

California State University, East Bay Foundation, Inc.
Board of Directors
September 21, 2006
2:30 p.m.
Minutes

PRESENT

Mr. Richard Metz, Director
Mr. Thomas Hird, Director
Dr. Michael Leung, Director
Dr. Bruce Trumbo, Director
Ms. Chantel Johnson, Director
Ms. Isioma Emordi, Director
Mr. Udepto Maeshwari, Director

ABSENT

Dr. Sonjia Redmond, Director
Dr. Mohammad Qayoumi, Chair
Dr. David Stronck, Director

STAFF

Mr. Edward Del Biaggio
Ms. LaTanya Bellow
Ms. Marilyn Stager
Ms. Sandra Ehrhorn
Ms. Danielle Ortuno

GUEST

Mr. Fred Dorer
Paul Peterson of Armanino McKenna

I. Call to Order

Vice Chair Thomas Hird called the meeting to order at 2:39 p.m. with a quorum present.

II. Public Discussion

No Public Discussion

III. Approval of Agenda

M/S/P (Metz/Johnson) The Agenda be approved as presented.

IV. Announcements

No Announcements

V. Consent Calendar

A. Minutes of May 5, 2006

M/S/P (Metz/Hird) The consent calendar be approved as presented.

VI. Comments from the Chair

President Qayoumi acknowledged the important relationship that the auxiliaries have in support of the University.

VII. Committee Assignments

M/S/P (Stronck/Metz) To approve the committee assignments as presented.

Executive Committee

Dr. Mohammad H. Qayoumi
Mr. Thomas Hird
Mr. Richard Metz
Ms. Chantel Johnson
Dr. Michael Leung

Research Committee

Mr. Thomas Hird
Dr. David Stronck
Dr. Bruce Trumbo
Dr. Liz Ginno
Ms. Isioma Emordi
Board Member

Finance and Personnel Committee

Mr. Richard Metz
Dr. David Stronck
Dr. Bruce Trumbo
Ms Isioma Emordi
Mr. Udepto Maheshwari
Dr. Michael Leung
Community Member

Ethics Committee

Board Member
Mr. Thomas Hird
Dr. Sonjia Redmond

Audit Committee

Board Member
Dr. Chris Lubwama
Ms. Nyassa Love

VIII. Review of the Financial Audit Report

Mr. Paul Peterson from Armanino & McKenna facilitated the discussion. His firm performed the auditing services for the Foundation. Mr. Peterson directed the board's attention to the table of contents and pointed out that the audit was a "clean audit". Mr. Peterson reviewed changes in assets and liabilities, of the corporation, noting an increase in net assets of \$227,019 in 2006.

Mr. Peterson continued with the Management Discussion and Analysis, which explained that the operating expenses have remained the same though some post retirement health liability was moved from the Foundation to the University side. This savings offset the decrease in funds due to lack of student enrollment.

Mr. Peterson indicated that total Foundation operating revenue increased \$935,234 compared to 2005. Grant & Contract revenue increased \$997,249 or 8.7%. Revenue from the bookstore operations decreased \$156,409 due to declining enrollment.

Mr. Peterson summarized the Audit Management Letter which suggested the following items for review/action:

1. Inventory Pricing- Since the bookstore software is not integrated with the accounting and accounts payable software, the cost of inventory does not always reflect current invoice costs. These differences are resolved upon the adjustment to the physical inventory; however, the inventory and the cost of sales during the course of the year are not entirely accurate. Recommendation: The Foundation work towards software integration or develop other procedures to ensure the accuracy of the inventory.
2. Audit Committee- It was noted that the audit committee had not met during the current year. Without meeting, it is difficult to demonstrate compliance with the Nonprofit Integrity Act. Recommendation: The committee holds meetings at least twice per year, one in the spring before the audit and one in the fall after the audit.
3. Compliance- The Foundation is transitioning to a computer-based ADP time entry system. Recommendation: Management ensure that proper controls incorporated in the new time entry procedures for proper certification and tracking.

M/S/P (Metz/Leung) To accept the June 30, 2006 and 2005 audited financial statements and management discussion of the CSUEB Foundation, Inc. as presented by the accounting firm of Armanino & McKenna budget and to accept the Audit Management Letter.

IX. Executive Director Recruitment Update

Mr. Del Biaggio provided the Board an update on the recruitment of the Associate Vice President of Enterprise Activities & Executive Director of the CSU East Bay Foundation, Inc. The Committee includes Ed Del Biaggio, Chair; Bruce Trumbo, Board Member; Sue Opp, Faculty; Vanessa Padilla, Student; Derrick Lobo, Bookstore Operations Manager; Armando Gonzales, Associate Vice President, Academic Resource & Administration.

The goal of the Committee is to make a recommendation to Vice President Metz by November 3, 2006 and on-campus interviews with select candidates will begin the week of October 16, 2006 and continue through October 27, 2006.

X. Completion of the Conflict of Interest Form

XI. M/S/P (Metz/Johnson) To ask the Executive Director to join the Board in the Closed Session.

Closed Session- Personnel Matters

XII. Open Session

M/S/P (Metz/Johnson) To authorize the Executive Director to establish a 3% salary pool for the purpose of providing salary increases to Foundation employees.

XIII. Adjournment

M/S/P (Metz/Leung) The meeting was adjourned at 4:03 PM.

Minutes of the CSUEB Foundation Board of Director's Meeting for the September 21, 2006 meeting were adopted on November 2, 2006

Secretary _____ Date _____

Executive Director _____ Date _____