



**MIRACOSTA COLLEGE FOUNDATION BOARD  
EXECUTIVE COMMITTEE MEETING  
Tuesday, February 4, 2025 3:45 – 5:00 pm**

3333 Manchester Avenue Cardiff, CA 92007  
Conference Room 1131

Members of the community not able to attend in person can listen to the live stream here:  
<https://linktr.ee/miracostacollegefoundation>

***Executive Committee Members:***

Janice Kurth, David McGuigan, Cindy Musser, Karen Pearson, Val Saadat, Tim Snodgrass, Denise Stillinger

***Staff Support Attendees:***

Shannon Stubblefield, Elizabeth Lurenana

***MiraCosta College Foundation Mission:***

*Promote the benefits of MiraCosta College and secure resources that transform lives.*

***MiraCosta College Foundation Vision:***

*Educational opportunities for all.*

***Land Acknowledgement:***

*We acknowledge the original caretakers of the land on which MiraCosta College is built. The Luiseno people are made up of seven bands: the La Jolla, Pala, Pauma, Pechanga, Rincon, San Luis Rey, and Soboba. We pay our respects to the Luiseno – past, present, and emerging, and are grateful to have the opportunity to be part of this community and to honor their history, culture, and spirit.*

**AGENDA**

**I. CALL TO ORDER**

This meeting's audio will be live-streamed and recorded.

**II. ROLL CALL, WELCOME, and INTRODUCTIONS**

**III. PUBLIC COMMENT ON ITEMS ON AND NOT ON THE AGENDA**

**IV. CHANGES IN AGENDA ORDER**

**V. APPROVE MEETING MINUTES – Action Required**

A. Regular Meeting of November 5, 2024

**VI. COMMITTEE UPDATES (Updates on activities since the last meeting)**

- A. Executive Committee (Kurth)
  - i. Board Engagement
    - a. Kudos
    - b. Board Giving
    - c. Board Attendance at Events
  - ii. Donor Prospecting Event (Spring 2025)
- B. Governance & Nominations Committee (Stillinger)
  - i. Emeritus Board Member Knox Williams
  - ii. Goal for New Board Members for FY25/26
- C. Finance Committee (Musser)
  - i. Review FY24/25 Q2 Financial Statements & Recap

- ii. Key Performance Indicators
- iii. FY25/26 – Foundation Board Budget Discussion
- iv. Review Annual Spending Rate (Item VII.C.)
  - a. <https://foundation.miracosta.edu/foundation-board/board-manual/investment-and-spending-policy.html>
- v. Review Draft 2025-2030 Memorandum of Understanding
- D. Audit Committee (Snodgrass)
  - i. Independent Audit Services Request for Proposals (RFP)
- E. Grants & Scholarships Committee (Saadat)
  - i. Foundation Board Grants Update
  - ii. Scholarship Update

## VII. REVIEW QUARTERLY BOARD MEETING AGENDA

## VIII. ANNOUNCEMENTS, MEETING, AND EVENT CALENDAR REVIEW

### **Chemistry/Biotech Building Ribbon Cutting (Oceanside Campus)**

Thursday, February 27, 2025 at 9:00 – 10:30 a.m.

### **Scholarship Awards Celebration (Oceanside Campus)**

Friday, February 28, 2025 at 5:00 – 6:30 p.m.

### **Next Executive Committee Meeting (San Elijo Campus)**

Tuesday, April 22, 2025 at 3:45 – 5:00 p.m.

### **Next Quarterly Board Meeting (TCI Campus)**

Tuesday, February 25, 2025 at 3:00 – 5:00 p.m.

### **Media Arts Building Ribbon Cutting (Oceanside Campus)**

Wednesday, March 26, 2025 at 10:00 – 11:30 a.m.

### **Next Governance and Nominations Committee Meeting (San Elijo Campus)**

Tuesday, April 15, 2024 at 2:00 – 3:00 p.m.

### **Next Audit Committee Meeting (San Elijo Campus)**

Tuesday, April 22, 2025 at 1:00 – 1:30 p.m.

### **Next Finance Committee Meeting (San Elijo Campus)**

Tuesday, April 22, 2025 at 2:00 – 3:30 p.m.

## IX. FUTURE AGENDA ITEMS

## X. ADJOURNMENT

\* **ITEMS ON THE AGENDA:** Members of the audience may address the Foundation Board Committee on any item listed on the agenda when that agenda item comes up for discussion and/or action. Comments will be limited to three (3) minutes per agenda item and a total of fifteen (15) minutes of public comment on an item, unless waived by the committee. Non-English speakers utilizing a translator will have six (6) minutes to directly address the Committee.

