

EAST LOS ANGELES COLLEGE FOUNDATION

BOARD OF DIRECTORS MEETING

JULY 30, 2015

G1-301AB

4:30 p.m.

Members Present: Marvin Martinez, Raymond Cheng, Paul De La Cerda, Sandy Ho, Ann Tomlinson, Marshal Chuang, Asif Mahmood, Christine Chui, Marissa Castro-Salvati, and Tina Hwang.

Members Absent: Ken Maxey (excused), Priscilla Lizárraga (excused), Helen Romero Shaw (excused), Philip Cohen (excused).

Guest: Selina S. Chi, Senior Director of Foundations

Staff: Michelle Rodriguez, Foundation Development Assistant

- I. **Call to Order:** Chairman Cheng called the meeting to order at 4:57 p.m.
- II. **Approval of the Minutes:** The minutes of May 28, 2015 and June 18, 2015 were approved. (Martinez/Hwang/Passed)
- III. **President's Report:** President welcomed the board members back to the College. He reported on summer enrollment, which is at about 21% above the cap and on the target growth for the coming fall semester. He noted that last year enrollment grew by 7.5% and due to the growth the college budget will be rebased. He reported an increase of faculty hiring in various departments. Reported on the swearing in of the 3 new trustee board members and noted that in November the trustee's board meeting will be held at ELAC. President also reported on the progress of the Student Success Building, the Campus Center Bookstore, the Math and Science Building and the Entry Plaza.
- IV. **Executive Director's Report:** P. De La Cerda thanked the board for their attendance and thanked S. Chi for her attendance. P. De La Cerda shared the CCCSE report (OSHER) that was received from the CCC Foundation. Reminded the board that the QuickBooks

conversion project is in the works. He noted that the accountant was out sick and was not able to provide a budget. He reported that he has been meeting with many individuals that are willing to help and serve the ELAC Foundation in many different ways. Also noted that the ELAC Foundation was going to be moving to the ELAC Plaza. President Martinez reported on the details of the new location and noted that many offices with minimal student contact would be moving as well. President also noted that the Monterey Park Spirit buses would assist with shuttling staff back and forward to the main campus. P. De La Cerda reminded the board of the upcoming Board Retreat and mentioned he was looking forward to getting to know the board and setting the goals for the coming year.

V. Consent Agenda:

- a. ELAC Foundation 2015-2016 Budget: Tabled due to the absence of the accountant.
- b. Investment Counsel Contract: R. Cheng noted that the investment committee had a phone call with Payden and Rygel regarding questions on the contract. C. Chui stated that she requested clarification on wrap fees. C. Chui inquired about the transferring of funds. She voiced concern about transferring some of the investment that were locked into long term investments. S. Chi stated that Payden and Rygel should look at the current investments and provide recommendation on the best options for closing the accounts. C. Chui was invited by P. De La Cerda and agreed to a meeting with Payden and Rygel. C. Chui suggested that the Foundation be given online access to the account for monitoring. Authorized personnel for signers and liaisons on the account were discussed. P. De La Cerda and A. Tomlinson were decided to be the signers and liaisons. Committee members were discussed and redefined. The

Committee members are C. Chui (Chair), T. Hwang, M. Chuang and A. Tomlinson.

- c. Ratify NASA Grant Submission: P. De La Cerda presented the abstract of a grant submission under \$500,000 for 3 years to provide funds to assist with field intensive research experience in the STEM fields. The grant will provide funds for projects and internships. He also noted that the Foundation was asked to apply because of its 501(c)(3) status and mission to support the college in its mission. He added that the grant budget included a 10% administrative fee. S. Chi noted that intent was to apply for the grant through the college but it was not registered, the foundation was able to apply because it is registered.

- M/S/P: (Castro-Salvati/Martinez/Passed) Approve item a through c in the consent agenda. Motion passes unanimously.

VI. Old Business:

- a. External Audit Update: R. Cheng reported on a meeting with the external auditor Kevin Fordyce. He reported that there is a 2013 internal audit that was performed by the Los Angeles Community College District which is different from the external audit. He noted that S. Chi reported to the board that there were findings in the internal audit and later reported that the findings in the internal audit report performed by LACCD had rectified and satisfied. R. Cheng reported that he was informed by K. Fordyce, the external auditor, that there was one finding pending. The findings were regarding gifts that were made to his family members, including a wedding gift to his son. He noted that he was unaware that the wedding gift to his son came from the Foundation. R. Cheng stated that he would be reimbursing the foundation in the full amount for the gifts his family received to avoid the appearance of a conflict

of interest even though some of the items were board approved. S. Chi reported that she provided a written report to the internal auditors and it was not included in the final report. R. Cheng noted that per K. Fordyce, the external auditor, the internal auditors did not close the finding. S. Chi inquired with the president about the internal audit presentation of the ELAC Foundation at the board of trustees as 100%. President confirmed that it was presented as 100% at the board of trustees meeting. S. Chi stated that she disagreed with the finding because the gift was not solicited and it was for a wedding that the entire board was invited to and was also networking event due to prominent guest list. R. Cheng stated once again that he and his son would be reimbursing the entire amounts of the gifts. R. Cheng then shared a draft of the 2013 external audit and noted that a final draft would be ready at the time of the board retreat. Also noted that the 2014 audit would follow shortly after the completion of the 2013 audit. A conference call with the External CPA is scheduled to finalize the contract to complete the preparation for the 2014 audit and the QuickBooks conversion project. He noted that the delays of the audits are due to the accountants not understanding the principals of non-profit accounting but noted that no funds were missing. P. De La Cerda noted that he will be working with the President and the Vice President of Administrative Services to improve the situation on the accounting side. President noted that despite the delays and challenges, the ELAC Foundation is the best in the district. R. Cheng went on to note that the auditors have validated, verified and satisfied all requirements of the OSHER (CCCSE) funds. C. Chui inquired whether the finance committee was responsible for accounting operations. R. Cheng clarified that the Finance Committee was only responsible for investments.

- b. Phi Theta Kappa Honors Society: P. De La Cerda inquired if the board would like to continue to support the PTK Honor Society. President noted the organization is an academic society and provides an opportunity to recognize outstanding ELAC students. Item was tabled pending report from the organization.
- c. Board Retreat: Board was reminded that the retreat would take place on September 4th, 5th and 6th at the Fantasy Springs Resort and Casino.

VII. New Business:

VIII. Items from the Floor:

IX. Adjournment: The meeting adjourned at 6:09 p.m.

Respectfully Submitted:

Michelle Rodriguez, Foundation Development Assistant

Documents: II, IVa, VIa, IVb, and VIb