



Finance Committee Meeting

Wednesday, April 10, 2019 ♦ 1:00 – 3:00 PM

Allan Hancock College – Building B, Captain’s room  
800 South College Drive, Santa Maria, CA 93454

AGENDA

	Page	Tentative Time
1. Call to Order		1:00
2. Roll Call		
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 April 10, 2019 (ACTION)		1:03
5. Approval of Minutes (ACTION)		
5.A. Minutes of January 9, 2019	1 - 6	1:04
5.B. Minutes of January 16, 2019	7 – 10	1:09
6. Review and Approval of Financial Statements (ACTION)	11	1:10
6.A. Check Registers – – 12/1/2018 – 2/28/2019	12-24	
6.B. Contributions Report – 7/1/2018 – 2/28/2019	25	
6.C. Statement of Operations – 2/28/2019	26	
6.D. Statement of Financial Position – 2/28/2019	27	
6.E. Portfolio Summary – 2/28/2019	<i>Meeting handout</i>	
6.F. General Operations Budget – 2/28/2019	28	
6.G. Financial Overview – 2/28/2019	<i>Meeting handout</i>	
6.H. Financial Overview Investments – 2/28/2019	<i>Meeting handout</i>	1:20
7. Review of Proposed 2019-2000 Operating Budget (ACTION)	29 – 31	1:25
8. Review of Proposed 2019-2000 Budget for District (ACTION)	32 – 33	1:55
9. Review and Approval Investment Policy (ACTION)	34 – 41	2:25
10. Auxiliary Programs Corp. and Follett Higher Education Service Agreement (INFO)	42 – 43	2:45



**Finance Committee Meeting**

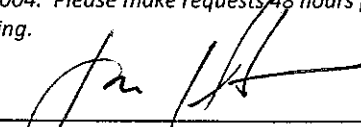
**Wednesday, April 10, 2019 ♦ 1:00 – 3:00 PM**

Allan Hancock College – Building B, Captain's room  
800 South College Drive, Santa Maria, CA 93454

**AGENDA**

- |  |         |      |
|--|---------|------|
| 11. Hancock Promise Update (INFORMATION)                                     | 44 – 45 | 2:55 |
| 13. Next Meeting – July 10, 2019, 1:00 – 3:00 PM, Building B, Captain's Room |         | 2:59 |
| 14. Adjournment of Finance Committee Meeting (ACTION)                        |         | 3:00 |

*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.*

  
\_\_\_\_\_  
Jon Hooten, Executive Director  
Allan Hancock College – College Advancement

**Finance Committee Members:**

Glenn Owen, Chair  
Lee-Volker Cox, Director  
Judy Frost, Director  
Peggy Hesse, Director  
Eric Smith, AHC Vice President, Finance & Administration

800 South College Drive, P.O. Box 5170, Santa Maria, CA 93456-5170 | [www.ahcfoundation.org](http://www.ahcfoundation.org)  
805.925.2004 or 805.922.6966, ext. 3621 | fax 805.739.1064 | [ahcfoundation@hancockcollege.edu](mailto: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.*

**ALLAN HANCOCK COLLEGE FOUNDATION  
FINANCE COMMITTEE MEETING  
January 9, 2019**

A regular meeting of the Finance Committee was held on Tuesday, January 9, 2019, at 11:00 AM at Allan Hancock College, 800 South College Drive, Bldg. B – Board Room, Santa Maria, California.

**1. Call to Order**

The meeting was called to order at 11:00 AM by Committee Chair Glenn Owen.

**2. Roll Call**

*Finance Committee members present:* L.-V. Cox, J. Frost, P. Hesse, G. Owen, E. Smith

*Finance Committee members absent:* None

*College Staff present:* J. Hooten, K. Seyfert

*Foundation Staff present:* M. Cox

**3. Public Comment**

There were no requests from the public to address this meeting.

**4. Approval of Agenda**

Chair Owen asked the committee to review the agenda for today's meeting and called for a motion to approve the agenda.

**MOTION:** On a motion by Director Frost, seconded by Director Cox the agenda was approved on a roll call vote:

Ayes: L.-V. Cox, J. Frost, P. Hesse, G. Owen

Noes: None

Abstentions: None

**5. Northern Trust – Mr. Louis Piscane**

**5.A. How would you describe your practice?**

Mr. Piscane reported Northern Trust Corporation is a leading provider of wealth management, asset servicing, asset management and banking to corporations, institutions and individuals. The company, founded in 1889, currently holds managed assets are \$1.1 trillion. Northern Trust's office has been located in Santa Barbara County for nearly 30 years and consistently ranks as one of the strongest global financial institutions.

**5.B. How do you insure that AHC Foundation Investment Policy is followed by your practice?**

The policy is loaded into the company's trading system and monitored on a daily basis for asset allocation within the policy's guidelines. Alerts are generated if portfolios reach or exceed the minimum or maximum asset class ranges. In addition, the compliance group and investment advisory committees monitor all account holdings regularly.

**5.C. In reviewing your recent monthly statements, what is the current asset allocation? What is your assessment of the Foundation's investment past performance for one year? What is your assessment of the investment performance for 2019?**

The combined Boyd and Young portfolios are 63% equities, 26% fixed income, 9% alternatives – globals, and 2% cash.

The past year's performance has been frustrating. After a stellar 2017 where market earnings were consistent, the portfolio earned a 16% return. The 2018 market was volatile – equities fell 15% in the 4<sup>th</sup> quarter, leaving the

portfolio with a 10% loss at year end even though Northern Trust had pre-identified and prepared the portfolio risks.

Based upon recent one-year return forecasts, the expected growth is 6% before fees from November 30, 2018 through November 30, 2019.

**5.D. What recommendations do you have?**

Consider revisiting the Foundation's Investment Policy in regard to the asset class allocation between US and international stocks. Asset allocation is the primary driver of risk and return for diversified portfolios. Current policy equity allocation is 83% US and 17% international, while an optimal asset allocation based upon a capitalization global market is closer to 50% - 50%. Fortunately, US equities outperformed international equities, so the portfolio did not suffer from the extra risk. Now is a good time to revisit the policy as international equities are less expensive than the US equities.

**5.E. How would you assess your practice's performance in adhering to the Foundation's Investment Policy and returning a reasonable rate of return?**

Northern Trust's philosophy is sticking to a well-formulated investment policy over the long run is the most important determinant of successful outcomes. Our investment philosophy is consistent with the Foundation's objectives and our fiduciary heritage and integrity is our cornerstone, meaning Northern Trust has acted solely in the best interests of AHC Foundation since the 2013 inception of the investment. Exposing the portfolio to compensated risk factors, the Foundation can expect to earn more than reasonable rates of return going forward. A recommendation would be--sit tight on stocks and sell bonds. The team has done a good job of both adhering to the Investment Policy and providing a reasonable and competitive rate of return.

The presentation is available for review in the foundation office.

**6. Morgan Stanley – Mr. Eddie Murray and Ms. Jennifer Murray**

**6.A. How would you describe your practice?**

The Murray Group manages approximately \$325 million in investable assets. Of this, approximately \$170 million is on the Murray Group managed money platforms. Morgan Stanley Wealth Management manages over \$1 trillion in Consulting Group assets and \$2.4 trillion in total client assets. The funds and money managers are screened and go through continuous due diligence and are researched. The portfolios are designed with both risk and return in mind. Managers are paired based on the investment styles and performance metrics.

**6.B. How do you insure that AHC Foundation Investment Policy is followed by your practice?**

Each account is reviewed monthly for overall portfolio performance, manager performance and account allocation. For the Select UMA endowment account has a target allocation in place. The account will automatically rebalance if there is a 5% variance to the allocation. The portfolio will rebalance to the target allocation any time a capital change takes place. The Boyd and Consulting Group accounts are currently not part of the Foundation Investment Policy. These accounts are rebalanced as needed or when capital changes are made. The Murray Group strives to achieve a reasonable rate of return while being mindful of risk and staying in compliance with the Investment Policy.

**6.C. In reviewing your recent monthly statements, what is the current asset allocation? What is your assessment of the Foundation's investment past performance for one year? What is your assessment of the investment performance for 2019?**

The Select UMA Endowment – For the calendar year: -5.57%. Since 1993 inception: 6.63%  
Boyd Fund – For the calendar year: -7.60%. Since 2014 inception: 2.69%

Consulting Group Advisor reserve – For the calendar year: -5.32. Since 2011 inception: 6.09%

The Boyd Fund and Reserve account have a Consulting Group Advisor platform and rebalance annually to the target allocation. The account will buy and sell pro-rata to the target allocation when there are contributions. In addition, the account will rebalance manually if there is a 5% or greater variance to the target allocation.

**6.D. What recommendations do you have?**

The Consulting Group Advisor Boyd Fund needs to transition from a shorter-time horizon with a full liquidation to a long-term time horizon. The transition includes placing the Boyd Fund into the Select UMA platform similar to the endowment fund. Applying the Foundation Investment Policy to the Boyd is recommended.

Proposed changes to the Consulting Group Advisor Reserve account includes selling a few existing equities and purchasing hybrid equities, and adding a 5% position to the money market which is currently yielding 2.39%.

No changes to the Select UMA endowment account were recommended. The international managers are being watched as their short term numbers have fallen behind the benchmark. International managers continue to out perform with longer term performance numbers.

The Active Assets account has a cash balance of \$97,000. A recommendation was made to purchase a short-term certificate of deposit.

At the conclusion of the presentation, The Murray Group provided 2018 performance reports for the committee's review.

**6.E. How would you assess your practice's performance in adhering to the Foundation's Investment Policy and returning a reasonable rate of return?**

Overall, 2018 was a difficult year irrespective of asset class or region. The "rolling bear market" made way across the globe attacking assets—domestic and international. By year-end, all asset classes underperformed the Consumer Price Index experiencing a rolling bear market—growth, small caps, and oil was finally affected. They provided 2018 Performance Reports for the committee's review.

A recommendation to update the Foundation's Investment Policy to have a broader range on International Equities with a maximum allocation at 20% and rename it as "International and Emerging Markets Equities." Currently, the Emerging Markets allocation is undefined and included in the "other" asset class category. The endowment account is fully invested. There will be minor cash balances due to trading activity by the money managers.

The presentation is available for review in the foundation office.

**7. Lunch Break**

**8. Rabobank Wealth Management – Mr. Todd McGinley and Mr. Paul Tozzi**

**8.A. How would you describe your practice?**

Rabobank Wealth Management specializes in strategic wealth planning, investment management, trust, trust and estate services, as well as custody. The goal is to provide clients a superior level of performance combined with strengthened risk management practices. Rabobank Wealth Management has \$600 million under management and administration.

By using an optimizer with historical volatility that forecasts capital market return assumptions, an asset allocation that meets objectives and producing best rate of returns. Using quantitative screens, securities and

funds are identified and then subject to a fundamental overlay. The resulting buy list is then implemented uniformly across client portfolios.

**8.B. How do you insure that AHC Foundation Investment Policy is followed by your practice?**

The Rabobank Investment Objective and Guidelines Statement was shared which indicates in 2015 the Foundation selected a "Balanced" investment objective which is intended to provide long-term capital appreciation and current income. The objective is appropriate for moderately aggressive clients with intermediate to long-term investment time horizons who can also tolerate periods of negative returns during difficult markets in exchange for higher potential returns over time. The Asset class ranges include: Cash – 0 – 20%; Fixed Income: 25 – 65%; Equities: 25 – 65%; Real Assets: 0 – 35%.

The current Portfolio holdings are Cash – 1.27%; Fixed Income – 39.85%; Equity – 48.53%; and Alternatives 10.35%. Alternatives include Osterweis Strategic Income, Pimco Funds, Real Estate – Third Avenue, and Vanguard Market.

**8.C. In reviewing your recent monthly statements, what is the current asset allocation? What is your assessment of the Foundation's investment past performance for one year? What is your assessment of the investment performance for 2019?**

The asset value on December 31, 2018 is \$4,563,684 which is down 4% and -2.5% for 2018. The 2019 outlook is a continued volatile market. Multiple forecast charts were provided in Mr. McGinley's binder. Future expected rates of return are lower than historical and subject to more uncertainty in 2019.

**8.D. What recommendations do you have?**

Mr. McGinley recommended amending the Foundation Investment Policy to include junk bonds in the portfolio allocation.

**8.E. How would you assess your practice's performance in adhering to the Foundation's Investment Policy and returning a reasonable rate of return?**

The information provided in the packet addresses 2019 rate of return. The investment policy is to preserve and to grow the portfolio subject to certain parameters. The optimal allocation indicated is 60% equities, 35% fixed income, 5% alternatives with minimum and maximum boundaries.

The binder is available for review in the foundation office.

**9. Monarch Wealth Strategies – Mr. Aaron Clark**

**9.A. How would you describe your practice?**

With practices in Santa Barbara and Santa Maria, Monarch Wealth Strategies is a financial planning and wealth management boutique focusing on high net worth clientele, including corporate entities and endowments. The firm has no proprietary investments, focuses on fee-only business, and uses third party performance reporting. Focus is to ensure clientele know the guidance and information provided is objective, accurate, and unencumbered by conflicts of interest. Monarch Wealth Strategies is supported by the resources of LPL Financial.

**9.B. How do you insure that AHC Foundation Investment Policy is followed by your practice?**

The Foundation's portfolio allocation is reviewed against Investment Policy on a quarterly basis.

**9.C. In reviewing your recent monthly statements, what is the current asset allocation? What is your assessment of the Foundation's investment past performance for one year? What is your assessment of the investment performance for 2019?**

Current asset allocation fixed income - 39.7%; US Stocks – 35.7%; International Stocks – 7.7%; Balanced – 7.1%; Alternatives – 7.0%, and, Cash – 2.6%.