**ITEMS NOT ON THE AGENDA:** Members of the audience may address the Foundation Board Committee on any topic not on the agenda so long as the topic is within the jurisdiction of the Foundation. Under the Brown Act, the committee is not permitted to engage in public discussion or take any action on an agenda item not on the agenda, except that members of the committee may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Government Code §54954.3. In addition, on their own initiative, or in response to questions posed by the public, a member of the committee may ask a question for clarification. A member of the committee or the committee itself may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda. Comments from visitors shall not exceed three (3) minutes unless the committee waives the time limit. Non-English speakers utilizing a translator will have six (6) minutes to directly address the committee. The committee may also limit the total amount of time for public comment on a particular topic to fifteen (15) minutes.

**DECORUM:** Decorum requires members of the public to observe order at committee meetings. Speakers shall speak to the issues, and refrain from using defamatory or abusive personal remarks that disturb or impede the meeting or exceed the bounds of civility necessary to the conduct of the business of the Foundation Board Committee. The presiding officer has the authority to run the meeting, which includes the authority to issue warnings, call for recesses, or clearing the boardroom in the event of disruptive behavior. Government Code section 54954.3(c) establishes that the legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body, and California Penal Code section 403 makes it a misdemeanor for any person to willfully disturb or break up any lawfully authorized assembly or meeting.

Foundation Committee meetings are held in meeting rooms that are accessible to those with mobility disabilities. If you wish to attend the meeting and you have another disability requiring special accommodation, please notify the board assistant, 760.757.2121, extension 6645. The California Relay Service is available by dialing 711 or 800-735-2929 or 800-735-2922.

In compliance with Government Code §54957.5, nonexempt writings that are distributed to a majority or all of the MiraCosta Community College District Foundation Board in advance of their meetings may be viewed at the Office of Institutional Advancement, 1 Barnard Drive, Oceanside, California, 92056 or by clicking on the Foundation website at <http://foundation.miracosta.edu/>. Such writings will also be available at the board meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the board assistant, at 760.795.6645 or by e-mail at [foundation@miracosta.edu](mailto:foundation@miracosta.edu)



**MIRACOSTA COLLEGE FOUNDATION BOARD  
EXECUTIVE COMMITTEE**

**MINUTES OF REGULAR MEETING**

**November 5, 2024  
DRAFT**

**I. CALL TO ORDER**

The MiraCosta College Foundation Executive Committee met in open session on Tuesday, November 5, 2024 in Conference Room 1116 on the MiraCosta College District's San Elijo Campus (3333 Manchester Avenue, Cardiff, CA 92007). The meeting was live-streamed and recorded via Zoom. Treasurer Janice Kurth called the meeting to order at 3:45 p.m.

**II. ROLL CALL**

**Committee Members Present:**

Janice Kurth	David McGuigan	Cindy Musser
Karen Pearson	Val Saadat	Tim Snodgrass (3:57 p.m.)
Denise Stillinger (3:48 p.m.)		

**Committee Members Absent:**

**Staff Members Present:**

Elizabeth Lurenana	Shannon Stubblefield
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President Kurth welcomed everyone to the meeting.

**III. PUBLIC COMMENT ON ITEMS ON AND NOT ON THE AGENDA**

None

**IV. CHANGES IN AGENDA ORDER**

None

**V. APPROVE MEETING MINUTES**

- A. By motion of Treasurer Musser, seconded by Committee Member Saadat, the minutes of the regular meeting of August 13, 2024 were approved as presented.

**Vote:** 5/0/0/2

**Aye:** Kurth, McGuigan, Musser, Pearson, Saadat

**Nay:** None

**Abstain:** None

**Absent:** Snodgrass, Stillinger

**VI. COMMITTEE UPDATES (Updates on activities since the last meeting)**

- A. Executive Committee

- i. Board Kudos

a. The committee reviewed the draft of board kudos for the upcoming quarterly meeting and staff added requested items.

- ii. Board Dashboard

a. Staff will add a line for the percentage of board members who have met their fiscal year goal.

- iii. Community Leaders Breakfast Success

a. Vice President Pearson reported on the Community Leaders Breakfast, highlighting the strengths of the setup and programmatic elements.

1. She noted it is an opportunity for board members to attend to network and be ambassadors for the foundation and offered to follow up with attendees she knows from the event.

