmorey; Dr. Chukuka Enwemeka; Dr. Craig Hauser; Dr. Samuel Kassegne; Dr. Mary Ann Lyman-Hager; Mr. Tom McCarron; Dr. Ming-Hsiang Tsou; Dr. Steve Welter; Dr. Robert Zeller; and Mr. Bob Wolfson

Absent: Mr. Bill Brack, Dr. Marilyn Newhoff and Dr. Randolph Philipp

Also attending: Dr. Kathryn LaMaster from SDSU; and Mr. Bob Blizinski, Ms. Debbie Brighton, Ms. Norma Clark, Ms. Melinda Coil, Mr. Timothy Hushen, and Ms. Renée Daniels from SDSU Research Foundation

CALL TO ORDER

President Hirshman announced that Dr. Kathryn LaMaster, SDSU Associate Vice President for Academic Affairs, will be joining Dr. Welter to give a presentation on the Engineering and Interdisciplinary Sciences (EIS) building.

CONSENT AGENDA

The consent agenda contained two items: 1. approval of the December 5, 2014 meeting minutes, and 2. a resolution to approve authorized signatories for banking and investment transactions. President Hirshman explained that resolution was being updated to add two recently hired staff: Mr. Jerry Ray, Director of Finance and Accounting, and Ms. Victoria Kern, Associate Director of Finance and Accounting. Mr. Wolfson noted that Dr. Hauser had been omitted from the absent members for the December 5th meeting and said the minutes would be updated accordingly. President Hirshman asked if there were any questions or discussion needed. Hearing none, President Hirshman called for a vote on the consent agenda. The consent agenda was approved unanimously.

REVIEW AND ADOPT: FY 2014-15 MID-YEAR BUDGET

Mr. Wolfson and Ms. Coil reviewed the detailed information on the budget that was included in the agenda material as Tab B.

Mr. McCarron reported that the Finance and Investment Committee met on February 24th to review the mid-year budget. Following its review, the committee recommended that the board adopt the FY 2014-15 mid-year budget. Dr. Emmorey proposed that the board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
APPROVAL OF SDSU RESEARCH FOUNDATION'S
FY 2014-15 MID-YEAR GENERAL FUND BUDGET**

RESOLVED, That the mid-year General Fund Budget, as submitted to the Board of Directors at its meeting on March 6, 2015, at a level of \$28,854,000, be adopted as SDSU Research Foundation's budget for the remainder of the fiscal year, and forwarded to the President for his approval.

The motion was seconded by Dr. Barrett and adopted unanimously.

REVIEW AND ADOPT: SELECTION OF INDEPENDENT AUDITORS

Audit Committee chair Brock reported that a committee composed of staff from SDSURF and the other SDSU auxiliaries had been formed to select an accounting firm. Following an intensive review process, the team unanimously recommended engaging the accounting firm of Grant Thornton LLP. At its meeting on February 26th, the audit committee reviewed and discussed the selection and recommended board adoption of the resolution approving the engagement of Grant Thornton LLP.

Mr. McCarron proposed that the board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
DECLARATION OF OFFICIAL INTENT OF SAN DIEGO STATE
UNIVERSITY RESEARCH FOUNDATION TO CONTRACT
FOR SERVICES WITH AUDIT FIRM**

WHEREAS, the State of California Education Code requires an annual audit by an independent accounting firm.

WHEREAS, an Audit is to be conducted in accordance with Generally Accepted Auditing Standards and Chancellor's Office Audit Guide for Auxiliary Organizations.

WHEREAS, Federal audit requirements are contained in OMB Circular A-133, which also requires an independent audit of recipients of federal grants and contracts.

WHEREAS, an Audit is to be conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

WHEREAS, SDSU Research Foundation has solicited, analyzed and interviewed appropriate professional candidate firms qualified to provide audit services in accordance with the State of California Education Code, the Chancellor's Office Audit Guide for Auxiliary Organizations; Federal audit requirements, Government Auditing Standards, and Generally Accepted Auditing Standards;

WHEREAS, SDSU Research Foundation has determined that the audit firm of Grant Thornton LLP is qualified to provide audit services in conformity with all required auditing standards;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SDSU Research Foundation as follows:

First, That the Board of Directors of SDSU Research Foundation finds and determines that the foregoing recitals are true and correct; and,

Secondly, That this Resolution is adopted by the Board of Directors of SDSU Research Foundation solely for the purpose of entering into a contract to perform audit services to fulfill its obligations; and,

Thirdly, That Grant Thornton LLP is approved as the firm to provide the foregoing audit services for a period of 5 years; and,

Finally, That this Resolution shall take effect immediately upon its adoption.

The motion was seconded by Dr. Lyman-Hager and adopted unanimously.

INFORMATION ITEMS

Report of the Vice President for Research: Dr. Welter reported that:

- the success rate for grants submitted by SDSU faculty is above the national average for NSF and NIH
- both awards and F&A are up
- while the recruitment plan for new faculty was ambitious, it is paying off and the quality of new faculty is outstanding
- anthropology is now an area of excellence; three new areas of excellence are being proposed
- outreach for research funding in Washington, D.C. is being refocused from legislators to funding agencies
- investments in infrastructure continues.

Committee Reports:

Audit Committee Report: Audit Committee chair Brock reported on its February 26th meeting. In addition to recommending approval of the selection of auditors, the committee was apprised that SDSURF had engaged an accounting firm in Washington, D.C. to assist in responding to an inquiry on an NIH grant. Ms. Coil added that SDSURF would also engage Grant Thornton LLP to provide consultation and advice in connection with various federal, international and state tax matters in the United States and Georgia.

Investment Committee Report: Investment Committee chair McCarron reported on its February 24th meeting. In addition to recommending approval of the mid-year budget, the committee reviewed the performance of the Research Foundation's investments, and discussed the progress on the transfer of assets to The Campanile Foundation and the completion of the sale of 3590 Camino del Rio North. Mr. McCarron reported that the committee also held an Executive Session related to labor negotiations.

Report of the Executive Director: Mr. Wolfson reported on:

- the newly-updated Board of Director's webpage
- new hires in the Finance and Accounting department
- work commencing on the FY 2015-16 budget
- Georgia project challenges and rewards
- Renegotiating the agreement with KPBS
- the Calexico property which was expected to close escrow at the end of March
- Sorority Row—the public/private partnership.

NEW BUSINESS

Mr. McCarron provided an overview of the proposed financing for the Engineering and Interdisciplinary Sciences (EIS) building and the timeline involved. He explained that for various reasons, the EIS would not be a state building. President Hirshman said he wanted to make the board aware of the situation and explained that SDSURF would be asked to build the EIS with the facility ultimately being transferred to the university. President Hirshman clarified that the Research Foundation would serve as a mechanism for financing and construction. Mr. McCarron explained that funding for the \$90 million project would be comprised of \$30 million from CSU sources, \$30 million from internal sources, and \$30 million from fundraising. The board should expect a formal proposal at its May 9th meeting.

PRESENTATION: ENGINEERING AND INTERDISCIPLINARY SCIENCES BUILDING

Dr. LaMaster provided a visual overview of the EIS. The purpose of the EIS project is to boost engineering research and teaching, to foster research synergy, to create new interdisciplinary opportunities, and to invest in the future of the university. Dr. Welter explained that the EIS would be a thematically-driven/solution-oriented building. He then reviewed some of the research that could be conducted in the new facility.

ADJOURNMENT

President Hirshman called for any additional items of new business. Hearing none, he adjourned the meeting at 10:15 a.m.

Bob E. Wolfson
Associate Secretary-Treasurer