The 2018 performance is before fees, the portfolio outperformed the respective benchmark. After 1.07% advisory fee and model expense ratio of .80%, the overall net portfolio returns was down 5.28%, while the Diversified Growth was down 4.25%.

With the forecasted 8 to 10% returns for equities and flat returns for fixed income, the anticipated performance is between 4 to 6% net of fees in 2019. However, past performance is no guarantee of future results. Market volatility will likely persist in 2019, while investors process the many factors impacting the economy—interest rates, foreign trade and corporate profits.

**9.D. What recommendations do you have?**

Retain the current actively managed portfolio strategy during the anticipated volatile market. The economic environment is projection is positive for 2019.

**9.E. How would you assess your practice's performance in adhering to the Foundation's Investment Policy and returning a reasonable rate of return?**

By adhering to the Foundation's Investment Policy, the portfolio performance has been very closely aligned with the diversified benchmark. With these restrictions in mind, the rate of return has been within the expectations for this risk/return profile.

Mr. Clark's presentation is available for review in the foundation office.

Director Judy Frost left at 2:00 PM.

**10. Santa Barbara Foundation – Ms. Lynette Muscio, Mr. Neil Olipani, and Ms. Cheri Savage (via teleconference)**

**10.A. How would you describe your practice?**

The Santa Barbara Foundation serves Santa Barbara County and manages endowments since 1928, with an asset portfolio of \$161 million. Partnerships with charitable organizations has helped protect financial assets through endowment funds and planned giving support.

**10.B. How do you insure that AHC Foundation Investment Policy is followed by your practice?**

The Santa Barbara Foundation's Investment Policy applies to the Foundation's Hancock Promise endowment. For the Foundation's funds, the pooled investment is with a long-term grant making goals. At the investment's inception, Focus Growth Blend was selected. This pool is designed for accounts with a long-term grant making horizon of 10 years or greater and an average spending of less than 10%. The portfolio is invested in a diversified mix of global assets including both equities and fixed income, without the use of non-traditional alternative assets such as private equity, hedge funds and real assets. This portfolio is structured to establish long-term growth over capital preservation and has a higher exposure to equities.

**10.C. In reviewing your recent monthly statements, what is the current asset allocation? What is your assessment of the Foundation's investment past performance for one year? What is your assessment of the investment performance for 2019?**

The investment is held at Meketa Investment Group. The current asset allocation is: Growth - 43.6%; Income – 12.3%; Inflation Hedges – 17.7%; Risk Mitigating – Bonds and Hedge Funds – 24.1%; and, Cash – 2.3%.

The Santa Barbara Foundation's performance for the last quarter was 2%; last 12 months 4.9%; and 8.3% for the past 3 years. The Foundation's Hancock Promise Endowment inception date was June 2018. Since the endowment's inception date, the return is -1.4% net of investment fees.

The global economic outlook is volatile for 2019. Several issues are primary concern: 1) potential for monetary tightening globally; 2) uncertainty related to the U.S. economy and policies; 3) declining growth in China, along with uncertain fiscal and monetary policies; and 4) political uncertainty in Europe and risks related to the U.K.'s exit from the European Union.

**10.D. What recommendations do you have?**

Continued growth of Hancock Promise and long-term investment will have benefits. Ms. Muscio provided a handout of the Hancock Promise Endowment's Statement of Financial Position, Detailed Statement of Fund Activity, Focus Growth Policy Benchmark and Focus Growth Blend Portfolio Overview. As of November 30, 2018, the fund balance was \$491,108. The Detailed Statement of Fund Activity, as of November 30, 2018, includes contributions of \$500,395.

**10.E. How would you assess your practice's performance in adhering to the Foundation's Investment Policy and returning a reasonable rate of return?**

The Hancock Promise endowment adheres to the Santa Barbara Foundation's Investment Policy.

The presentation is available for review in the foundation office.

**11. Discussion**

The committee recognized the advisors presentations were informative and beneficial for 2019 decision making.

The next meeting is scheduled on Wednesday, January 16, 2019, 1-3 PM, Bldg. B – Captain's Room.

**12. Adjournment of Finance Committee**

With no further business, the Finance Committee meeting was adjourned at 2:55 PM.

**MOTION:** On a motion by Director Owen, seconded by Director Cox, the Finance Committee approved the adjournment of the meeting at 2:55 PM by unanimous vote.



**ALLAN HANCOCK COLLEGE FOUNDATION  
FINANCE COMMITTEE MEETING  
Minutes of January 16, 2019**

A regular meeting of the Finance Committee was held on Wednesday, January 16, 2019, at 1:00 PM at Allan Hancock College, 800 South College Drive, Bldg. B – Captain’s Room, Santa Maria, California.

**Call to Order**

The meeting was called to order at 1:01 PM by Committee Chair Glenn Owen.

**Roll Call**

*Finance Committee members present:* L.-V. Cox, J. Frost, P. Hesse, G. Owen

*Finance Committee members absent:* E. Smith

*College Staff present:* J. Hooten, K. Seyfert

*Foundation Staff present:* M. Cox

**Public Comment**

There were no requests from the public to address this meeting.

**Approval of Agenda**

Chair Owen asked the committee to review the agenda for today’s meeting and called for a motion to approve the agenda. There was one agenda edit changing the date of the Minutes from June 26, 2018 to June 27, 2018.

**MOTION:** On a motion by Director Cox, seconded by Director Hesse, the agenda was approved as submitted.

**Approval of Minutes**

**Minutes of September 18, 2018**

Chair Owen asked the committee to review the minutes of September 18, 2018, and called for a motion to approve.

**Motion:** On a motion by Chair Owen, seconded by Director Cox, the minutes of September 18, 2018 were approved.

**Review and Approval of Financial Statements**

Chair Owen presented the following financial statements to the committee:

*Check Registers – 7/1/2018, 8/31/2018, 9/30/2018, 10/31/2018, 11/30/2018*

*Contributions Report –* For the period of 7/31/2018 through 11/30/2018, the total contributions were \$435,867.

*Statement of Operations – Banner Finance:* For the period ending 11/30/2018, the fund balance for the period was \$25,235,124.

*Statement of Financial Position – Banner Finance:* For the period ending 11/30/2018, the total liabilities and fund balance were \$25,476,450. The committee noted the \$238,942 scholarship liability is Banner processed scholarships and the district will provide an invoice.

*Summary of Portfolio:* The report not available.

*Foundation General Operations – Banner Finance:* The budget dated 11/30/2018, the revenue for the fiscal year as \$174,841; the expenses as \$153,321; the ending fund balance as \$21,520. Noted was the Revenue Account 898200 – Intrafund Transfer-In is made up of the 1.5% Management Fee, 15% President’s Circle Campaign, Marian Hancock Trust and F. Young Endowment Proceeds.

*Financial Overview:* The Financial Overview budget dated 11/30/2018, reported total contributions and support as \$435,868; total expenditures as \$900,346; and net assets balance as \$25,235,124.

*Financial Overview – Cash & Investments:* The statement of financial position as of 11/30/2018 has a cash balance of \$829,304, investment balance of \$23,724,052, totaling \$24,553,356.

**MOTION:** On a motion by Director Cox, seconded by Director Hesse, the Finance Committee approved the financial statements as submitted.

#### **Current Year Budget Revision (ACTION)**

The committee reviewed the Foundation's current year operating budget. Mr. Hooten mentioned the operating budget will be able to transfer approximately \$210,000 from the unrestricted quasi Hansen Memorial Endowment to offset the budget. The committee reviewed the recent revisions to the current Foundation General Operations budget which did not change the budgeted amount. No further action was taken.

#### **Foundation Cash Flow**

At the request of Mr. Eric Smith, Vice President, Finance and Administration, Ms. Seyfert prepared a projected cash flow analysis report for the committee's review and discussion. The November 2018 beginning cash balance was \$260,971; projected revenue for January is \$68,440, and projected expenses is \$83,522. The month of March shows the Hancock Promise scholarship expense as \$160,000 causing a cash balance of (\$13,507). The committee discussed cash resources including the \$210,000 and an anticipated bequest gift that will fund early Spring.

Further, Ms. Seyfert reported the Auxiliary Programs Corporation (APC) and Follett Higher Education, the campus bookstore, entered into a service agreement effective July 2018, where commissions are sent directly to the APC. The purpose of the agreement is to provide a means of support to students in the AHC Foundation Hancock Promise Scholarship Program. The agreement states the APC will receive the following over next three fiscal years:

July 1, 2018 – June 30, 2019 \$250,000

July 1, 2019 – June 30, 2019 \$225,000

July 1, 2020 – June 30, 2019 \$200,000

In order to ensure that the receipt of these funds is in compliance with state law, the APC's Board of Directors and AHC Superintendent/President need to approve the use of funding received from the Follett service agreement commissions for the AHC Foundation Hancock Promise Scholarship Program. To date, the Foundation has received \$89,900 on December 13, 2018. . The check was received as a donation designated for the Hancock Promise Working Fund.

#### **Review of Proposed 2019-20 Operating Budget**

The staff develops a proposed operating budget each year for the Finance Committee's review and approval. A proposed operating budget for the upcoming 2019-20 fiscal year has been developed. The agenda was tabled until the April meeting.

#### **Hancock Promise Gift Fee (ACTION)**

The Foundation's operating budget receives a 1.5% Administration Fee from the majority of endowment's proceeds except for the Hancock Promise endowment held at Santa Barbara Foundation. The committee reviewed the *Community College Foundation Gift Fees Comparison* chart. The committee discussed beginning Hancock Promise gift fees and recommended a one-time 1.5% gift fee be assessed to gifts designated for the Hancock Promise. The committee suggested all Hancock Promise brochures be updated.

**MOTION:** On a motion by Director Cox, seconded by Director Hesse, the Finance Committee approved implementing a one-time 1.5% gift fee for gifts designated for the Hancock Promise in support of the Operations Budget.

**Hancock Promise Endowment Fund – Santa Barbara Foundation Investment (INFORMATION)**

The Santa Barbara Foundation holds the Foundation's Hancock Promise Endowment. The Hancock Promise Endowment campaign has a \$10 million goal to reach by 2021. The committee reviewed Santa Barbara Foundation's investment pool description. The investment is presently a Focus Growth Blend – a pool designed for accounts with long-term grant making horizon of 10 years or greater.

**Providing Investment Advisors Discretionary Authorization (ACTION)**

At the Finance Committee meeting held on Wednesday, January 9, 2019, the Foundation's investment advisors presented an update and review of managed investments. Some of the advisors requested discretionary authorization when recommending changes to the investment portfolio within the Foundation's Investment Policy. The committee recommended staff contact the investment advisors giving each authorization to make discretionary investment decisions within the investment policy.

**Motion:** On a motion by Director Hesse, seconded by Director Cox, the Finance Committee recommended staff provide the Foundation's investment advisors authorization to make discretionary investment decisions within the Foundation's Investment Policy.

**Endowment Scholarship & Program Funding 2018-2019**

According to the Foundation's Endowment Funding Policy, the review date of November 30 is used each fiscal year to determine the value for funding scholarships and programs. The policy states endowment funding can be 3%, 4% or 5%, provided the endowment value does not fall below corpus value. Staff handed out spreadsheets for the committee's review. The spreadsheet calculated the proposed endowment funding for 2018-2019.

Based on the volatile market conditions, the committee recommended funding at 3% based on the review date of November 30, 2018. For those endowments that did not fund the minimum scholarship requirement, funding between \$250 and \$500 was recommended. Staff will report back to the committee the total funding amount.

**Motion:** On a motion by Director Cox, seconded by Director Hesse, the Finance Committee approved the 2018-2019 endowment funding at 3% based on the review date of November 30, 2018, with the exception of those endowments that do not fund the minimum scholarship requirement, will fund between \$250 and \$500.

**Independent Auditor's Report for period ending June 30, 2018**

The accounting firm Vavrinek, Trine, Day & Co., LLP, has provided the Foundation with a final audit for fiscal year 2017-2018. The an annual independent audit is performed as a part of the college's annual audit in accordance with the standards and procedures developed by the California Community College Board of Governors and the State California Department of Finance.

Included in the agenda packet is the 2017-2018 Independent Auditor's Report and the communication letter. The audit firm Vavrinek, Trine, Day & Co. communication letter reported a clean audit without any findings.

**Motion:** On a motion by Director Hesse, seconded by Director Cox, the Finance Committee approved the audit for the Allan Hancock College Foundation for the period June 30, 2018

**Auditor's 2017-2018 IRS Form 990 Report**

The accounting firm Vavrinek, Trine, Day & Co., LLP, has provided the foundation with Internal Revenue Service's Form 990. The committee recommended approval of the document as submitted.

**MOTION:** On a motion by Director Hesse, seconded by Director Cox, the Finance Committee approved the Allan Hancock College Foundation Form 990.

**AHC Foundation Employee Handbook**

Mr. Hooten reported that the Foundation recently hired Your People Professionals, Inc., a local human resource business, to review and update the existing AHCF Employee Handbook to ensure compliance with applicable laws. A draft of the handbook will be presented at the next Finance committee meeting.

**Foundation 2019 Resolution Signature Authorization**

Each year the Foundation's Board of Directors approves a resolution authorizaing signers of savings, checking, and investment necessary to conduct day-to-day business. The Foundation's resolution is intended to be compliant with the District's *Authorized Signature Forms for the 2019 Calendar Year*. Approved district signers are Dr. Kevin G. Walthers, Mr. Eric D. Smith, Ms. Jessica Blazer and Dr. Bob Curry.