- b. Nearly 300 people were in attendance.
  - c. Other committee members shared their experiences at the event and highlighted the program's strengths: Philanthropist of the Year, Dr. Cooke's speech, the student panel, and the printed materials.
  - iv. Review the Quarterly Board Meeting Agenda
    - a. VP/ED reviewed the board focus for Q2, highlighting the opportunity to fundraise for scholarships (to meet a gap of approximately \$350,000), the Endowment Matching Gift Campaign, and the Annual Fund.
      - 1. The committee discussed marketing ideas for raising money for scholarships and personal asks within their network.
    - b. The committee reviewed the draft of a new Naming Opportunities website and VP/ED Stubblefield gave an update on additional spaces to be added and other information on the process. This will be a weblink that can be sent to potential donors.
      - 1. Naming opportunities are approved by the college's Board of Trustees and can be up to a 5-year pledge.
      - 2. The committee recommended adding more successfully named buildings to the website.
    - c. Holiday Donor Appreciation Event: Wednesday, December 4 at 6:00 p.m.
      - 1. Vice President Pearson and VP/ED Stubblefield recommended board members invite prospective donors to the event.
    - d. Staff made changes to the agenda as requested by the committee.
  - v. Ad-Hoc Resource Development Committee
    - a. No progress has been made on gaining committee members.
      - 1. VP/ED Stubblefield reached out to potential committee members and only one person expressed interest in being on the committee (Diane Mills).
      - 2. Committee Chair McGuigan will invite people to join the committee at the next quarterly board meeting.
        - He may schedule a meeting with VP/ED Stubblefield and Diane Mills before the board meeting.
        - Vice President Pearson has volunteered to join the committee.
- B. Governance & Nominations Committee
- i. Committee Member Stillinger and VP/ED Stubblefield reviewed the applications of board prospects Michelle Gray and Anthony Spano. The Governance & Nominations Committee has approved both candidates.
    - a. By motion of Vice President Pearson, seconded by Committee Member McGuigan, the Executive Committee voted to move the applications of Michelle Gray and Anthony Spano forward to the full board to consider at the November 19, 2024 quarterly board meeting.

**Vote:** 7/0/0/0  
**Aye:** Kurth, McGuigan, Musser, Pearson, Saadat, Snodgrass, Stillinger  
**Nay:** None  
**Abstain:** None  
**Absent:** None
  - ii. Prospect List Review
    - a. VP/ED Stubblefield reported the Governance & Nominations Committee reviewed board term expirations and recommended staff bring lists of people in the community for board members to review and note if they know someone who could be a potential board member.
      - 1. Committee Member Snodgrass and Vice President Pearson identified a prospect to add to the list.
      - 2. Committee members suggested that Non-Profit Management Solutions and LinkedIn are possible places to post that the foundation is open to new board members.
      - 3. Committee Chair Stillinger recommended board members advertise to the community that they are on the foundation board.

## C. Finance Committee (Musser)

## i. Treasurer Musser reviewed the FY23/24 End of Year Financial Statements

- a. By motion of Committee Member Snodgrass, seconded by Committee Member Saadat the FY23/24 End-of-Year Financial Statements were approved as presented.

**Vote:** 7/0/0/0

**Aye:** Kurth, McGuigan, Musser, Pearson, Saadat, Snodgrass, Stillinger

**Nay:** None

**Abstain:** None

**Absent:** None

## ii. Treasurer Musser reviewed the FY24/25 Q1 Financial Statements &amp; Recap

- a. By motion of Vice President Pearson, seconded by Committee Member Stillinger the FY24/25 Q1 Financial Statements & Recap were approved as presented.

**Vote:** 7/0/0/0

**Aye:** Kurth, McGuigan, Musser, Pearson, Saadat, Snodgrass, Stillinger

**Nay:** None

**Abstain:** None

**Absent:** None

## iii. Review Key Performance Indicators

- a. Treasurer Musser briefly reviewed the Key Performance Indicators and recommended committee members review them in further detail before the board meeting on November 19, 2024.

## iv. Quasi Endowment

- a. Treasurer Musser reviewed the proposal concerning a new quasi-endowment.
- b. By motion of Committee Member Snodgrass, seconded by Vice President Pearson, the committee voted to approve partially endowing \$50,000 from the Diane Bessell Trust to establish the Diane Bessell Trust Quasi Endowment.

