

**Research Foundation****Board of Directors Meeting****March 1, 2019****9:00 a.m.****MINUTES**

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A meeting of the Board of Directors of San Diego State University Research Foundation was held at San Diego State University in the James W. Cobble Boardroom of the Gateway Center, San Diego, California, on Friday, March 1, 2019 pursuant to the notice duly posted for public information.

**The following Officers were present:**

Stephen Welter, Vice President

Tom McCarron, Treasurer

Karen Emmorey, Secretary

Michèle Goetz, Associate Secretary-Treasurer

**The following Officers were absent:**

Adela de la Torre, President

**The following Directors were present:**

Guadalupe X. Ayala                      Randolph Philipp

Bill Brack                                  Jennifer Thomas

Vickie Capps                                Ming-Hsiang Tsou

Joseph Johnson                          Robert Zeller

**The following Directors were absent:**

Kim Barrett                                Chris Thomas

Joan Coppenrath

Craig Hauser

Samuel Kassegne

**The following University administrators, Research Foundation staff members and SDSU faculty members were present:**

Debbie Brighton                          Lizette Nájera

John Crockett                              Deb Naylor

Eric Elson                                  Agnes Wong Nickerson

Leslie Levinson                          Rachel Raynoha

## **I. Call to Order**

Vice President Welter called the meeting to order at 9:01 a.m.

## **II. Consent Agenda**

Vice President Welter requested a motion to accept the Consent Agenda.

**Motion: A motion was made, seconded, and unanimously carried to accept the Consent Agenda for the SDSU Research Foundation Board of Directors meeting thereby approving:**

- a) SDSU Research Foundation Board Meeting Minutes of December 7, 2018.
- b) Resolution 19-01: Signature Authorization
- c) Resolution 19-02: Authorized Signatories for Banking and Investment Transactions

## **III. Executive Director Report**

Ms. Goetz reported on the following:

- Federal Shutdown: Three factors mitigated the impact for SDSU programs: Shutdown took place during winter break; only 25% federal agencies closed, and most were not agencies the research foundation receives funding from with the exception of NSF; and the research foundation had cash flow to front \$700,000 in expenses during the five-week period.
- RF Budget: The budget is balanced in part due to savings in administration expenses. The next budget request in May may include requests for additional positions due to challenges in recruiting and retaining staff and increased workload.
- HealthLINK update: Currently finalizing design work and soliciting bids for clinical space and implementing a series of space moves. Funds have been added to the mid-year budget for a consultant to help with the design and structure of recharge services.
- IT initiatives underway at the research foundation: MyRF launched; moving towards using SDSUid credentials; kicked off the conversion of our document management workflow systems to SoftDocs; migration of department and user files to Microsoft SharePoint and OneDrive; and implementation of FacilitiesLink.
- Facilities Update: The heavy rain last month has not resulted in flooding of the Alvarado Research and Professional Center. However, there were other impacts to buildings and trees due to the weather conditions.
- President de la Torre's investiture is April 11 at 2pm in Viejas Arena.

#### **IV. Finance and Investment Committee Report**

Finance and Investment Committee Chair McCarron updated the board on the meeting held on February 19:

- The Committee and the Board approved the Montezuma development at the last meeting. A term sheet has been executed and a ground lease is in process.
- The Committee reviewed the annual 990 tax return and key schedules.
- The Committee reviewed the quarterly Summary of Investments report.
- The Committee reviewed and discussed the General Fund Mid-Year budget update. The original budget and the mid-year budget both assume a balanced budget with no funds needed from Reserves.

Ms. Levinson reviewed the budget and summarized the changes from the original budget.

Vice President Welter called for a motion to approve Resolution No. 19-03:

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
APPROVING FY 2018-19  
MID-YEAR GENERAL FUND BUDGET**

RESOLVED, That the mid-year General Fund Budget, as submitted to the board of directors at its meeting on March 1, 2019, at a level of \$30,801,000 be adopted as SDSU Research Foundation's budget for the remainder of the fiscal year, and forwarded to the President for her approval.