**Next Finance Committee Meeting**

The next scheduled meeting of the Finance Committee is Wednesday, January 9, 2019, at 10:00 AM, in the Board Room located in Building B at the Allan Hancock College Campus in Santa Maria. The purpose of the meeting is the investment advisors will provide 2018 performance reports.

**Adjournment**

With no further business to bring before the Finance Committee, the meeting was adjourned at 3:55 PM.

**MOTION:** On a motion by Director Hesse, seconded by Director Frost, the meeting was adjourned at 3:55 PM.

<b>To: Finance Committee</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>January 16, 2019</b>
<b>Subject: Review and Approval of Financial Statements</b>	

**BACKGROUND**

A review of the Allan Hancock College Foundation financial statements.

- Check Registers 12/1/2018 – 2/28/2019
- Contributions Report 7/1/2018 – 2/28/2019
- Statement of Operations 2/28/2019
- Statement of Financial Position 2/28/2019
- Portfolio Summary 2/28/2019 *Meeting handout*
- General Operations Budget 2/28/2019
- Financial Overview 2/28/2019 *Meeting handout*
- Financial Overview Investments 2/28/2019 *Meeting handout*

**RECOMMENDATION**

The Finance Committee recommends approval of the financial statements as submitted. If approved, the financial statements will be forwarded to the Executive Committee and full board for review and approval at the annual organizational meeting scheduled on April 25, 2019.

**Allan Hancock College  
Check Register  
Check Dates from 12/1/2018 to  
12/31/2018**

Vendor Name	Description	Bank Code: FN	Amount	Check
AHC Viticulture & Enology Foundation	Fd Sppls NJ Ward Art Reception		\$72.58	
			<u>\$72.58</u>	FN 83000263
Cal Poly State University	Fall 2018 Scholarship Brenissa Flores		\$1,000.00	
			<u>\$1,000.00</u>	FN 83000264
Cardmember Service	Airfare Conf American Airlines		\$376.80	
	Airfare Conf United Airlines		\$303.80	
	Airfare Conf Priceline		\$15.00	
	Tkts SurfNTurf St Mary of Assumption School		\$240.00	
	Airfare Conf PLN Purchase		\$30.00	
	Airfare Conf United Airlines		\$214.20	
	Airfare Conf Priceline		\$17.25	
	Airfare Conf PLN Purchase		\$30.00	
	Airfare Conf United		\$200.00	
	Fd Sppls Smart and Final		\$43.34	
	Fd Sppls Ginas Piece of Cake		\$57.85	
	Fd Sppls Trader Joes		\$15.08	
	Constant Contact		\$52.49	
	Constant Contact		\$24.22	
			<u>\$1,620.03</u>	FN 83000265
Chef Rick's Inc.	Fd Sppls Dedication of Bldg M 111418		\$826.20	
	Sppls Paper Goods Bldg M 111418		\$25.92	
	Delivery setup fee		\$64.80	
			<u>\$916.92</u>	FN 83000266
Economic Alliance	Sponsor Energy Forum 062118 Reissue		\$750.00	
			<u>\$750.00</u>	FN 83000267
Mason Gatz	Award AMATYC Math Contest F2018		\$100.00	
			<u>\$100.00</u>	FN 83000268
Jovi'S Delights	Fd Sppls Holiday Celebrations 12/05-06/18		\$269.15	
			<u>\$269.15</u>	FN 83000269
Ann Lucas	RMB MACCC Conf Lodging & Reg Fee		\$1,427.70	
	RMB Sppls Conert Flowers		\$58.16	
			<u>\$1,485.86</u>	FN 83000270
Christine Reed	RMB Fd Sppls MESA Focus Group		\$200.00	
			<u>\$200.00</u>	FN 83000271
Jacob Robson	Award AMATYC Math Contest F2018		\$300.00	
			<u>\$300.00</u>	FN 83000272
Santa Barbara County Association of Governments	Sponsor SM Open Streets Events 033119		\$500.00	
			<u>\$500.00</u>	FN 83000273
Santa Maria Valley Humane Society	Sponsor Humane Heroes Luncheon 120618		\$1,000.00	
			<u>\$1,000.00</u>	FN 83000274

**Allan Hancock College  
Check Register  
Check Dates from 12/1/2018 to  
12/31/2018**

Vendor Name	Description	Bank Code: FN	Amount	Check
Kimberly Sargen	RMB Sppls Choir Books		\$107.53	
			<u>\$107.53</u>	FN 83000275
Testa Catering	Fd Sppls Police Chief Swearing-in Ceremony		\$685.80	
	Operations Fee Police Chief Ceremony		\$68.58	
	Fd Sppls New Administrators Reception 110518		\$1,998.33	
	Operation Fee New Admin 110518		\$199.83	
			<u>\$2,952.54</u>	FN 83000276
AHC Campus Graphics	Scholarship Program Bookmarks		\$31.20	
	Scholarship Program Banner		\$11.60	
	Scholarship Program Email Design		\$5.88	
	Hancock Promise Banner		\$21.00	
	Hancock Promise Graphic Design		\$84.00	
	Fdtn Office Bus Cards MM		\$15.00	
	Hancock Promise SMHS Giant Check		\$15.96	
	Fdtn Office Door Insets		\$3.38	
	Scholarship Program Posters		\$29.40	
	Fdtn Office Staff Name Plate MM		\$10.00	
	Print Hancock Promise Yr End Giving Letter		\$1,017.25	
			<u>\$1,244.67</u>	FN 83000278
AHC District	Banner Schol Disbursed Aug 2018		\$229,941.50	
			<u>\$229,941.50</u>	FN 83000279
Big Red Marketing	Santa Ynez Donor Reception Nov 2018		\$500.00	
	RMB Santa Ynez Donor Expenses		\$1,881.87	
			<u>\$2,381.87</u>	FN 83000280
Business Card	Foundation Website Domain Fee		\$184.95	
	Late payment and Finance Charge		\$30.93	
			<u>\$215.88</u>	FN 83000281
Cal Poly State University	Fall 2018 Scholarship C Ayala Medina		\$1,425.00	
			<u>\$1,425.00</u>	FN 83000282
	Fall 18 Scholarship Y Beas-Ramirez		\$250.00	
			<u>\$250.00</u>	FN 83000283
Calif State Univ Sacramento	Fall 2018 Scholarship J Vidal Barron		\$250.00	
			<u>\$250.00</u>	FN 83000284
Sharan Kelly	RMB Fd Sppls LEAP Speed Mentoring 112918		\$104.12	
			<u>\$104.12</u>	FN 83000285
Stacy Krelle	RMB Sppls Holiday Angel Tree		\$56.16	
			<u>\$56.16</u>	FN 83000286
Mexican Ladies Social Club	Tkts Black & White Ball 102018 KW SE		\$160.00	
			<u>\$160.00</u>	FN 83000287
Marguerite Moreton	RMB Fd Sppls Fdtn Office Beverages		\$30.43	
			<u>\$30.43</u>	FN 83000288

**Allan Hancock College  
Check Register  
Check Dates from 12/1/2018 to  
12/31/2018**

Vendor Name	Description	Bank Code: FN	Amount	Check
NAACP (Santa Maria & Lompoc Chapter)	Freedom Banquet Scholarship		\$500.00	
			<u>\$500.00</u>	FN 83000289
Office Depot	Fdtn Office Sppls Wastebasket		\$38.52	
	Fdtn Office Sppls		\$116.44	
			<u>\$154.96</u>	FN 83000290
Party Place & Rental Center Inc.	Linen rentals - Bldg M dedication		\$84.11	
	Rental Surcharge - Bldg M dedication		\$5.78	
	Linen rentals - Bldg M dedication		\$123.98	
			<u>\$213.87</u>	FN 83000291
Christine Reed	RMB Fd Sppls Women Engineer Wkshp 120318		\$131.95	
	RMB Fd Sppls Women in Engineering Dinner 120618		\$219.00	
			<u>\$350.95</u>	FN 83000292
Natalie Rucobo	RMB Vision Eyeglasses		\$234.17	
			<u>\$234.17</u>	FN 83000293
Santa Maria Breakfast Rotary Club	Monthly Dues & Fees KW Nov 2018		\$233.85	
			<u>\$233.85</u>	FN 83000294
The Rotary Club Of Santa Maria	Bob Curry dues and membership		\$21.00	
			<u>\$21.00</u>	FN 83000295
University of CA Santa Cruz	Fall 2018 Scholarship D Iturbide Alvear		\$250.00	
			<u>\$250.00</u>	FN 83000296
VTC Enterprises	Collate Mail Year End Appeal Letters		\$520.51	
	Postage and shipping		\$145.44	
			<u>\$665.95</u>	FN 83000297
AHC District	Sbll Field Turf Replacement		\$25,000.00	
			<u>\$25,000.00</u>	FN 83000298
Rebecca Alarcio	RMB Sppls M Bldg Dedication 111418		\$64.22	
			<u>\$64.22</u>	FN 83000299
City of Solvang	Permit Fee Theaterfest BBQ 121918		\$104.00	
			<u>\$104.00</u>	FN 83000300
CoastHills Credit Union	Student emergency prepaid VISA cards		\$700.00	
	Student emergency prepaid VISA cards		\$500.00	
	Student emergency prepaid VISA cards		\$300.00	
	Bank fees		\$50.75	
			<u>\$1,550.75</u>	FN 83000301
William Cordero	RMB Sppls Angel Tree		\$377.57	
			<u>\$377.57</u>	FN 83000302
Richard Ellison	Advancement officer Nov 2018		\$2,500.00	
			<u>\$2,500.00</u>	FN 83000303



Allan Hancock College  
Check Register  
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Vendor Name	Description	Bank Code: FN	Amount	Check
Emerald Wave Media	Sponsor Festival of Lights 2018		\$1,400.00	
			\$1,400.00	FN 83000304
Kathleen Johnson	RMB Sppls Yr End Staff Mtg		\$93.55	
	RMB Sppls 110218		\$14.22	
			\$107.77	FN 83000305
Ann Lucas	RMB Sppls 120518		\$199.49	
			\$199.49	FN 83000306
Guillermo Maldonado-Lopez	AMATYC Math Contest Award		\$200.00	
			\$200.00	FN 83000307
Marian Mullin Hancock Charitable Trust	Hancock Collection Home Movies/Films		\$500.00	
			\$500.00	FN 83000308
Nohemy Ornelas	RMB Fd Sppls 121318		\$275.21	
			\$275.21	FN 83000309
Veronica Reyes	RMB Sppls Angel Tree		\$84.15	
			\$84.15	FN 83000310
Santa Barbara Foundation	HP - L Miyahara		\$50.00	
	HP - Jim Fields		\$2,500.00	
	HP - Carol Anders		\$100.00	
	HP - A Foxworthy		\$1,200.00	
	HP Mary L Rabska		\$1,200.00	
	HP - E Newhall Woods Jr		\$1,200.00	
	HP - R A Baum		\$50.00	
	HP - T McCracken		\$400.00	
	HP M Moreton payroll and stripe		\$35.00	
	HP - Don Lahr		\$1,000.00	
	HP David Dunbar		\$200.00	
	HP - Rick Ellison		\$200.00	
	HP Barbara Grimmitt		\$200.00	
	HP Eddie and Jennifer Murray		\$250.00	
	HP R I Eagle Foundation		\$20,000.00	
	HP Henry Mayo Newhall Fdtn		\$40,000.00	
	Laboers Intl Union of No America		\$1,200.00	
	HP M and K Lombardi		\$100.00	
			\$69,885.00	FN 83000311
		HP K Kushner		\$100.00
HP Steve Trish Jordan			\$1,200.00	
HP M Moreton			\$25.00	
		\$1,325.00	FN 83000312	
Testa Catering	Fd Sppls Univ of La Verne signing reception		\$255.15	
	Fd Sppls Operation fee		\$25.52	
		\$280.67	FN 83000313	
The Ultimate Escape Rooms	Admin Team Building Event		\$620.00	
			\$620.00	FN 83000314

Allan Hancock College  
Check Register  
Check Dates from 12/1/2018 to  
12/31/2018

Vendor Name	Description	Bank Code: FN	Amount	Check
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Total: \$354,432.82

