




**A Special Meeting of the Finance Committee
July 3, 2018 ❖ 3 PM**

Allan Hancock College – Building B, Room B-106
800 South College Drive, Santa Maria, CA 93454
Teleconference At the Following Locations:
241 Saint Andrews Way, Lompoc, CA
2956 Stardust, Santa Maria, CA
2401 Professional Parkway, Santa Maria, CA

AGENDA

	Page	Tentative Time
1. Call to Order		3:00
2. Roll Call		3:01
3. Public Comment		
<i>This section of the agenda is intended for members of the public to address the Finance Committee on items involving the Foundation that are being considered in Open Session. Please note that Directors are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda. If you wish to speak to any item listed, please complete a Request to Speak Card available from the executive director. It is suggested that speakers limit themselves to 5 minutes.</i>		
4. Approval of Agenda for July 3, 2018 (ACTION)		3:05
5. Approval of Foundation’s 2018-19 Operating Budget (ACTION)	1	3:06
6. Approval of Tentative 2018-19 Foundation Budget for District (ACTION)	4	3:16
7. Other Business		3:30
8. Adjournment of Finance Committee Meeting (ACTION)		3:35

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Allan Hancock College Foundation office at (805) 925-2004. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.


Susan Houghton, Executive Director
Allan Hancock College – College Advancement

Finance Committee Members:
Glenn Owen, Chair
Judy Frost, Director
Lee-Volker Cox, Director
Peggy Hesse, Director

800 South College Drive, P.O. Box 5170, Santa Maria, CA 93456-5170 | www.ahcfoundation.org
805.925.2004 or 805.922.6966, ext. 3621 | fax 805.739.1064 | ahcfoundation@hancockcollege.edu

The mission of the Allan Hancock College Foundation is to operate for the advancement of education by raising funds and building community support to meet the needs of the college in the areas of scholarships, capital/infrastructure projects and program support.

To: Finance Committee	ACTION
From: Susan Houghton Executive Director, College Advancement	July 3, 2018
Subject: Approval of Foundation's 2018-19 Operating Budget	

BACKGROUND

Each year the Finance Committee reviews and approves a proposed operating budget for the upcoming fiscal period. Staff develops the preliminary budget which includes the current year's approved budget and a proposed budget for the upcoming fiscal period using projections for both revenue and expense. Since the Finance Committee meeting held on Wednesday, June 27, 2018, the following revisions were made to the operating budget:

REVENUE

Unrestricted Contributions – Increased from \$20,000 to \$75,000.

Administration Fee – Decreased from \$80,000 to \$70,000 until the foundation meets the guidelines of the U.S. Department of Education's Endowment Challenge Grant – Title III. The grant's 20-year term ends on September 30, 2019.

F. Young Endowment – Decreased from \$140,000 to \$85,000. This represents a book transfer from the endowment's proceeds.

EXPENSES

Executive Director (Salary) - The \$50,000 expense salary was decreased from the budget. Per Dr. Kevin Walthers, on June 28, 2018, the district will not invoice for the foundation's share of the Executive Director of College Advancement's salary.

Staff salaries/Employee Benefits & Payroll Taxes – The expenses were decreased by not filling the vacant Administration Assistant position for three months.

Operational Supplies - decreased from \$6,500 to \$4,000.

Food Supplies - decreased from \$10,000 to \$5,000.

Consultants, Service Contracts - decreased from \$19,500 to \$18,850.

Agreements (Scholarship Program) – Decreased by \$9,000, the scholarship program Academic Works will be paid by the Title V grant.

Brokerage Fees – The budget was increased to \$13,000 until the Title III guidelines are met.

Title III Scholarship & Program Funding – The budget was increased to \$13,500 until the Title III guidelines are met.

FISCAL IMPACT

The foundation's operating budget is a function of the unrestricted assets of the corporation. The proposed 2018-19 operating budget is being presented today for review, discussion and approval.

RECOMMENDATION

Finance Committee members will review with a recommendation to be forwarded to the Executive Committee, and the full board for approval at the Board of Director's quarterly meeting on July 26, 2018. Upon review and agreement, the proposed 2018-19 operating budget is being presented today for approval.