**Vote:** 7/0/0/0

**Aye:** Kurth, McGuigan, Musser, Pearson, Saadat, Snodgrass, Stillinger

**Nay:** None

**Abstain:** None

**Absent:** None

## D. Innovation Grants &amp; Scholarships

- a. Committee Chair Saadat reported on a discussion at the most recent committee meeting where the committee agreed it is necessary to change the grant application name to something other than "Innovation" Grants. The committee is taking recommendations and considering ideas like the "Transforming Lives Grant." The committee also agreed to make changes to allowable items to be funded through the grants, move up the dates of the application (so it will open in February, close in April, and be awarded in May for FY25/26), and implement a new application system to streamline supervisory approval for all applications.

1. Committee Member Stillinger gave a recommendation of "Program Enhancement Grants" as another option.

## ii. Scholarship Update

- a. There were a total of 985 applicants which is an increase of 75% year over year.
  1. This was in large part due to the Financial Aid Office notifying students in PeopleSoft what scholarships they may be eligible for.
  2. 346 qualified applicants did not receive scholarships due to lack of funding. The committee discussed the need to highlight this funding gap at the quarterly board meeting.
    - An additional \$20,000 is being awarded through funds foundation staff are making available.
    - An additional gap of \$330,000 exists.

- Staff will call lapsing donors and look at lists of possible donors to meet this gap.
  - Staff will send board members a template of a fundraising e-mail they can send to their personal contacts.
  - The committee recommended marketing.
3. 197 applicants didn't qualify for any scholarships.
- b. Chair Saadat reported that more than half of board members read scholarships this cycle.

**VII. ANNOUNCEMENTS, MEETING, AND EVENT CALENDAR REVIEW**

**Next Foundation Board Meeting (CLC Campus)**

Tuesday, November 19, 2024 at 3:00 – 5:00 p.m.

**Next Innovation Grants & Scholarships Committee Meeting**

Wednesday, January 22, 2025 at 12:30 – 1:30 p.m.

**Next Governance and Nominations Meeting (San Elijo Campus)**

Tuesday, January 28, 2025 at 2:00 – 3:00 p.m.

**Next Finance Committee Meeting (San Elijo Campus)**

Tuesday, February 4, 2025 at 2:00 – 3:30 p.m.

**Next Executive Committee Meeting (San Elijo Campus)**

Tuesday, February 4, 2025 at 3:45 – 5:00 p.m.

**Next Audit Committee Meeting (San Elijo)**

Tuesday, April 22, 2025 at 1:00 – 1:30 p.m.

**VIII. FUTURE AGENDA ITEMS**

**IX. ADJOURNMENT**

The meeting adjourned at 5:03 p.m.

## Board Dashboard Roles and Responsibilities

**FY 2024-25 to date**

<b>Meetings &amp; Events</b>	Average Board Meeting Attendance	73%
	Average Committee Attendance	76%
	Percent Board Members Attended College Event including CLB	78%
<b>Board Giving</b>	Percent 'Give' Any Dollar Amount	61%
	Percent Met Giving Minimum Year to Date	50%
	Board 'Give' Total	\$33,965
	Percent 'Give' \$1 to \$999	11%
	Percent 'Give' \$1,000	11%
	Percent 'Give' \$1,001 to \$2,500	22%
	Percent 'Give' \$2,501 to \$5,000	6%
	Percent 'Give' \$5,001 to \$10,000	0%
<b>Board 'Get'</b>	Percent 'Get'	11%
	Board 'Get' Total	\$10,000

Rev.01/30/2025

Dignity®  
MEMORIAL

OBITUARY

# *Knox Williams*

AUGUST 9, 1928 - DECEMBER 6, 2024



IN THE CARE OF

Eternal Hills Mortuary & Crematory at Eternal Hills Memorial Park

*Knox Williams died early in the morning of Dec. 6, 2024 in Carlsbad, California. He was in his 96th year having been born on 9 August 1928 in Grandfield, Oklahoma.*

He was raised by his parents Knox Bondy Williams and Clara Mae Butler Williams. He was their firstborn of five, Knox, Reba, Bill, Bonnie, and Linda.

He was a good son, brother, husband, father, grandfather and great grandfather. He was a hard worker and child of the Great Depression. He helped his dad haul and sell scrap metal, picked cotton, shined shoes and as well as other odd jobs. After graduating from high school, Knox enrolled in the Bakersfield Junior College. While there, he served in the Naval Reserve. He was encouraged to continue his education so he headed to UCLA. He graduated in 1951 with a Bachelor's degree in Business. He married Juanita June Wood September 9, 1951. Their children are "The Twins" Jodi and Jeri and their brother Drue, who predeceased Knox in November 1999.