**Allan Hancock College  
Check Register  
Check Dates from 1/1/2019 to 1/31/2019  
Bank Code: FN**

<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>	<b>Check</b>
4imprint Inc.	Sppls All Staff Day Mugs	\$1,723.68	
	Shipping	\$327.20	
		<u>\$2,050.88</u>	FN 83000315
AHC District	Fdtn Scholarships Oct 2018	\$5,815.00	
	Fdtn Scholarships Nov 2018	\$3,185.00	
		<u>\$9,000.00</u>	FN 83000316
	HP Fall 2018	\$31,990.50	
		<u>\$31,990.50</u>	FN 83000317
Cal Poly State University	Fall 2018 Scholarship - E McCosh	\$2,000.00	
		<u>\$2,000.00</u>	FN 83000318
Cardmember Service	Airfare United SFO - Palm HP Model Speaker	\$200.00	
	Fd Sppls Trvl Rancho Mirage CCLC Conf 111518	\$16.48	
	Ldging Westin Rancho Mirage CCLC Conf.111518	\$202.72	
	SFO Parking 11/15-18/18	\$72.00	
	Ldging Westin Rancho Mirage CCLC Conf 111618	\$372.59	
	Sppls Flower Carriage H Zacarias	\$84.19	
	Fd Sppls Santa Maria Inn SM Times 120318	\$113.82	
	Fd Sppls Hyatt Regency CCCCCO Mtg SH 120418	\$25.65	
	Ldg Hyatt Regency CCCCCO Mtg SH 120418	\$499.44	
	Fd Sppls SM Inn SB Fdtn Mtg SH JH LD KS 120718	\$48.96	
	United Airlines LA to San Antonio HP speaker	\$306.40	
	United Airlines LA to San Antonio HP Speaker	\$72.00	
	United Airlines LA to San Antonio HP Speaker	\$90.00	
	Fd Sppls Comm Ambassador mtg 111618	\$154.44	
	Sppls Flower Carriage Johnson Family	\$124.20	
	Sppls Flower Carriage Mario Juarez	\$100.00	
	Constant Contact Monthly Fees	\$76.71	
		<u>\$2,559.60</u>	FN 83000319
CSU Stanislaus	Fall 2018 Schol A Morales	\$2,500.00	
		<u>\$2,500.00</u>	FN 83000320
Foodbank Of Santa Barbara County	FoodBank Gym Delivery 110118	\$519.41	
		<u>\$519.41</u>	FN 83000321
	Foodbank Lompoc campus Dleivery 120618	\$441.51	
		<u>\$441.51</u>	FN 83000322
	Foodbank Lompoc campus Delivery 111518	\$487.70	
		<u>\$487.70</u>	FN 83000323
	FoodBank deliver charge LVC 120618	\$40.00	
		<u>\$40.00</u>	FN 83000324
	FoodBank Delivery 110118	\$599.15	
		<u>\$599.15</u>	FN 83000325
FoodBank SM Delivery 111518	\$692.72		
	<u>\$692.72</u>	FN 83000326	

Allan Hancock College  
Check Register  
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Vendor Name	Description	Amount	Check
Foodbank Of Santa Barbara County	FoodBank SM Delivery 120618	\$688.37	
		<u>\$688.37</u>	FN 83000327
	FoodBank SM Delivery 120518	\$6.95	
		<u>\$6.95</u>	FN 83000328
Susan Houghton	RMB Fd Sppls Mtg 111318 SH JH KE JG	\$81.26	
	RMB Mlg 110118-121318	\$13.84	
		<u>\$95.10</u>	FN 83000329
Marguerite Moreton	RMB Fd Sppls Retirement Party SH TMcC	\$51.90	
	RMB Sppls Retirement Party SH TMcC	\$69.49	
		<u>\$121.39</u>	FN 83000330
Office Depot	Sppls Fdtn Office	\$227.91	
	Credit Delivery Fee	(\$9.95)	
		<u>\$217.96</u>	FN 83000331
Registry Of Charitable Trusts	Ca Form RRF1 Fee	\$150.00	
		<u>\$150.00</u>	FN 83000332
Sign Craft Inc	Sppls Women Bkbl & Vbil Banners	\$725.76	
		<u>\$725.76</u>	FN 83000333
The Bookworm	College Advn team books - StrengthsFinder	\$535.25	
		<u>\$535.25</u>	FN 83000334
The Rotary Club Of Santa Maria	Roary Dues and Membership BC Nov 2018	\$59.00	
		<u>\$59.00</u>	FN 83000335
University Of Calif Los Angeles	Fall 2018 Scholarship B Gonzalez	\$500.00	
		<u>\$500.00</u>	FN 83000336
Varidesk	Cube Plus - stand-up desk NR	\$218.71	
	Cube Plus - stand-up desk MM	\$656.10	
	Mats	\$116.64	
		<u>\$991.45</u>	FN 83000337
Theresa Avila	RMB Fd Sppls Grants Dir Receipt 010219	\$113.35	
		<u>\$113.35</u>	FN 83000338
Foodbank Of Santa Barbara County	Foodbank LVC Foodshare 120618	\$361.28	
		<u>\$361.28</u>	FN 83000339
Kathleen Johnson	RMB Sppls Clinic Towels 121918	\$19.38	
	RMB Sppls 010419	\$48.49	
		<u>\$67.87</u>	FN 83000340
4imprint Inc.	Circle lapel pin with gift box	\$1,058.40	
	Shipping	\$9.19	
		<u>\$1,067.59</u>	FN 83000341
AHC Campus Graphics	Print Book signing Event Posters	\$5.30	
		<u>\$5.30</u>	FN 83000342

**Allan Hancock College  
Check Register  
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Bank Code: FN**

Vendor Name	Description	Amount	Check
AHC District	Fdtn Banner Scholarships Dec 2018	\$7,973.05	
		<u>\$7,973.05</u>	FN 83000343
All American Screen Printing Inc	Administrators jackets	\$6.48	
	Administrators jackets	\$453.60	
		<u>\$460.08</u>	FN 83000344
American Business Machines	Canon Copier Usage 100118-123118	\$44.84	
		<u>\$44.84</u>	FN 83000345
Bob'S Printing & Rubber Stamps Inc	Sppls Updated Office Stamps	\$89.42	
	Sppls Repair/Replace Office Stamps	\$60.00	
		<u>\$149.42</u>	FN 83000346
Cai Poly State University	Fall 2018 Scholarship D. Morales	\$1,000.00	
		<u>\$1,000.00</u>	FN 83000347
Calif State Univ-Channel Islands	Fall 2018 Scholarship K Kawatachi	\$500.00	
	Fall 2018 Scholarship K Kawatachi	\$1,000.00	
		<u>\$1,500.00</u>	FN 83000348
Follett Heg - Ahc Bookstore	Spring 2019 CNA Program Textbooks	\$5,734.80	
		<u>\$5,734.80</u>	FN 83000349
Foodbank Of Santa Barbara County	Lompoc Empty Bowls	\$1,000.00	
		<u>\$1,000.00</u>	FN 83000350
Jaffa Cafe	Fd Sppis All Staff Luncheon 011819	\$2,450.00	
		<u>\$2,450.00</u>	FN 83000351
Lee Central Coast Newspapers	Hancock Promise full page	\$3,975.00	
	Late fee	\$12.02	
		<u>\$3,987.02</u>	FN 83000352
OAHS Spartatroniks Robotics Boosters	Robotics Team Gold Sponsorship	\$1,000.00	
		<u>\$1,000.00</u>	FN 83000353
Orcutt Children's Arts Foundation Inc.	Sponsor Annual Gala 022319	\$2,000.00	
		<u>\$2,000.00</u>	FN 83000354
Pcpa	Quarterly Northern Trust distribution M Hancock	\$18,662.00	
		<u>\$18,662.00</u>	FN 83000355
Radisson Santa Maria	Football Team Dinner	\$2,851.18	
	Gratuity	\$513.21	
		<u>\$3,364.39</u>	FN 83000356
Rotary Club Of Lompoc	Sponsor Annual Wine Tasting & Auction 022419	\$200.00	
		<u>\$200.00</u>	FN 83000357
Santa Barbara Foundation	HP - Carol Anders	\$100.00	
	HP - L Miyahara Nov p/r	\$50.00	
	HP - M Moreton	\$25.00	

Allan Hancock College  
Check Register  
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Vendor Name	Description	Amount	Check
Santa Barbara Foundation	HP - L C Acquistapace	\$500.00	
	HP - G Owen	\$100.00	
	HP - R P Melsheimer	\$1,200.00	
	HP - R C Welt	\$100.00	
	HP - Sue Sword	\$5,000.00	
	HP - MD Smith Family Fdtn	\$24,000.00	
	HP - B B Johnson	\$1,200.00	
	HP - M E Wright	\$250.00	
	HP - K L Brown	\$1,200.00	
	HP - L Miyahara Dec pr	\$50.00	
	HP T. McCracken Dec pr	\$400.00	
	M Moreton - pr contribution	\$25.00	
	PGE Corp	\$15,000.00	
	Assn. of Community	\$1,000.00	
	Wm Carol Clewell	\$600.00	
	A. K Simas	\$2,400.00	
		<u>\$53,200.00</u>	FN 83000358
Santa Maria Breakfast Rotary Club	Monthly Dues & Fees KW Dec 2018	\$255.85	
		<u>\$255.85</u>	FN 83000359
Unity Chapel Of Light	Facility Use AHC Jazz Concert 120618	\$250.00	
		<u>\$250.00</u>	FN 83000360
AHC Campus Graphics	Hancock Promise Envelopes	\$16.30	
	Design Only Gratitude Appeal	\$84.00	
	Friends of LRC Lecture Series Flyer	\$5.68	
	Fdtn Office Bus Cards MM	\$20.00	
	Fdtn Office Bus Cards JH	\$30.00	
	Fdtn Office Bus Cards FJI	\$30.00	
	FY19 Foundation office	\$169.84	
	Fdtn Office Letterhead	\$37.25	
	Fdtn Office Door Inserts	\$1.69	
	Fdtn Office Engraved Name Tags	\$25.00	
	Fdtn Office Printed Variable Letter	\$5.30	
		<u>\$425.06</u>	FN 83000361
All American Screen Printing Inc	Promise Partner Lapel Pins	\$954.72	
		<u>\$954.72</u>	FN 83000362
Kim Ensing	RMB Equipment Office Desk	\$356.39	
		<u>\$356.39</u>	FN 83000363
Frontier Communications	Fdtn fax line	\$63.29	
		<u>\$63.29</u>	FN 83000364
		Fdtn fax line Dec 2018	\$54.28
		<u>\$54.28</u>	FN 83000365
Kathleen Johnson	RMB Sppls Dental Clinic Soap Dispenser	\$24.81	
		<u>\$24.81</u>	FN 83000366

Allan Hancock College  
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Vendor Name	Description	Amount	Check
Marian Mullin Hancock Charitable Trust	Rmb Hancock Film Storage Fees	\$83.11	
		\$83.11	FN 83000367
Santa Maria Sun	Print Ad Community Ambassador Thank you	\$274.00	
		\$274.00	FN 83000368
Testa Catering	Fd Sppls Bev Svc SM Holiday 120618	\$162.00	
	Bev Svc SM Holiday 120618 Operation Fee	\$16.20	
		\$178.20	FN 83000369
		Total: \$164,233.40	

**Allan Hancock College  
Check Register  
Check Dates from 2/1/2019 to 2/28/2019  
Bank Code: FN**

Vendor Name	Description	Amount	Check
AHC District	Support Friday Night Science	\$10,000.00	
	RMB Dist Mailroom Charges Oct-Dec 2018	\$199.88	
		<u>\$10,199.88</u>	FN 83000370
AHC Viticulture & Enology Foundation	Brander Family Fdtn FY19 Donation	\$26,576.00	
	Brander Family Fdtn FY18 Donation	\$10,000.00	
		<u>\$36,576.00</u>	FN 83000371
Benedetti & Associates, CPA, Inc.	Form 460 Filing	\$16.15	
		<u>\$16.15</u>	FN 83000372
Cardmember Service	Trvl United Airlines LA to TX 02/02-07/19 SH	\$106.00	
	Fdtn Office Sppls USPS Stamps	\$150.00	
	Constant Contact Monthly Fee	\$76.71	
	Fd Sppls Smart n Final	\$49.02	
	Fd Sppls College Advn Planning Mtg	\$15.26	
	Fd Sppls College Advn Planning Mtg	\$16.95	
	Fd Sppls College Advn Planning Mtg	\$243.00	
	Sppls Office	\$68.94	
	Dry Cleaning	\$30.00	
	Fd Sppls College Advn Planning Mtg	\$391.20	
	College Advn Mtg Event 011119	\$121.00	
	Fd Sppls College Advn Planning mtg 011119	\$33.90	
Fd Sppls Fin Comm mtg 010919	\$128.80		
		<u>\$1,430.78</u>	FN 83000373
Rotary Club Of Lompoc	Tkts Rotary Annual Wine Tasting Auction 022419	\$500.00	
		\$500.00	
		<u>\$500.00</u>	FN 83000374
Natalie Rucobo	RMB 2018/19 Rotaract Mbrshp Fees	\$60.00	
		\$60.00	
		<u>\$60.00</u>	FN 83000375
Santa Maria Country Club	Planning Retreat 022219 Event Deposit	\$500.03	
		\$500.03	
		<u>\$500.03</u>	FN 83000376
Testa Catering	Fd Sppls All Staff Day Bkfst 011819	\$1,074.60	
	Operation fee All Staff Day Bkfst 011819	\$107.46	
		<u>\$1,182.06</u>	FN 83000377
The Shack of Lompoc, Inc.	Certified Nursing Asst student uniforms - tops	\$823.81	
	CNA student uniform pants	\$629.85	
		<u>\$1,453.66</u>	FN 83000378
Vandenberg Top 3	Sponsor Team Vandenberg Annual Awards 012219	\$1,000.00	
		\$1,000.00	
		<u>\$1,000.00</u>	FN 83000379
Your People Professionals	Recruitment Major Gifts Officer	\$963.75	
	Consulting Fdtn Emp Handbook	\$187.50	
	Fdtn Emp Handbook	\$156.25	
	Fdtn Emp Handbook	\$62.50	
		<u>\$1,370.00</u>	FN 83000380



