



# MPC

# FOUNDATION

MONTEREY PENINSULA COLLEGE

## Finance Committee Meeting Minutes November 3, 2022 via videoconference

Committee Members Present: Jeremy Green, Jason Griffin, Joe Servi, Joyce Simon

Committee Members Absent: Steve Cardinali

Staff Present: Karen Kelly, Beccie Michael

1. Chair Jeremy Green called the meeting to order at 2:33 pm.
2. There were NO GUESTS and NO PUBLIC COMMENT
3. Approval of July 21, 2022 Minutes
  - Motion: Mr. Servi; second: Ms. Simon;
  - Ayes: Mr. Green; Nays: none; Abstentions: Mr. Griffin joined the meeting after this vote
4. Review of 2022 Third 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 September 30, 2022:

  - At the end of the third quarter, revenues have already exceeded budget projections for the entire year. Large endowment gifts and President's Circle memberships are especially large variances.
  - Actual expenses are less than budgeted; Net ordinary income exceeds budget by \$672,993
  - MPCF's investment losses through the third quarter 2022 are \$2,089,094.
  - The Foundation's assets at the end of Q3 2022 stand at \$10,055,271--down 15.35% from previous year (Q3 2021).
  - Recommendation for Board Approval, 2022 Third Quarter Financial Statements
    - Motion: Mr. Griffin; second: Ms. Simon
    - Ayes: Mr. Green, Mr. Servi; Nays: none
5. Updates to select Financial Policies

The committee made one change in the *Cash and Cash Equivalents Policy* to align expense approval requirements with modern banking practices. The updated policy is attached as an appendix to these minutes.

The committee recommended the updated policies reviewed at the Q2 and Q3 meetings to the MPC Foundation Board for approval:

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

6. Review of 2021 IRS Form 990

Foundation Accounting Manager Karen Kelly reviewed the Foundation's informational tax return prepared by Eide Bailly. The financial data reported to the IRS on form 990 ties to the information presented in the board-approved Independent Auditor's Report on Financial Statements for 2021.

- The committee agreed to recommend the 2021 Form 990 for acceptance by the full board.
  - Motion: Ms. Simon; second: Mr. Servi
  - Ayes: Mr. Green; Mr. Griffin; Nays: none

7. Overview of 2023 Budget

Beccie Michael, MPCF Executive Director, updated the committee on preliminary 2023 budget development.

- The 2023 budget proposes a negligible (-1%) difference in Net income from 2022, via modest increases to both revenues and expenses
- The committee requested some formatting change to the budget before it is next reviewed by the full Board, including:
  - A column reporting % differences between budget years
  - More detailed footnotes to illuminate any large differences in line items between budget years

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



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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.
- All expense transactions exceeding \$5,000 require written approval by an additional authorized signatory prior to disbursement.

### 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 \_\_\_\_\_, 2022 by MPC Foundation Board of Directors

\_\_\_\_\_  
Rob Lee, President

\_\_\_\_\_  
Date