**Allan Hancock College Foundation
Fiscal Year 2017-18 Budget to Date
Fiscal Year 2018-19 Proposed Operating Budget**

	2017-18 Approved Budget	2017-18 Rev/Exp thru 4/30/2018	2017-18 Variance Budget	2018-19 Proposed Budget
REVENUE				
General Operations - Unrestricted Contributions	\$ 25,750	\$ 14,197	\$ 11,553	\$ 75,000
District Title 5 Support - Advancement Specialist	\$ 58,528	\$ 45,887	\$ 12,641	\$ 62,018
General Operations - Interest	\$ 23,760	\$ 29,102	\$ (5,342)	\$ 25,000
Consulting Group Advisor - Unrealized Gain/Loss	\$ 38,000	\$ (603)	\$ 38,603	\$ 15,000
* Administration Fee - 1.5%	\$ 70,000	\$ 76,336	\$ (6,336)	\$ 70,000
President's Circle Campaign	\$ 15,000	\$ 8,951	\$ 6,049	\$ 15,000
Marian Hancock Trust	\$ 24,750	\$ 24,750	\$ -	\$ 24,750
F. Young Endowment Proceeds	\$ 140,000	\$ 140,000	\$ -	\$ 87,190
Transfer In	\$ 30,000	\$ -	\$ 30,000	\$ -
Other Local Income	\$ -	\$ 450	\$ (450)	\$ -
Foundation 40th Celebration/Hancock Promise	\$ 260,000	\$ 261,580	\$ (1,580)	\$ -
Unrestricted Endowment Proceeds	\$ 3,000	\$ -	\$ 3,000	\$ 3,000
TOTAL GENERAL OPERATIONS REVENUE	\$ 688,788	\$ 600,650	\$ 88,138	\$ 376,956
EXPENSES				
Executive Director	\$ 48,568	\$ -	\$ 48,568	\$ -
Staff Salaries	\$ 240,850	\$ 201,122	\$ 39,728	\$ 228,923
Employee Benefits & Payroll Taxes	\$ 44,251	\$ 21,415	\$ 22,836	\$ 23,185
Public Relations & Community Events	\$ 10,000	\$ 2,311	\$ 7,689	\$ 21,500
Foundation Community Events	\$ 10,000	\$ 14,326	\$ (4,326)	\$ -
Operational Supplies	\$ 6,500	\$ 6,363	\$ 137	\$ 4,000
Printing	\$ 8,500	\$ 6,209	\$ 2,291	\$ 7,500
Food Supplies	\$ 5,500	\$ 9,358	\$ (3,858)	\$ 5,000
Consultants, Service Contracts	\$ 4,500	\$ 1,921	\$ 2,579	\$ 18,850
Conferences	\$ 7,500	\$ 3,819	\$ 3,681	\$ 4,000
Business Travel Expense	\$ 1,500	\$ 1,533	\$ (33)	\$ 2,000
Dues and Memberships	\$ 2,500	\$ 355	\$ 2,145	\$ 2,500
Licenses, Permits, Filing Fees	\$ 250	\$ 344	\$ (94)	\$ 350
Telephone	\$ 700	\$ 546	\$ 154	\$ 700
Agreements (Scholarship Program)	\$ 9,000	\$ 9,371	\$ (371)	\$ -
Equipment Leases & Agreements	\$ 550	\$ 652	\$ (102)	\$ 550
Postage and Courier Services	\$ 2,500	\$ 3,613	\$ (1,113)	\$ 4,000
Advertising	\$ 5,000	\$ 425	\$ 4,575	\$ 5,000
Bank Service Charges	\$ 1,150	\$ 1,317	\$ (167)	\$ 1,400
** Brokerage Fees	\$ 11,850	\$ 13,127	\$ (1,277)	\$ 13,000
Equipment & Computer Software	\$ 1,000	\$ 967	\$ 33	\$ 1,000
Foundation Gala	\$ 100,000	\$ 140,663	\$ (70,663)	\$ -
Foundation Gala - Transfer Out AIM Scholarship		\$ 25,000		
Foundation Gala - Transfer Out PCPA Foundation		\$ 5,000		
** Title III Scholarship & Program Funding	\$ 13,500	\$ -	\$ 13,500	\$ 13,500
Annual Scholarship Banquet Support	\$ 4,500	\$ 18,574	\$ (14,074)	\$ 20,000
Transfer Out - President's One-Time Funding	\$ -	\$ -	\$ -	\$ -
GALA - Hancock Promise Transfer Out	\$ -	\$ 89,800	\$ -	\$ -
TOTAL GENERAL OPERATING EXPENSES	\$ 540,169	\$ 578,131	\$ (37,962)	\$ 376,958
Net Revenue/Expenses	\$ 148,619	\$ 22,519	\$ -	\$ 0
Beginning Fund Balance, July 1, 2017	\$ 198,645	\$ 198,645	\$ -	\$ -
CURRENT FUND BALANCE	\$ 347,264	\$ 221,165	\$ -	\$ -

* Decreased due to projected Title III costs.