**Allan Hancock College  
Check Register  
Check Dates from 2/1/2019 to 2/28/2019  
Bank Code: FN**

Vendor Name	Description	Amount	Check
AHC Campus Graphics	Schol prog - Website Slideshow Design	\$84.00	
	Fdtn Office Bus Reply Envelopes	\$57.00	
	Fdtn Qtrly Board Agenda 012419	\$98.04	
	Scholarships - Bonipak	\$54.78	
		\$293.82	FN 83000381
Follett Heg - Ahc Bookstore	CNA Students Blood Press Kits	\$1,438.56	
		\$1,438.56	FN 83000382
Jon Hooten	RMB Fd Sppls CA Planning Retreat 011019	\$30.75	
		\$30.75	FN 83000383
Lee Central Coast Newspapers	CM Late Fee Waived by Vendor	(\$12.02)	
	Hancock Promise partners SM Times	\$2,035.00	
	Hancock Promise partners Lompoc Record	\$874.00	
		\$2,896.98	FN 83000384
Office Depot	Fdtn Office Sppls	\$417.83	
	Fdtn Sppls Paper	\$108.84	
		\$526.67	FN 83000385
Santa Barbara Foundation	HP D P Blough	\$1,200.00	
	HP Anonymous	\$2,400.00	
	HP C Anders Jan 16 2019	\$100.00	
	HP Bob Manning Jan 16 2019	\$100.00	
	HP G Owen Jan 25 2019	\$98.50	
	HP J C Markline Jan 30 2019	\$1,182.00	
	HP M Moreton Jan 15 2019	\$25.00	
	HP M Moreton Jan 31 2019	\$24.63	
	HP ERG Opr Co Jan 15 2019	\$1,000.00	
	HP AAUW SM Branch Jan 21 2019	\$49.25	
HP Leutloff Trst (SB Fdtn) Jan 17 2019	\$38,112.44		
	\$44,291.82	FN 83000386	
Santa Maria Public Library	Facility Rental Shepard Hall Jan 4 and 11 2019	\$300.00	
		\$300.00	FN 83000387
African American Male Education Network & Development A2MEND	Sponsor 2019 Annual Summit	\$1,000.00	
		\$1,000.00	FN 83000388
AHC District	Support Fri Night Science Expenses	\$1,846.58	
	Support Fri Night Science Expenses	\$86.55	
	Support Fri Night Science Expenses	\$26.87	
		\$1,960.00	FN 83000389
Producers Film Center Inc	Hancock Film Storage 02/01-28/19	\$83.11	
		\$83.11	FN 83000390
Santa Maria Breakfast Rotary Club	Monthly Dues & Fees KW Jan 2019	\$188.35	
		\$188.35	FN 83000391

Allan Hancock College  
 Check Register  
 Check Dates from 2/1/2019 to 2/28/2019  
 Bank Code: FN

Vendor Name	Description	Amount	Check
Santa Maria Valley Community Foundation	Sponsor Leading w/Love Conf 030919	\$1,000.00	
		<u>\$1,000.00</u>	FN 83000392
Ahc - Alpha Gamma Sigma Aquarius Club	Suuport AGS Club State Convention 04/05-07/19	\$500.00	
		<u>\$500.00</u>	FN 83000393
Foodbank Of Santa Barbara County	Foodbank Sample Delivery 021219	\$10.95	
		<u>\$10.95</u>	FN 83000394
	FoodBank Gym Delivery 020719	\$17.55	
	FoodBank Gym Delivery 020719	\$368.73	
	<u>\$386.28</u>	FN 83000395	
	FoodBank LVC Delivery 020719	\$543.43	
	<u>\$543.43</u>	FN 83000396	
	FoodBank Bldg G Delivery 020719	\$432.42	
	<u>\$432.42</u>	FN 83000397	
	Foodbank Bldg G Delivery 020519	\$16.95	
<u>\$16.95</u>	FN 83000398		
Jostens Inc	Sppls AHC FBII Championship Rings	\$591.84	
		<u>\$591.84</u>	FN 83000399
Santa Maria Valley Chamber of Commerce	Sponsor Strawberry Ind Recog Dinner 040319	\$15,033.60	
		<u>\$15,033.60</u>	FN 83000400
		\$1,000.00	
		<u>\$1,000.00</u>	FN 83000401
		<u>Total: \$126,814.09</u>	

Allan Hancock College Foundation  
Contributions  
July 1, 2018 through June 30, 2019

Account	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
General Operations	\$ 6,228	\$ 20	\$ 7,927	\$ 6,692	\$ 785	\$ 15,178	\$ 6,238	\$ 140					\$ 43,207
Other Local Income	\$ 75	\$ -	\$ 325	\$ 25	\$ 3,863	\$ 129	\$ 46						\$ 4,463
District Grant Contributions	\$ 5,651	\$ 7,927	\$ -	\$ 3,234	\$ 12,375	\$ 9,309	\$ 5,676	\$ 5,596					\$ 49,768
President's Circle	\$ 5,264	10,998	\$ 1,320	\$ 2,521	\$ 3,354	\$ 2,373	\$ 3,455	\$ 6,362					\$ 37,721
Restricted	\$ 6,566	\$ 15,081	\$ 3,283	\$ 102,354	\$ 10,720	\$ 53,384	\$ 13,041	\$ 33,173					\$ 235,530
Scholarships	\$ 48,085	\$ 28,308	\$ 9,250	\$ 25,273	\$ 5,863	\$ 45,146	\$ 41,083	\$ 39,711					\$ 242,718
Hancock Promise	\$ 16,000	\$ 3,700	\$ 125	\$ 19,275	\$ 19,200	\$ 192,744	\$ 8,225	\$ 53,762					\$ 267,797
Hancock Promise Pledge	\$ -	\$ 30,000	\$ -	\$ -	\$ -								\$ 30,000
Endowments	\$ -	\$ 3,000	\$ 3,979	\$ 100	\$ 5,050	\$ 31,986	\$ 2,000	\$ 13,345					\$ 104,694
<b>MONTHLY TOTALS</b>	\$ 87,869	\$ 99,033	\$ 26,208	\$ 159,475	\$ 61,210	\$ 350,249	\$ 79,764	\$ 152,089					
<b>CURRENT YTD TOTALS</b>	\$ 87,869	\$ 186,902	\$ 213,110	\$ 372,585	\$ 433,795	\$ 784,044	\$ 863,809	\$ 1,015,898					\$ 1,015,898

PRIOR YEARS CONTRIBUTIONS	
July 17 - June 18	2,547,577
July 16 - June 17	1,167,156
July 15 - June 16	1,766,065
July 14 - June 15	1,354,736
July 12 - June 13	11,662,226
July 11 - June 12	774,867
July 10 - June 11	907,673
July 09 - June 10	941,725
July 08 - June 09	1,053,236
July 07 - June 08	1,070,668
July 06 - June 07	1,098,427
July 05 - June 06	1,125,361
July 04 - June 05	951,050

**NOTES:**  
a) Report does not include investment portfolio activity.  
b) Report includes outstanding pledges.

**ALLAN HANCOCK COLLEGE FOUNDATION  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDING 02/28/2019**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
<b>REVENUES:</b>							
Contributions, Gifts, Grants & Endwmnts	0	43,207	570,912	242,854	104,894	0	961,667
District/Grant Contribution	0	49,768	0	0	0	0	49,768
Interest and Investment Income	0	18,277	0	0	0	552,698	570,975
Realized Gain/Loss on Invest	0	85,637	0	0	0	450,822	536,259
Unrealized Gain/Loss on Invest	0	(78,065)	0	0	0	(698,827)	(776,892)
Other Local Revenues	0	425	4,038	0	0	0	4,463
<b>Total Revenues</b>	<b>0</b>	<b>119,249</b>	<b>574,950</b>	<b>242,854</b>	<b>104,894</b>	<b>304,493</b>	<b>1,346,241</b>
<b>EXPENDITURES:</b>							
Non Bargaining Unit	0	175,795	0	0	0	0	175,795
Classified Non Instr FICA-Soc Serty	0	10,899	0	0	0	0	10,899
Classified Non-Instr FICA-Medicare	0	2,549	0	0	0	0	2,549
Classified Non Instr Health & Wlfr	0	676	0	0	0	0	676
Classified Non-Instr SUI	0	978	0	0	0	0	978
Classified ETT-Foundation	0	42	0	0	0	0	42
Classified Non Instr Workers Comp	0	1,538	0	0	0	0	1,538
Public Relations/Recognitions	0	484	0	0	0	0	484
Office/Operational Supplies	0	3,271	27,151	0	0	0	30,422
Non Instr Printing	0	1,400	4,000	0	0	0	5,400
Contest Prizes	0	0	700	0	0	0	700
Food - Business Meetings/Events	0	4,103	30,842	0	0	0	34,946
Indep Contractor (Individuals)	0	500	2,360	0	0	0	2,860
Service Contracts (Businesses)	0	3,411	0	0	0	0	3,411
Travel - All Travel Costs	0	318	2,002	0	0	0	2,320
Foundation Community Activities	0	19,186	49,208	0	39,708	0	108,103
Dues & Memberships	0	0	1,508	0	0	0	1,508
Non-Tech Licenses, Permits, Fees	0	473	1,119	0	0	0	1,592
Telephone	0	398	0	0	0	0	398
Facility Rental	0	0	333	0	0	0	333
Equipment Rental	0	202	208	0	0	0	410
Fngprnt/Bckgrnd/Psy Tst/Poly	0	99	0	0	0	0	99
District/College Support	0	0	148,479	0	0	0	148,479
Postage/Express Services	0	993	1,002	0	0	0	1,995
Advertising	0	2,317	7,685	0	0	0	10,002
Bank Service Charges	0	691	289	0	0	0	980
Investment Brokerage Fees	0	10,404	0	0	0	125,178	135,581
PCPA Support	0	0	0	55,986	0	0	55,986
Vit & Enology Foundation Support	0	0	26,576	10,000	0	0	36,576
Equipment	0	773	575	0	0	0	1,348
Student Assistance	0	0	6,200	0	0	0	6,200
Scholarships	0	0	0	472,275	23,506	0	495,781
<b>Total Expenditures</b>	<b>0</b>	<b>241,500</b>	<b>310,239</b>	<b>538,261</b>	<b>63,214</b>	<b>125,178</b>	<b>1,278,392</b>
<b>Net Income (Loss)</b>	<b>0</b>	<b>(122,251)</b>	<b>264,711</b>	<b>(295,407)</b>	<b>41,480</b>	<b>179,316</b>	<b>67,849</b>
<b>OTHER FINANCING SOURCES/OUTGO:</b>							
Intrafund Transfer-In	0	148,859	17,473	10,700	248,372	0	425,403
Intrafund Transfers-Out	0	0	244,168	18,019	18,500	144,716	425,403
<b>Net Transfers</b>	<b>0</b>	<b>148,859</b>	<b>(226,695)</b>	<b>(7,319)</b>	<b>229,872</b>	<b>(144,716)</b>	<b>0</b>
<b>Net Inc/Dec in Fund Bal</b>	<b>0</b>	<b>26,608</b>	<b>38,016</b>	<b>(302,726)</b>	<b>271,351</b>	<b>34,599</b>	<b>67,849</b>
<b>FUND BALANCE:</b>							
Fund Equity, July 1	0	140,801	1,764,750	708,033	20,168,127	3,345,584	26,127,293
<b>Current Balance</b>	<b>0</b>	<b>167,409</b>	<b>1,802,766</b>	<b>405,307</b>	<b>20,439,478</b>	<b>3,380,183</b>	<b>26,195,143</b>

ALLAN HANCOCK COLLEGE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDING 02/28/2019

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
<b>ASSETS:</b>							
Claim on Cash	(8,536,227)	161,011	1,750,753	435,350	2,808,930	3,380,183	0
AHC Fdtn Rabo Checking	223,116	0	0	0	0	0	223,116
AHC Fdtn MS Active Assets MM	97,252	0	0	0	0	0	97,252
Cash on Hand	100	0	0	0	0	0	100
MS Select UMA Boyd 3740 Inv Cash	0	0	0	0	139,523	0	139,523
MS Select UMA Unrestr 2948 Inv Cash	16,742	0	0	0	0	0	16,742
Monarch With Strategies Pooled Cash	35,408	0	0	0	0	0	35,408
Monarch With Strategies Lahr Cash	0	0	0	0	1,339	0	1,339
Northern Trust Boyd Cash	0	0	0	0	119,096	0	119,096
Northern Trust Young Cash	0	0	0	0	21,625	0	21,625
Rabobank With Mgmt Boyd Cash	0	0	0	0	105,442	0	105,442
MS Select UMA Pooled 1441 Inv Cash	127,339	0	0	0	0	0	127,339
Pledge Receivable - Current	0	0	25,000	0	212,833	0	237,833
Pledge Receivable - Non Current	0	0	25,000	0	640,267	0	665,267
Discount on Pledge Receivable	0	0	(1,456)	0	(24,848)	0	(26,304)
Accrued Interest Receivable	0	0	0	0	225	0	225
Due From Other Funds	0	6,404	3,469	0	0	0	9,873
MS Select UMA Boyd 3740 Inv Cost	0	0	0	0	2,070,304	0	2,070,304
MS Select UMA Unrestr 2948 Inv Cost	449,524	0	0	0	0	0	449,524
Monarch With Strategies Pooled Cost	1,527,124	0	0	0	0	0	1,527,124
Monarch With Strategies Lahr Cost	0	0	0	0	62,595	0	62,595
Northern Trust Boyd Cost	0	0	0	0	6,625,357	0	6,625,357
Northern Trust Young Cost	0	0	0	0	1,184,741	0	1,184,741
Rabobank With Mgmt Boyd Cost	0	0	0	0	4,458,561	0	4,458,561
MS Select UMA Pooled 1441 Inv Cost	5,235,980	0	0	0	0	0	5,235,980
Interest in CA Comm Colleges Cost	0	0	0	0	121,564	0	121,564
SB Fdtn Hancock Promise Cost	0	0	0	0	668,605	0	668,605
MS Select UMA Boyd 3740 Inv FMV Adj	0	0	0	0	49,417	0	49,417
MS Select UMA Unrestr 2948 FMV Adj	50,239	0	0	0	0	0	50,239
Monarch With Strtgs Pooled FMV Adj	81,728	0	0	0	0	0	81,728
Monarch With Strtgs Lahr FMV Adj	0	0	0	0	(18)	0	(18)
Northern Trust Boyd FMV Adj	0	0	0	0	708,202	0	708,202
Northern Trust Young FMV Adj	0	0	0	0	146,117	0	146,117
Rabobank With Mgmt Boyd FMV Adj	0	0	0	0	308,027	0	308,027
MS Select UMA Pooled 1441 FMV Adj	691,677	0	0	0	0	0	691,677
SB Fdtn Hancock Promise FMV Adj	0	0	0	0	11,573	0	11,573
<b>Total Assets</b>	<b>0</b>	<b>167,415</b>	<b>1,802,766</b>	<b>435,350</b>	<b>20,439,478</b>	<b>3,380,183</b>	<b>26,225,192</b>
<b>LIABILITIES:</b>							
Sales Tax Payable	0	7	0	0	0	0	7
Due To/From Interchart Scholarshi	0	0	0	30,043	0	0	30,043
<b>Total Liabilities</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>30,043</b>	<b>0</b>	<b>0</b>	<b>30,050</b>
<b>FUND BALANCE:</b>							
Fund Equity FYB	0	140,801	1,764,750	708,033	20,168,127	3,345,584	26,127,293
Current Income/Loss	0	26,608	38,016	(302,726)	271,351	34,599	67,849
<b>Total Fund Balance</b>	<b>0</b>	<b>167,409</b>	<b>1,802,766</b>	<b>405,307</b>	<b>20,439,478</b>	<b>3,380,183</b>	<b>26,195,142</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>0</b>	<b>167,416</b>	<b>1,802,766</b>	<b>435,350</b>	<b>20,439,478</b>	<b>3,380,183</b>	<b>26,225,192</b>

