



MPC

FOUNDATION

MONTEREY PENINSULA COLLEGE

Finance Committee Meeting Minutes July 21, 2022 via videoconference

Committee Members Present: Steve Cardinalli, Jeremy Green, Joe Servi, Joyce Simon

Committee Members Absent: Jason Griffin

Staff Present: Karen Kelly, Beccie Michael

1. Chair Jeremy Green called the meeting to order at 2:35 pm.
2. There were NO GUESTS and NO PUBLIC COMMENT
3. Approval of May 12, 2022 Minutes
 - Motion: Mr. Servi; second: Ms. Simon;
 - Ayes: Mr. Cardinalli, Mr. Green; Nays: none
4. Review of 2022 Second Quarter Financial Statements

Chair Jeremy Green provided an overview of the *Profit and Loss Budget vs. Actual and Balance Sheet with Previous Year Comparison* statements for the quarter ended June 30, 2022:

 - The Foundation's ordinary income in Q2 was \$164K greater than budgeted. President's Circle giving, Emergency Assistance, and Scholarships were strong drivers of this positive variance.
 - The Foundation spent less on operations, and more on Programs—including Internships and Emergency Assistance—than budgeted. Overall, expenses were \$9,204 less than budgeted.
 - MPCF's investment losses in 2022 to date were ~\$1,489,294
 - Due to poor market performance, the Foundation's assets at the end of Q2 2022 were \$10,581,772--down 12.1% from previous year (Q2 2021).
 - Recommendation for Board Approval, 2022 Second Quarter Financial Statements
 - Motion: Mr. Cardinalli; second: Mr. Servi
 - Ayes: Mr. Green, Ms. Simon; Nays: none

5. Updates to select Financial Policies

After a staff presentation and robust discussion of proposed updates to MPCF's *Petty Cash Fund Policy*, *Cash and Cash Equivalents Policy*, and *Credit Card Policy*, the Committee settled on new policy language, attached as an appendix to these minutes.

The committee agreed to recommend the updated policies to the MPC Foundation Board for approval

- Motion: Mr. Green; second: Mr. Servi;
- Ayes: Mr. Cardinali , Ms. Simon; Nays: none

Subsequent to the July 21, 2022 Finance Committee meeting, MPCF staff learned new information that could inspire substantive improvements to the *Cash and Cash Equivalents Policy*. The policies therefore were not forwarded to the full Board for approval, and will be reconsidered by the Finance Committee at its next meeting.

6. Overview of 2023 Budget

Ms. Michael provided an overview of the budget development process, timeline, and initial considerations for crafting the 2023 budget.

7. Mr. Green adjourned the meeting at 3:33 pm

APPENDIX 1: Cash and Cash Equivalent Policy.Finance updates7.21.22

APPENDIX 2: Credit Card Policy.Finance updates7.21.22



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Cash and Cash Equivalents Policy

MPC Foundation may secure its liquid resources in any combination of traditional bank checking or savings accounts; money market accounts; short-term brokerage accounts; petty cash funds; or digital payment balance accounts. The Foundation will regularly reconcile statement balances for all such accounts to the General Ledger, and the Executive Director will review and approve the reconciliation.

The Executive Director shall establish and maintain administrative procedures to ensure that Foundation operations support this Policy.

BANK ACCOUNTS

- The MPC Foundation will preferentially secure funds in financial institutions that are insured by the FDIC or NCUA. No such account may carry a balance over the FDIC/NCUA insured amount.
- The Executive Director and at least two Board members designated by Board Resolution shall be the signatories on all MPC Foundation's bank and brokerage accounts. The ED shall authorize and sign all check disbursements, and may sign either by hand or via a signature stamp that resides securely with the Executive Director's designee. Checks exceeding \$5,000 require a second signature by an authorized signatory.

PETTY CASH FUND

- The MPC Foundation strongly prefers to pay obligations via check or bank card. However, Management may maintain a **\$200.00** Petty Cash Fund from unrestricted funds to accommodate cash emergencies.
- The Foundation may use Petty Cash for incidental purchases of \$50.00 or less. A cash requestor should seek pre-approval by the Executive Director, but if time does not permit pre-approval, can request cash from the Accounting Manager. If approval is not subsequently granted, cash requestor must reimburse cash to the Foundation.
- The Foundation will maintain the Petty Cash in a secure location, and shall regularly replenish the cash balance to \$200.
- The Petty Cash Fund will be treated as a Bank Account within the Financial Accounting system, and will be reconciled and presented to ED for approval like other Bank Accounts

DIGITAL OR ONLINE PAYMENT BALANCE ACCOUNTS

- While the MPC Foundation prefers to meet its obligations via check or bank card payments, Management may also establish accounts with digital/online payment services that retain a small

temporary balance for contactless disbursement and receipt of funds. Examples of such services include *PayPal*, *Venmo*, and *Zelle*.

- The Executive Director shall be the nominal and responsible account holder for such digital/online accounts.
- Any such account will be treated as a Bank Account within the Financial Accounting system, and will be reconciled and presented to ED for approval like other Bank Accounts
- MPC Foundation will closely monitor the balances in digital/online accounts to ensure adequate funds for anticipated disbursements while minimizing uninsured exposure risk.

Approved **XXX nn**, 2022 by MPC Foundation Board of Directors

Rob Lee, President

Date



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Credit Card Policy

The Foundation's Board of Directors may pre-approve acquisition of an MPC Foundation credit card in the name of the Executive Director (ED) and the MPC Foundation. The credit card will have all the virtues and obligations of any credit card.

The Executive Director shall establish and maintain administrative procedures to ensure that Foundation operations support this Policy.

- Only the ED or their designees may use the credit card.
- The credit card may be used for expenses included in the approved budget
- The card may NOT be used for cash advances or for personal expenditures
- Card use is limited to \$5,000 maximum in any single transaction. Transactions over this amount require prior approval from the Treasurer or President of the Board.
- When the ED leaves the employ of MPC or MPC Foundation, they must relinquish the card. MPC Foundation will retire and replace the card.

ADOPTED JULY 6, 2011 BY THE BOARD OF DIRECTORS
REVISED FEBRUARY 15, 2017 BY THE BOARD OF DIRECTORS

Revised **XXX NN**, 2022 by the Board of Directors

Rob Lee, President

Date