Knox bought a Rayne Soft Water franchise, and moved his family to Carlsbad from Santa Barbara in 1961. He worked in the water business for many years and was a pillar of the Carlsbad and San Diego area communities. He devoted much time and energy to multiple charities and causes. He enthusiastically supported education, the YMCA, the



developmentally disabled through St. Madeleine Sophie's Center and Noan homes, the Presbyterian church, Rotary International and was a founding member and chair of the Carlsbad Charitable Foundation. Knox enjoyed travel and took a keen interest in world affairs. He and June took much joy in hosting international students and taking them into their family. He lost June in August 2014, thus making Knox a widower for 10 years. He was a father of three, a grandfather of 4, and a great grandfather of four more. He loved his family and helped them all with advice and treasure. He will be dearly missed.

Please join the family for a Celebration of Life Memorial Service Saturday February 22, 2025 1:00 PM at the First Presbyterian Church 2001 S. El Camino Real, Oceanside, CA 92054.

# In Memory Of

## Knox Williams

 8

 26

 18



1

VIEW



*Click to light a candle*

7 CANDLES HAVE BEEN LIT

ADD A MEMORY

ALL MEMORIES

FROM THE FAMILY



From the Family

## Foundation Board “Grid” Areas of Expertise – 2025 Draft

### Purpose

To identify areas of expertise that should be represented by the Foundation board to guide strategy for which community members to engage as new potential board members.

### Proposed “Area of Expertise” Categories:

- Wealth Management/Investment
- Accounting (CPA)
- Estate Law
- Real Estate/[Property Management](#)
- Marketing/PR
- Fundraising
- Legal System
- [Economic Development](#)  
Note from Sunny: Could talk with Christi at Connect and Matt Sanford w City of Carlsbad
- [Business Ownership](#)
- [C-Suite Representation in Key Industries – TBD, such as:](#)
  - [Biotech](#)
  - Health/Medical
  - Technology
  - [Manufacturing / Advanced Manufacturing](#)
  - [Energy/Sustainability](#)

**CR ACC - Foundation Balance Sheet**

Repeat By

Period

FY2024-25 - 06-Dec

Worktags

Calculate Current Year Retained Earnings (DO NOT USE)

Yes

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted	Restricted & Unrestricted
Period: FY2024-25 - 06-Dec			Total FY24-25 (July 2024 to December 2024)	Prior Year FY23-24 (July 2023 to December 2023)	Prior Year FY23-24 (Jul 2023 to June 2024)
Assets	2,631,671.34	21,552,400.59	24,184,071.93	23,024,845.23	23,343,531.68
Cash	644,972.70	280,244.76	925,217.46	1,026,670.92	775,011.73
Investments	1,896,632.88	20,436,928.37	22,333,561.25	20,608,002.12	21,580,667.33
Deferred Gifts - Assets	68,501.00	817,388.20	885,889.20	1,215,026.15	885,889.20
9121:Deferred Gifts	0	817,388.20	817,388.20	788,227.15	817,388.20
9309:Assets Donated (Gift-in-Kind)	0	0.00	0.00	0.00	0.00
9310:Assets Donated (Held for sale)	68,501.00	0	68,501.00	426,799.00	68,501.00
Accounts Receivable/Prepays	21,564.76	17,839.26	39,404.02	175,146.04	101,963.42
9139:Pledge Receivable - Long-term	14,500.00	19,500.00	34,000.00	169,693.60	99,693.60
9142:Discount on Pledge Receivable	(163.20)	(1,660.34)	(1,823.54)	(1,156.76)	(6,165.97)
9143:Accounts Receivable - Year end accrual	6,227.96	(0.40)	6,227.56	6,609.20	8,435.79
9144:Allowance for Doubtful Accounts	0.00	0	0.00	0.00	0.00
9220:Prepaid Items				0	0.00
9221:Travel Advance Prepaid	1,000.00	0.00	1,000.00	0.00	0.00
<b>Total Assets</b>	<b>2,631,671.34</b>	<b>21,552,400.59</b>	<b>24,184,071.93</b>	<b>23,024,845.23</b>	<b>23,343,531.68</b>
Liabilities	23,653.93	20,000.67	43,654.60	111,336.26	105,449.55
Accounts Payable	23,653.93	20,000.67	43,654.60	111,336.26	105,449.55
Due To Related Entities	0.00	0.00	0.00	0.00	0.00
9540:Due to Other Funds	0.00	0.00	0.00	0.00	0.00
Due From Related Entities	0.00	0.00	0.00	0.00	0.00
9140:Due From Other Funds	0.00	0.00	0.00	0.00	0.00
<b>Total Liabilities</b>	<b>23,653.93</b>	<b>20,000.67</b>	<b>43,654.60</b>	<b>111,336.26</b>	<b>105,449.55</b>
<b>Net Position</b>	<b>2,608,017.41</b>	<b>21,532,399.92</b>	<b>24,140,417.33</b>	<b>22,913,508.97</b>	<b>23,238,082.13</b>
<b>Total Liability/Net Position</b>	<b>2,631,671.34</b>	<b>21,552,400.59</b>	<b>24,184,071.93</b>	<b>23,024,845.23</b>	<b>23,343,531.68</b>