Query View  
 Fiscal period start date  
 Fiscal period end date

Budget Quick Query  
 07/01/2018  
 06/30/2019

Allan Hancock College Foundation  
 General Operations  
 As of Date 2/28/2019

Chart of Accounts  
 Fund

3  
 831001

Chart of Accounts  
 Fund

3  
 831002

Account	Account Title	Budget	Year to Date	Commitments	Available Balance
<b>Expenditures</b>					
214000	Non Bargaining Unit	\$ 228,923	\$ 175,795	\$ -	\$ 53,128
332000	Classified Non Instr FICA-Soc Scrt	\$ 14,193	\$ 10,899	\$ -	\$ 3,294
336000	Classified Non-Instr FICA-Medicare	\$ 3,319	\$ 2,549	\$ -	\$ 770
342000	Classified Non Instr Health & Wlfr	\$ 1,200	\$ 676	\$ -	\$ 524
352000	Classified Non-Instr SUI	\$ 980	\$ 978	\$ -	\$ 2
352500	Classified ETT-Foundation	\$ 43	\$ 42	\$ -	\$ 1
362000	Classified Non Instr Workers Comp	\$ 4,025	\$ 1,538	\$ -	\$ 2,487
451500	Public Relations/Recognitions	\$ 500	\$ 484	\$ -	\$ 16
452000	Office/Operational Supplies	\$ 6,000	\$ 3,271	\$ 1,205	\$ 1,524
454000	Non Instr Printing	\$ 7,500	\$ 1,400	\$ 1,576	\$ 4,524
471000	Food - Business Meetings/Events	\$ 5,000	\$ 4,103	\$ 89	\$ 808
511000	Indep Contractor (Individuals)	\$ 11,925	\$ 500	\$ -	\$ 11,425
511200	Service Contracts (Businesses)	\$ 3,850	\$ 3,411	\$ -	\$ 439
521000	Travel - All Travel Costs	\$ 5,500	\$ 318	\$ 690	\$ 4,492
522000	On-Site-Prof. Develop/Webinars	\$ 500	\$ -	\$ -	\$ 500
522400	Foundation Community Activities	\$ 21,000	\$ 19,186	\$ 134	\$ 1,680
531000	Dues & Memberships	\$ 2,500	\$ -	\$ 295	\$ 2,205
532000	Non-Tech Licenses,Permits,Fees	\$ 550	\$ 473	\$ 9	\$ 68
554000	Telephone	\$ 700	\$ 398	\$ 181	\$ 121
569000	Equipment Rental	\$ 850	\$ 202	\$ -	\$ 648
582000	Fngprnt/Bckgrnd/Psy Tst/Poly	\$ 100	\$ 99	\$ -	\$ 1
587000	Postage/Express Services	\$ 4,000	\$ 993	\$ -	\$ 3,007
588000	Advertising	\$ 4,900	\$ 2,317	\$ -	\$ 2,583
589200	Bank Service Charges	\$ 1,400	\$ 691	\$ -	\$ 709
589500	Investment Brokerage Fees	\$ 13,000	\$ 10,404	\$ -	\$ 2,596
641000	Equipment	\$ 1,000	\$ 773	\$ -	\$ 227
721500	Intrafund Transfers-Out	\$ 33,500	\$ -	\$ -	\$ 33,500
<b>Revenues</b>					
882000	Contributions,Gifts,Grants&Endwmnt	\$ 75,000	\$ 43,207	\$ -	\$ 31,793
882500	District/Grant Contribution	\$ 62,018	\$ 49,768	\$ -	\$ 12,250
886000	Interest and Investment Income	\$ 25,000	\$ 18,277	\$ -	\$ 6,723
886500	Realized Gain/Loss on Investment	\$ 15,000	\$ 85,637	\$ -	\$ (70,637)
886600	Unrealized Gain/Loss on Invest	\$ -	\$ (78,065)	\$ -	\$ 78,065
889000	Other Local Revenues	\$ -	\$ 425	\$ -	\$ (425)
898200	Intrafund Transfer-In	\$ 199,940	\$ 148,859	\$ -	\$ 51,081
Revenue Total		\$ 376,958	\$ 268,108	\$ -	\$ 108,850
Expenditure Total		\$ 376,958	\$ 241,500	\$ 4,179	\$ 131,279
Report Total		\$ -	\$ 26,608	\$ (4,179)	\$ (22,429)

<b>To: Finance Committee</b>	<b>ACTION</b>
<b>From: Jon Hooten Executive Director, College Advancement</b>	<b>April 10, 2019</b>
<b>Subject: Approval of Foundation's 2019-20 Operating Budget</b>	

**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.

**EXPENSES**

**214000 - Staff salaries/Employee Benefits & Payroll Taxes:** The budgeted amount of \$249,993 provides a 1% COLA for staff, step increases for two positions, and longevity for one position.

**511000 – Independent Contractor – Individuals:** During fiscal year 2018-19, an independent contractor was hired with responsibility of fundraising for the Hancock Promise. The Title V grant reimbursed the Foundation for the contractor's fees and a Major Gifts Officer has since been hired. The budget for fiscal year 2019-20 has been reduced accordingly.

**522400 - Foundation Community Activities:** The expense budget's purpose is for attending community activities such as fundraising events. The decision was made to decrease the number of events attended, as a cost savings to the budget.

**554000 – Telephone:** No funds were budgeted since The FAX line was recently been disconnected. If needed, staff can access other FAX's in the building.

**566000 - Software Maintenance Agreement:** AcademicWorks is the Foundation's scholarship management software -- the platform is used for AHC students applying for scholarships, the award process and managing the scholarship program. During fiscal 2018-19, funds for the maintenance agreement were not budgeted assuming the expense would qualify as a Title V expense. This year the Foundation has budgeted for the expense.

**589500 - Brokerage Fees:** The \$13,000 budget is for brokerage fees assessed to the Title III endowments. To date, the Foundation has not been released from the Title III grant.

**721500 – Intrafund Transfers-Out:** No changes to the \$33,500 budget. Budget is for \$13,500 Title III endowment funding for scholarships and programs until the Title III guidelines are met and \$20,000 for the annual scholarship banquet.

**REVENUE**

**District/Grant Contribution –** In Fall 2014, Allan Hancock College was awarded a 5-year Hispanic Serving Institutions --Title V grant from the U.S. Department of Education. The grant provided funding for the Foundation's Advancement Specialist position. Ms. Natalie Rucobo was hired as Advancement Specialist in July 2016. The grant's 20-year term ends on September 30, 2019. The

district has permanently institutionalized the position as a Foundation employee. The amount budgeted covers Ms. Rucobo's salary and benefits.

**Interest and Investment Income** – Budgeted \$25,000 for interest/dividends earned on the unrestricted investment held at Morgan Stanley Select UMA - Consulting Group Advisor.

**FISCAL IMPACT**

The foundation's operating budget is a function of the unrestricted assets of the corporation. The proposed 2019-20 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 April 25, 2019. Upon review and agreement, the proposed 2019-20 operating budget is being presented today for approval.



Query View  
 Fiscal period start date  
 Fiscal period end date  
 As of Date

Budget Quick Query  
 07/01/2018  
 06/30/2019  
 2/28/2019

**Allan Hancock College Foundation**  
**Proposed General Operations Budget**  
**As of Date 2/28/2019**

Query Parameters

Chart of Accounts 3 Allan Hancock College Fd Chart of Accounts  
 Fund 831001 Fdtn General Operations Fund  
 Fund 831002

					Proposed Budget	
Account	Account Title	Budget	Year to Date	Fiscal Year 2019-20		
<b>Expenditures</b>						
214000	Non Bargaining Unit	\$ 228,923	\$ 175,795	\$ 249,993	*	
332000	Classified Non Instr FICA-Soc Scrt	\$ 14,193	\$ 10,899	\$ 15,500		
336000	Classified Non-Instr FICA-Medicare	\$ 3,319	\$ 2,549	\$ 2,809		
342000	Classified Non Instr Health & Wifr	\$ 1,200	\$ 676	\$ 1,200		
352000	Classified Non-Instr SUI	\$ 980	\$ 978	\$ 672		
352500	Classified ETT-Foundation	\$ 43	\$ 42	\$ 28		
362000	Classified Non Instr Workers Comp	\$ 4,025	\$ 1,538	\$ 219		
451500	Public Relations/Recognitions	\$ 500	\$ 484	\$ 500		
452000	Office/Operational Supplies	\$ 6,000	\$ 3,271	\$ 6,000		
454000	Non Instr Printing	\$ 7,500	\$ 1,400	\$ 6,500		
455300	Contest Prizes	\$ -	\$ -	\$ -		
471000	Food - Business Meetings/Events	\$ 5,000	\$ 4,103	\$ 6,000		
511000	Indep Contractor (Individuals)	\$ 11,925	\$ 500	\$ 2,500	*	
511200	Service Contracts (Businesses)	\$ 3,850	\$ 3,411	\$ 3,500		
521000	Travel - All Travel Costs	\$ 5,500	\$ 318	\$ 6,000		
522000	On-Site-Prof. Develop/Webinars	\$ 500	\$ -	\$ 500		
522400	Foundation Community Activities	\$ 21,000	\$ 19,186	\$ 15,000	*	
531000	Dues & Memberships	\$ 2,500	\$ -	\$ 2,500		
532000	Non-Tech Licenses,Permits,Fees	\$ 550	\$ 473	\$ 550		
554000	Telephone	\$ 700	\$ 398	\$ -	*	
563000	Facility Rental	\$ -	\$ -	\$ -		
566000	Software Maintenance Agreement	\$ -	\$ -	\$ 10,000	*	
569000	Equipment Rental	\$ 850	\$ 202	\$ 850		
582000	Fngprnt/Bckgrnd/Psy Tst/Poly	\$ 100	\$ 99	\$ 100		
585000	District/College Support	\$ -	\$ -	\$ -		
587000	Postage/Express Services	\$ 4,000	\$ 993	\$ 2,500		
588000	Advertising	\$ 4,900	\$ 2,317	\$ 4,000		
589200	Bank Service Charges	\$ 1,400	\$ 691	\$ 1,500		
589500	Investment Brokerage Fees	\$ 13,000	\$ 10,404	\$ 13,000	*	
599000	PCPA/PCPA Fdtn. Support	\$ -	\$ -	\$ -		
599020	Viticulture & Enology Fdtn Support	\$ -	\$ -	\$ -		
641000	Equipment	\$ 1,000	\$ 773	\$ 1,000		
757000	Student Assistance	\$ -	\$ -	\$ -		
758000	Scholarship	\$ -	\$ -	\$ -		
721500	Intrafund Transfers-Out	\$ 33,500	\$ -	\$ 33,500	*	
<b>Revenues</b>						
882000	Contributions,Gifts,Grants&Endwmnt	\$ 75,000	\$ 43,207	\$ 39,750		
882500	District/Grant Contribution	\$ 62,018	\$ 49,768	\$ 65,611	*	
886000	Interest and Investment Income	\$ 25,000	\$ 18,277	\$ 25,000		
886500	Realized Gain/Loss on Investment	\$ 15,000	\$ 85,637	\$ -		
886600	Unrealized Gain/Loss on Invest	\$ -	\$ (78,065)	\$ -		
889000	Other Local Revenues	\$ -	\$ 425	\$ 425		
*898200	Intrafund Transfer-In	\$ 199,940	\$ 148,859	\$ 255,634		
Revenue Total		\$ 376,958	\$ 268,108	\$ 386,420		
Expenditure Total		\$ 376,958	\$ 241,500	\$ 386,420		
Report Total (of all records)		\$ -	\$ 26,608	\$ (0)		

**Intrafund FY19 Transfer-in:**

Administration Fee @ 1.5%	\$ 57,527
President's Circle @ 15%	\$ 4,122
Young Unrestricted End.	\$ 87,190
Unrest End. Proceeds	\$ -
Hancock Promise 1.5%	\$ 21
Hansen Unrestricted End.	\$ -
	<u>\$ 148,859</u>

**\*Intrafund FY20 Transfer-in:**

Administration Fee @ 1.5%	\$ 81,634
President's Circle @ 15%	\$ 15,000
Young Unrestricted End.	\$ 50,000
Unrest End. Proceeds	\$ 3,000
Hancock Promise 1.5%	\$ 7,500
Hansen Unrestricted End.	\$ 98,500
	<u>\$ 255,634</u>

<p><b>To: Finance Committee</b></p>	<p><b>ACTION</b></p>
<p><b>From: Jon Hooten Executive Director, College Advancement</b></p>	<p><b>April 10, 2019</b></p>
<p><b>Subject: Approval of Proposed 2019-20 Foundation Budget for District</b></p>	

**BACKGROUND**

Each year the foundation submits a proposed foundation budget that encompasses all of the foundation funds--that include operations, restricted, scholarship and endowments--to the district for board approval. The committee will review and approve the attached proposed foundation budget for 2019-20.