** Reflects possible Title III costs.

<p>To: Finance Committee</p>	<p>ACTION</p>
<p>From: Susan Houghton Executive Director, College Advancement</p>	<p>June 27, 2018</p>
<p>Subject: Approval of Tentative 2018-19 Foundation Budget for District</p>	

BACKGROUND

Each year the foundation submits a tentative foundation budget that encompasses all of the foundation funds to the district for board approval. The committee will review and approve the attached tentative foundation budget for 2018-19. Since the Finance Committee meeting held on Wednesday, June 27, 2018, the following revisions have been made to the budget:

INCOME

Contributions – Increased by \$255,000 for Hancock Promise campaign and General Operations - Unrestricted.

Transfer In – Removed from the budget since Transfers Out offsets the income.

EXPENDITURES

Hancock Promise Scholarships – Budget increased to \$275,000.

Salaries – Decreased by not filling the vacation Administrative Assistant position for 3 months.

Employee Benefits/Payroll Taxes - Decreased by not filling the vacation Administrative Assistant position for 3 months.

Travel and Conference – Increase by \$40,000 to the budget. This expense includes Community Activities for Foundation and President’s Circle.

Building and Equipment – Increased by \$3,500 based on current year expenses.

Maintenance Agreements – Decreased by \$9,000. Title V will be invoiced for the scholarship program Academic Works.

Transfer Out/Other Outgo – Removed from the budget since Transfer In offsets the expense.

RECOMMENDATION

Finance Committee members will review with a recommendation to be forwarded to the Executive Committee, and the full board for approval at the Board of Director’s quarterly meeting on July 26, 2018. Upon review and agreement, the tentative 2018-19 foundation budget for the district is being presented today for approval.

**Allan Hancock College Foundation
District Tentative Budget
July 1, 2018 - June 30, 2019**

	<u>2017-18 Approved Budget</u>	<u>2017-18 Actuals 4/30/2018</u>	<u>2018-19 Tentative Budget</u>
FUND EQUITY	\$ 24,281,228	\$ 24,281,228	\$ 23,500,000
ADJUSTED NET BEGINNING BALANCE JULY 1	\$ 24,281,228	\$ 24,281,228	\$ 23,500,000
Budget			
INCOME			
Contributions	\$ 1,150,000	\$ 2,285,291	\$ 1,505,000
District Grant Contributions	58,250	45,887	62,020
Interest and Dividends	500,000	693,447	700,000
Gain/Loss on Sale of Investments	100,000	341,806	350,000
Change in Asset Portfolio - Unrealized Gains/Loss	750,000	722,801	750,000
Other local income	2,000	65,967	20,000
TOTAL INCOME	\$ 2,560,250	\$ 4,155,199	\$ 3,387,020
EXPENDITURES			
Scholarships	540,000	501,341	540,000
Hancock Promise Scholarships			275,000
Student Assistance	15,000	21,212	15,000
District/College Support	750,000	669,880	750,000
PCPA/PCPA Foundation Support	74,000	84,648	74,000
Salaries	260,570	206,515	225,816
Employee Benefits/Payroll Taxes	46,333	22,132	24,100
Supplies and materials	65,000	136,129	65,000
Contracted personal services	10,500	5,850	10,500
Travel and conference	20,000	56,937	60,000
Memberships, Permits, Filing Fees	4,000	1,927	4,000
Telephone	750	546	750
Equipment, Technology & Computer Software	3,000		3,000
Postage & Advertising	55,000	23,798	55,000
Bank & Brokerage Fees	145,000	172,459	145,000
Miscellaneous Expense	500	6,467	500
Building and equipment		3,314	3,500
Maintenance Agreements	9,000	-	500
Contracts & Leases	1,500	69,195	15,000
Credit Card Fees	500	-	500
TOTAL EXPENDITURES	\$ 2,000,653	\$ 1,982,350	\$ 2,267,166

Note: This budget reflects all costs and revenue that goes through the Foundation – including support to district programs as well as the Foundation's operating budget. Specific expenditures by Foundation staff is on the operating budget.