**Motion: A motion was made, seconded, and unanimously carried to approve Resolution 19-03.**

#### **V. Audit Committee Report**

Audit Committee member Vickie Capps reported on the meeting held on February 19:

- Update on audits over the last year with no findings on closed sponsor audits
- Rick Wentzel and Matt Spagnuolo from Grant Thornton (GT) and Diane Takahashi from Holthouse, Carlin & Van Trigt (HCVT) attended the meeting.
- Grant Thornton explained the responsibilities of an audit firm, manager responsibilities, audit scope and timeline. Risk areas they will focus on are: investments, revenues and net positions, receivables and liabilities, federal grant compliance or single audit, and financial statements.

**Back to Agenda**

- HCVT presented on the same standard communications as GT. There was also a discussion of risk areas from their perspective.
- Rachel Raynoha, Associated Executive Director of Information Systems presented on IT security and controls. She reviewed 2018 security threats and updates as well as a review of anticipated threats and security projects in 2019.

Ms. Levinson then proposed an extension of Grant Thornton and a ratification of HCVT as SDSU Research Foundation auditors for three additional years.

Grant Thornton is in the 5<sup>th</sup> year of a five-year agreement with SDSURF. GT was selected after an official RFP process with the other campus auxiliaries. Their bid included an increase of 5% for next year and 4% for the following two years; the auxiliaries were satisfied with the proposal. The Audit Committee reviewed the recommendation and agreed to forward to the board a recommendation for the extension of GT.

Vice President Welter called for a motion to approve Resolution No. 19-04:

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
DECLARATION OF OFFICIAL INTENT TO EXTEND THE CONTRACT FOR  
SERVICES WITH AUDIT FIRM GRANT THORNTON LLP**

RESOLVED, That Grant Thornton LLP is approved as the firm to provide the audit services for fiscal years 2019-20, 2020-21, and 2021-22; and, that this Resolution shall take effect immediately upon its adoption.

**Motion: A motion was made, seconded, and unanimously carried to approve Resolution 19-04.**

Ms. Levinson also proposed to extend HCVT to maintain a concurrent engagement with Grant Thornton. Diane Takahashi, formerly with GT, left a few years ago to join the new firm which specializes in benefit plan audits. HCTV proposed flat fees for calendar year 2019, 2.3% increase in 2020, and flat fees for 2021.

Vice President Welter called for a motion to approve Resolution No. 19-05:

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
RATIFYING OF SDSU RESEARCH FOUNDATION'S  
BENEFIT PLAN AUDITORS**

RESOLVED, That the Board of Directors ratifies the extension of the engagement of Holthouse, Carlin, Van Trigt LLP to provide audit services for calendar years 2019, 2020, and 2021 in conformity with all required auditing standards for San Diego State University Research Foundation's Benefit Plan audits.

**Motion: A motion was made, seconded, and unanimously carried to approve Resolution 19-05.**

**VI. Vice President for Research Report**

Dr. Welter provided updates on the following:

- Proposal/Award Success Rates
- New program implemented: Rapid Critical Review Program
- Grant Writing/Editing program rolling out soon
- Draft call for proposals \$1 million program for equipment and facility upgrades
- Moores Cancer Consortium was renewed this year
- Call for University Graduate Fellowship Program going out soon.
- URC and Graduate Council met and discussed funding priorities

**VII. PI Presentation**

Board member and Distinguished Professor Karen Emmorey of Speech, Language and Hearing Sciences and Director of the Laboratory for Languages & Cognitive Neuroscience presented her research on what sign languages reveal about the nature of human language, cognition and the brain.

**VIII. New Business**

Vice President Welter called for any items of new business. Hearing none, he adjourned the meeting at 10:36 a.m.

Respectfully submitted,

Michèle G. Goetz  
Associate Secretary-Treasurer