Staff will review the proposed budget with the committee.

**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 April 25, 2019. Upon review and agreement, the tentative 2019-20 foundation budget for the district is being presented today for approval.

**Allan Hancock College Foundation  
Proposed Budget for District  
July 1, 2019 - 6/30/2020**

Acct	Account Title	FY19 Gen Opr	FY19		FY19 Total Budget	Proposed Budget		Total Budget
			Rest., Sch. & End.			FY20 Gen Opr	FY20 Rest., Sch. & End.	
<b>Expenditures</b>								
214000	Non Bargaining Unit	\$ 228,923	\$ -	\$ -	\$ 228,923	\$ 249,993	\$ -	\$ 249,993
332000	Classified Non Instr FICA-SocScty	\$ 14,193	\$ -	\$ -	\$ 14,193	\$ 15,500	\$ -	\$ 15,500
336000	Classified Non-Instr FICA-Medi	\$ 3,319	\$ -	\$ -	\$ 3,319	\$ 2,809	\$ -	\$ 2,809
342000	Classified Non Instr Health & Wlfr	\$ 1,200	\$ -	\$ -	\$ 1,200	\$ 1,200	\$ -	\$ 1,200
352000	Classified Non-Instr SUI	\$ 980	\$ -	\$ -	\$ 980	\$ 672	\$ -	\$ 672
352500	Classified ETT-Foundation	\$ 43	\$ -	\$ -	\$ 43	\$ 28	\$ -	\$ 28
362000	Classified Non Instr Workers Comp	\$ 4,025	\$ -	\$ -	\$ 4,025	\$ 218	\$ -	\$ 219
451500	Public Relations/Recognitions	\$ 500	\$ -	\$ -	\$ 500	\$ 500	\$ -	\$ 500
452000	Office/Operational Supplies	\$ 6,000	\$ 19,000	\$ -	\$ 25,000	\$ 6,000	\$ 9,450	\$ 15,450
454000	Non Instr Printing	\$ 7,500	\$ 12,000	\$ -	\$ 19,500	\$ 6,500	\$ 10,000	\$ 16,500
455300	Contest Prizes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
471000	Food - Business Meetings/Events	\$ 5,000	\$ 15,000	\$ -	\$ 20,000	\$ 6,000	\$ 15,000	\$ 21,000
511000	Indep Contractor (Individuals)	\$ 11,925	\$ -	\$ -	\$ 11,925	\$ 2,500	\$ 2,500	\$ 5,000
511200	Service Contracts (Businesses)	\$ 3,850	\$ -	\$ -	\$ 3,850	\$ 3,500	\$ 5,000	\$ 8,500
521000	Travel - All Travel Costs	\$ 5,500	\$ 54,000	\$ -	\$ 59,500	\$ 6,000	\$ 4,000	\$ 10,000
522000	On-Site-Prof. Develop/Webinars	\$ 500	\$ -	\$ -	\$ 500	\$ 500	\$ 500	\$ 1,000
522400	Foundation Community Activities	\$ 21,000	\$ -	\$ -	\$ 21,000	\$ 15,000	\$ 25,000	\$ 40,000
531000	Dues & Memberships	\$ 2,500	\$ 950	\$ -	\$ 3,450	\$ 2,500	\$ 1,350	\$ 3,850
532000	Non-Tech Licenses,Permits,Fees	\$ 550	\$ -	\$ -	\$ 550	\$ 550	\$ 1,450	\$ 2,000
554000	Telephone	\$ 700	\$ 50	\$ -	\$ 750	\$ -	\$ -	\$ -
563000	Facility Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
566000	Software Mtce Agreement	\$ -	\$ 500	\$ -	\$ 500	\$ 10,000	\$ -	\$ 10,000
569000	Equipment Rental	\$ 850	\$ -	\$ -	\$ 850	\$ 850	\$ 850	\$ 1,700
582000	Fingerprint/Background	\$ 100	\$ -	\$ -	\$ 100	\$ 100	\$ -	\$ 100
585000	District/College Support	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ 675,000	\$ 675,000
587000	Postage/Express Services	\$ 4,000	\$ 25,700	\$ -	\$ 29,700	\$ 2,500	\$ 2,500	\$ 5,000
588000	Advertising	\$ 4,900	\$ 8,100	\$ -	\$ 13,000	\$ 4,000	\$ 6,000	\$ 10,000
589200	Bank Service Charges	\$ 1,400	\$ 600	\$ -	\$ 2,000	\$ 1,500	\$ 500	\$ 2,000
589500	Investment Brokerage Fees	\$ 13,000	\$ 130,500	\$ -	\$ 143,500	\$ 13,000	\$ 165,000	\$ 178,000
599000	PCPA/PCPA Fdtn. Support	\$ -	\$ 74,000	\$ -	\$ 74,000	\$ -	\$ 75,000	\$ 75,000
599020	Viticulture&Enology Fdtn Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
641000	Equipment	\$ 1,000	\$ 5,000	\$ -	\$ 6,000	\$ 1,000	\$ 5,000	\$ 6,000
757000	Student Assistance	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ 12,500	\$ 12,500
758000	Scholarship	\$ -	\$ 815,000	\$ -	\$ 815,000	\$ -	\$ 750,000	\$ 750,000
721500	Intrafund Transfers-Out	\$ 33,500	\$ 166,440	\$ -	\$ 199,940	\$ 33,500	\$ 722,134	\$ 755,634
<b>Revenues</b>								
882000	Contributions,Gifts,Grants & End.	\$ 75,000	\$ 1,430,000	\$ -	\$ 1,505,000	\$ 39,750	\$ 1,310,250	\$ 1,350,000
882500	District/Grant Contribution	\$ 62,018	\$ -	\$ -	\$ 62,018	\$ 65,611	\$ -	\$ 65,611
886000	Interest and Investment Income	\$ 25,000	\$ 675,000	\$ -	\$ 700,000	\$ 25,000	\$ 675,000	\$ 700,000
886500	Realized Gain/Loss on Investment	\$ 15,000	\$ 335,000	\$ -	\$ 350,000	\$ -	\$ -	\$ -
886600	Unrealized Gain/Loss on Invest	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -
889000	Other Local Revenues	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ 425	\$ 5,500	\$ 5,925
898200	Intrafund Transfer-In	\$ 199,940	\$ -	\$ -	\$ 199,940	\$ 255,634	\$ 500,000	\$ 755,634
<b>Revenue Total</b>		\$ 376,958	\$ 3,210,000	\$ -	\$ 3,586,958	\$ 386,420	\$ 2,490,750	\$ 2,877,170
<b>Expenditure Total</b>		\$ 376,958	\$ 2,091,840	\$ -	\$ 2,468,798	\$ 386,420	\$ 2,490,734	\$ 2,877,155
<b>Report Total</b>		\$ -	\$ 1,118,160	\$ -	\$ 1,118,160	\$ -	\$ 16	\$ 15

Note: This budget reflects all costs and revenue that goes through the Foundation—including support to district programs. Foundation expenditures are included on the operating budget.

<b>To: Finance Committee</b>	<b>ACTION</b>
<b>From: Jon Hooten Executive Director, College Advancement</b>	<b>April 10, 2019</b>
<b>Subject: Review and Approval Investment Policy</b>	

**BACKGROUND**

The Allan Hancock College Foundation is a non-profit corporation dedicated to 1) soliciting and raising money to award scholarships to AHC students or to students who are preparing to leave AHC to continue their studies at a university; 2) supporting the educational programs of AHC; and 3) assisting AHC in the funding of its capital needs.

The purpose of the foundation's Investment Policy Statement is to provide guidance to all related parties as to how the funds of the foundation shall be managed. The intent of the policy is to be sufficiently specific to be meaningful, yet flexible enough to be practical in changing times.

The Investment Policy Statement shall be reviewed and updated on an annual basis. Members of the Finance Committee will sign and date this policy to certify that they have reviewed the document and updated it where appropriate. The document will be approved by the full Board of Directors.

At the Finance Committee meeting held on January 9, 2019, the investment advisors provided a few recommended changes to the policy including:

- ◆ Consider the asset class allocation between US and international stocks. The recommendation was using an optimal asset allocation based up a capitalization global market close to 50% - 50%. (Northern Trust, Mr. Louis Piscane)
- ◆ Amending the Investment Policy to include junk bonds in the portfolio allocation. (Rabobank Wealth Management, Mr. Todd McGinley)

**Fiscal Impact**

None

**RECOMMENDATION**

Upon review and agreement, a motion is required to approve the Investment Policy Statement.

# ALLAN HANCOCK COLLEGE FOUNDATION INVESTMENT POLICY STATEMENT

## 1. INTRODUCTION AND PURPOSE

The Allan Hancock College Foundation (Foundation) is a non-profit corporation dedicated to:

- Soliciting and raising money to award scholarships to students enrolled at Allan Hancock College (AHC) or who are preparing to leave AHC to continue their studies at a four year college/university
- Supporting the educational programs of Allan Hancock College
- Assisting Allan Hancock College in the funding of its capital needs

With this mission in mind, the purpose of this Investment Policy Statement is to provide guidance to all related parties as to how the funds of the foundation shall be managed. Its intent is to outline a philosophy and attitude which will guide the investment management of the Foundation's assets towards desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical in changing times.

This policy will be reviewed on an annual basis and updated as appropriate. Members of the Finance Committee will sign and date this policy to certify that they have reviewed the document and updated it where appropriate. The document will be approved by the full Board of Directors at its regularly scheduled meeting just prior to the start of the college's fiscal year.

## 2. SCOPE

This Investment Policy Statement applies only to those assets for which the Foundation directors have discretionary authority. All other assets shall be managed in accordance with the guidelines established for those specific assets.

## 3. OBJECTIVES

The primary investment objectives of this policy are:

- To provide sufficient total return to support the scholarship program of AHC in a significant way and to support other educational programs wherever possible.
- To preserve and grow investment principal so that scholarship and educational programs can be supported over the long term.
- To maximize the total rate of return on Foundation assets consistent with reasonable standards of prudence and risk tolerance.
- To manage the Foundation's assets with a responsible sense of care, skill and diligence in all decisions.

## 4. POLICIES

### 4.1. Finance Committee

Investments are the responsibility of the Finance Committee acting under the direction of the Foundation Board. The college associate superintendent/vice president of administrative services is responsible for opening bank, brokerage, and safekeeping accounts, for executing such documents as may be necessary, and entering into investment manager agreements. As per Education Code 81655, only those persons delegated authority by the college's governing board and approved by the foundation's board of directors shall be authorized to enter into a Power of Attorney agreement with investment managers and to execute transactions, upon approval of the Finance Committee. With the approval of the Finance Committee, the college president, college associate superintendent/vice president of administrative services and the foundation executive director shall jointly establish a system of internal controls which shall be documented in writing. The internal controls shall be periodically reviewed and approved by the independent auditor for the Foundation. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees and directors of the Foundation.

### 4.2. Acceptable Investments

- 4.2.1. Obligations of the U.S. Government and U.S. Federal Agency Securities.
- 4.2.2. Certificates of Deposit in any U.S. commercial bank or savings institution provided that the collective amount in any one institution does not exceed FDIC/SAIF insurance limitations (per the Dodd-Frank Wall Street Reform and Consumer Protection Act, permanently insured at \$250,000 as of July 21, 2010). Limitation may be exceeded where the banking institution or its parent has an investment rating of at least "A" by Moodys, Standard & Poors and/or Fitch's rating service.
- 4.2.3. Corporate notes, bonds and commercial paper provided that the issuer is rated at least "A" by Moodys, Standard & Poors and/or Fitch's rating service.
- 4.2.4. Convertible bonds. Provided that the issuer is rated at least "A" by Moodys, Standard & Poors and/or Fitch's rating service.
- 4.2.5. Money Market Mutual Funds
- 4.2.6. Equities. U.S. Domestic securities with market capitalization's of at least \$250 million that are traded on one of the major U.S. exchanges. This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.7. Foreign Equities. Traded as American Depository Receipts (ADR's). This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.8. Mutual Funds that are diversified holdings of equities in particular market capitalization groups and asset styles.
  - 4.2.8.1. Large Cap – Growth
  - 4.2.8.2. Large Cap – Value
  - 4.2.8.3. Large Cap – Blend
  - 4.2.8.4. Mid Cap – Growth

- 4.2.8.5. Mid Cap – Value
- 4.2.8.6. Mid Cap – Blend
- 4.2.8.7. Small Cap – Growth
- 4.2.8.8. Small Cap – Value
- 4.2.8.9. Small Cap – Blend
- 4.2.8.10. Emerging Markets
- 4.2.8.11. International (by size, style and geography)
- 4.2.9. Exchange Traded Index Funds
- 4.2.10. Real Estate may be held provided it is the result of a gift to the AHC Foundation and the Finance Committee has determined that it either generates sufficient rental income to justify the cost of ownership or there is a compelling need for the property at some point in the future that justifies holding the property.
- 4.2.11. Real Estate Investment Trusts or R.E.I.T.'s.
- 4.2.12. Alternative Investments such as hedge funds may be used as an additional investment vehicle to enhance returns, reduce volatility, and expand the diversification of Foundation assets.
- 4.2.13. Mortgage Backed Securities and CMO's (excluding PAC bonds, IO's, PO's, residual bonds, etc.) may be used. These securities shall be treated as part of the foundation's fixed income asset class.

#### **4.3. Prohibited Investments**

The AHC Foundation will not invest directly in these investments. However, it is expressly understood that through our investing in certain Hedge Funds, Mutual Funds, or Alternative Investments, these fund managers may in turn be investing in certain of these instruments as part of their investment strategy.

- 4.3.1. Commodities and Futures Contracts
- 4.3.2. Private Placements
- 4.3.3. Options
- 4.3.4. Limited Partnership (does not apply in cases of Alternative Investment funds established as LLP)
- 4.3.5. Venture Capital Investments
- 4.3.6. Derivative instruments (except mortgage backs and CMO's)
- 4.3.7. Short selling, puts, calls
- 4.3.8. Margin transactions
- 4.3.9. Oil and gas or natural resource properties
- 4.3.10. Art objects or other collectibles
- 4.3.11. Private stock issuance

#### **4.4. Diversification and Asset Allocation**

Diversification is recognized by the Finance Committee as a critical tool to balance risk, return, and correlation characteristics of different asset classes in the Foundation's overall investment structure. The AHC Foundation has established the following optimal allocation of assets when investing new monies. Realizing that these strategic optimal allocation targets may have to be adjusted in certain market conditions, it has also established maximums and minimums to cover these conditions.

<u>Asset Class*</u>	<u>Minimum</u>	<u>Maximum</u>
Large Cap Equities	20%	50%
Mid Cap Equities	5%	20%
Small Cap Equities	5%	15%
International Equities	5%	15%
Fixed Income	25%	40%
Other (R.E.I.T.'s Hedge Funds, etc.)	0%	10%

\*These targets relate to non restricted long term funds under management such as the endowment funds which support scholarship activity. The foundation may make exceptions for donors who require investments that fall outside these guidelines.

#### **4.5. Investment Consultants and Managers**

Acting on instructions from the Finance Committee, the foundation may enter into an agreement with an investment consulting service to advise in the selection of qualified investment managers, preparation of investment policy statements, and the monitoring and review of the manager performance.

The investment consultant shall be independent of any selected investment manager.

Any professional investment manager(s) retained by the foundation must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisory Act of 1940. The firm must be registered in its state of domicile, and have been in business a minimum of five years.

The Finance Committee may also choose to utilize the services and strategy of a Community Fund or other manager that has its own investment policy. If this is desirable, the Finance Committee will execute a due diligence review of the firm's investment policy to understand compatibility with AHC's goals and objectives.

#### **4.6. Meetings, Reporting and Communication**

The Finance Committee of the AHC Foundation will meet regularly, generally monthly and in no event less than quarterly. The committee is responsible for reporting the results of its discussions and decisions to the Executive Committee of the Board of Directors. Also, on a quarterly basis, it will report to the full Board of Directors at its regular quarterly meeting the following key information:

- 4.6.1. Period-to-date financial results
- 4.6.2. Period-to-date financial results vs. budget
- 4.6.3. Investment Portfolio results to date
- 4.6.4. Current Investment Portfolio valuations
- 4.6.5. Other pertinent investment and financial information as appropriate.

#### **4.7. Evaluation of Performance**

Fund managers will be evaluated on at least an annual basis. Their performance over a sufficiently long time horizon (at least 3 to 5 years) shall be compared to indices of similar style funds (e.g. - S & P 500, Russell 3000, etc.) and/or comparable benchmarks. Managers who consistently under perform versus appropriate benchmarks



over longer time horizons will be replaced unless compelling evidence exists to suggest that the funds performance has returned to, or is about to return to, an acceptable level.

## 5. DONATIONS

The Finance Committee will demonstrate "due diligence" in considering donations other than cash or liquid assets. It is recommended, and in some cases required, that the donor provide an assessment and/or valuation report. If the foundation is required to pay for the study, the study will be performed to furnish reassurance that "due diligence" was performed, should problems arise. In consideration of a gift of real estate, the committee shall use a qualified environmental consultant to provide an environmental site assessment to disclose any contamination problems or other potential problems. The committee will also consult a lawyer to interpret any legal ramifications or liabilities. The Finance Committee will make a recommendation to the Executive Committee to accept or reject the gift offer.

## 6. CONFLICT OF INTEREST

A conflict would result from any transaction in which the college or the foundation is a party, in which an "interested person" had a direct or indirect material financial interest. For this purpose, an "interested person" is any director, officer, or employee of the foundation. Anyone with a conflict of interest shall be precluded from the discussion and the decision making of that transaction.

Additionally, on an annual basis, all members of the Finance Committee shall sign the foundation's "Statement of Conduct, Commitment, and Conflict of Interest", a copy of which will be available for public review in the foundation office.

## 7. ENDOWMENT FUNDING GUIDELINES

### 7.1. Regular Endowment Funds (Permanent Endowment)

It shall be the policy of the foundation to annually fund its endowment commitment at a rate based on the following table:

Endowment Value at Review Date	Endowment Commitment
Endowment Value < Corpus Value	Zero
Endowment Value is between 100% and 129% of Corpus Value	5% of the endowment value reduced, if necessary, so that endowment value after funding does not fall below corpus value.
Endowment Value is above 129% of Corpus Value	An amount, to be determined by the foundation board, which can exceed 5%, but will in no event cause the endowment value after funding to fall below 124% of the corpus value.

Examples of the above:

Endowment Value = 103% of Corpus Value = → Endowment Commitment would be 3%.

Endowment Value = 110% of Corpus Value = → Endowment Commitment would be 5%.

Endowment Value = 135% of Corpus Value = → Endowment Commitment could be between 5% and 11% as set at the discretion of the foundation board.

It is recognized that the endowment value may be below corpus value and donations may need to be secured to fund endowment activities outside of the endowment until market conditions improve to a point that the endowment value once again exceeds corpus value.

**7.2. Title III Endowment Funds (Term Endowment)**

The policy on these funds shall be identical to the above regular endowment funds with the additional caveat that the endowment commitment (expressed as a percentage of the endowment fund) can not exceed fifty percent (50%) of the aggregate Title III endowment fund income as determined during that fiscal year. This term endowment restriction expires twenty years (2019) after inception of original investment date.

**7.3. Quasi Endowment Funds**

Quasi funds are held for a specific purpose and for which the foundation has been instructed by the donor to use all of the income and principal when the need is evident to fulfill that purpose. These funds will be invested like permanent and term endowments but expenditures will not be limited by this policy.

**7.4. Exceptions to Endowment Funding Guidelines**

7.4.1. Providing funding for endowment activities which exceed the above guidelines shall only be made in response to unusual circumstances and requires a 2/3 majority vote of the foundation's board of directors.

7.4.2. The foundation reserves the right to fund any portion or all of the annual endowment commitment from unrestricted funds at their discretion should the endowment value fall below corpus value. Further, the foundation shall normally pay back those unrestricted fund accounts for advances made on behalf of an endowment.

**8. CONCLUSION AND CERTIFICATION**

This Investment Policy Statement is designed to be used as a guideline to assist the AHC Foundation Board of Directors, the Finance Committee, and any Investment Consultants or Managers. It should be viewed as a flexible document whose purpose is to assist all parties in the management of the Foundation's assets.

**9. CONCLUSION AND CERTIFICATION**

This Investment Policy Statement is designed to be used as a guideline to assist the AHC Foundation Board of Directors, the Finance Committee, and any Investment Consultants or Managers. It should be viewed as a flexible document whose purpose is to assist all parties in the management of the Foundation's assets.

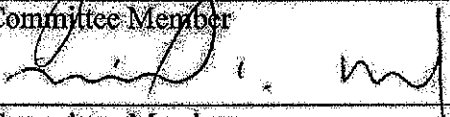
The following Finance Committee members certify that at a meeting of the Finance Committee on March 28, 2018, have reviewed and updated this Investment Policy Statement as appropriate.

  
\_\_\_\_\_  
Finance Committee – Chair

3/28/18  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Committee Member

3/28/18  
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3/28/18  
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Approved/updated: 3/28/2018  
Approved/updated: 9/22/2016

<b>To: Finance Committee</b>	<b>INFORMATION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>April 10, 2019</b>
<b>Subject: Auxiliary Programs Corp. and Follett Higher Education Service Agreement</b>	

**BACKGROUND**

At the Finance Committee meeting held on January 16, 2019, Ms. Keli Seyfert, Supervisor, Auxiliary Accounting Services, reported the Auxiliary Programs Corporation (ACP) and Follett Higher Education, the campus bookstore, entered into a service agreement where commissions are sent directly to the APC. The purpose of the agreement is to provide support to the Foundation's Hancock Promise Scholarship Program. The committee requested the ACP Board agenda item approving the agreement. For the committee's review, attached is a copy of the agenda item.



AUXILIARY PROGRAMS CORPORATION BOARD AGENDA ITEM

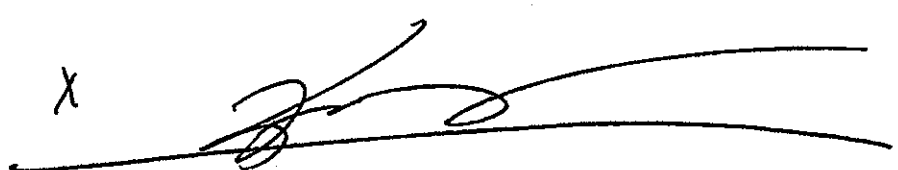
To: Board of Directors		Date:  November 29, 2018
From: Eric D. Smith		
Subject: Approval of Student Support Utilizing Follett Commissions		
Reason for Board Consideration:  ACTION	Item Number:  3.e.	Enclosures:  Page 1 of 1

Background

The Auxiliary Programs Corporation and Follett Higher Education entered into a service agreement effective July 1, 2018 whereby commissions are sent directly to the Auxiliary Programs Corporation. The purpose of the agreement is to provide a means of support to students in the AHC Foundation Hancock Promise Scholarship Program. The service agreement states that the Auxiliary Programs Corporation will receive the following over the next three fiscal years:

July 1, 2018 – June 30, 2019	\$250,000
July 1, 2019 – June 30, 2020	\$225,000
July 1, 2020 – June 30, 2021	\$200,000

In order to ensure that the receipt of these funds is in compliance with state law, the auxiliary programs corporation's board of directors and superintendent/president need to approve the use of funding received from the Follett service agreement commissions for the AHC Foundation Hancock Promise Scholarship Program.


X 

Fiscal Impact

\$675,000 in revenue over three years.

Recommendation

Staff recommends that the Auxiliary Programs Corporation Board of Directors approve funds received from Follett Higher Education commissions be used to support students in the AHC Foundation Hancock Promise Scholarship Program through June 30, 2021.

Administrator Initiating Item:  Eric D. Smith	Final Disposition:  Approved 
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<b>To: Finance Committee</b>	<b>INFORMATION</b>
<b>From: Jon Hooten Executive Director, College Advancement</b>	<b>April 10, 2019</b>
<b>Subject: Hancock Promise Update</b>	

**BACKGROUND**

California Assembly Bill AB 19 creates the California College Promise that provides funds to districts to advance the goals of the legislation. Specific use of funds mentioned in the new law will allow colleges to, if a district chooses to use the funds in this way, use the funds to cover the fees for first time, full-time students. During Fall 2018, the district received AB 19 grant funding in the amount of \$256,439. The grant has been applied to the district Hancock Promise account for student registrations.

The AB 19 funding is first-in funding applied to student registration fees. AHC Foundation is responsible for any remaining balance. The grant is recurring and the amount of funding will be reported to the district in May 2019 for school year 2019-20.

For the committee's review, attached is a recap of Hancock Promise as of April 4, 2019.

**Allan Hancock College Foundation  
Hancock Promise Scholarships  
Update as of April 4, 2019**

<u>Semester</u>	<u>Amount</u>	
Summer & Fall 2018	\$ 203,547.50	Paid by AHCF
Summer & Fall 2018	\$ 31,990.50	Paid by AHCF
Summer & Fall 2018	\$ (8,485.00)	District refund - course drops
Summer & Fall 2018	\$ (39,108.00)	District refund - AB19
	<u>\$ 187,945.00</u>	Hancock Promise Foundation paid YTD
District California AB 19 grant funding	\$ 256,439.00	
Student Enrollment Winter 2018 and Spring 2019	\$ (196,865.00)	
	<u>\$ 59,574.00</u>	As of April 4, AB 19 grant balance
Foundation Hancock Promise Working Fund balance as of 4/4/2019	\$ 203,420.00	
 <b><u>Hancock Promise Income - HP Working Fund</u></b>		
APC - Fiscal year 2018-19	\$ 168,900.00	Checks received YTD
APC - Fiscal year 2019 -20	\$ 225,000.00	
APC - Fiscal year 2020-21	\$ 200,000.00	
APC - Fiscal year 2021-22	\$ 60,000.00	