**CR ACC - Foundation Income Statement**

Repeat By

Period

FY2024-25 - 06-Dec

Worktags

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted Total FY24-25 (July 2024 to December 2024)	Restricted & Unrestricted Prior Year FY23-24 (July 2023 to December 2023)	Restricted & Unrestricted Prior Year FY23-24 (Jul 2023 to June 2024)
<i>Period: FY2024-25 - 06-Dec</i>					
Revenues	163,009.09	1,976,974.76	2,139,983.85	2,711,604.21	5,689,048.00
Non-Charitable Revenue	0	18,846.79	18,846.79	49,555.98	112,051.76
Deferred Gifts- Revenue	0	0	-	0	385.05
Contributions	88,551.12	956,029.39	1,044,580.51	1,297,561.55	1,924,293.84
Investment Activity	74,457.97	876,910.76	951,368.73	1,191,156.36	2,658,153.76
Gifts In Kind- Revenue	0	125,187.82	125,187.82	173,330.32	994,163.59
<i>Total Revenue</i>	<i>163,009.09</i>	<i>1,976,974.76</i>	<i>2,139,983.85</i>	<i>2,711,604.21</i>	<i>5,689,048.00</i>
Transfers	218,816.39	(218,816.39)	-	0.00	0.00
<i>Total Transfers</i>	<i>218,816.39</i>	<i>(218,816.39)</i>	<i>-</i>	<i>0.00</i>	<i>0.00</i>
<b>Total Revenue and Transfers</b>	<b>381,825.48</b>	<b>1,758,158.37</b>	<b>2,139,983.85</b>	<b>2,711,604.21</b>	<b>5,689,048.00</b>
Expenditures	210,936.80	1,026,711.85	1,237,648.65	1,041,733.19	3,694,603.82
General And Administrative	208,630.85	185,368.39	393,999.24	552,249.40	2,139,520.55
7900:Contingencies and Suspense	0	0.00	0.00	0	0.00
7600:Other Student Aid	1,305.95	62,392.81	63,698.76	28,761.68	163,699.49
Student Financial Support - Scholarships And Emergency Funds	1,000.00	653,762.83	654,762.83	287,391.79	682,623.58
7500:Student Financial Aid Expense - Scholarships	1,000.00	569,642.00	570,642.00	221,450.00	458,168.00
7500:Student Financial Aid Expense - Emergency Funds		84,120.83	84,120.83	65,941.79	224,455.58
Gifts In Kind- Expense	0	125,187.82	125,187.82	173,330.32	708,760.20
4700:Non-cash Gift-in-Kind	0	125,187.82	125,187.82	173,330.32	708,760.20
<b>Total Expenditures</b>	<b>210,936.80</b>	<b>1,026,711.85</b>	<b>1,237,648.65</b>	<b>1,041,733.19</b>	<b>3,694,603.82</b>
Net Fund Balance, Beginning of Year	2,437,128.73	20,800,953.40	23,238,082.13	21,243,637.95	21,243,637.95
Revenues Over (Under) Expenditures	170,888.68	731,446.52	902,335.20	1,669,871.02	1,994,444.18
<b>Net Fund Balance, End of Period</b>	<b>2,608,017.41</b>	<b>21,532,399.92</b>	<b>24,140,417.33</b>	<b>22,913,508.97</b>	<b>23,238,082.13</b>

**FY24-25 Q1 and Q2 - Statement of Functional Expense**

<b>Sum of Net Amount</b>	<b>Column Labels</b>		
<b>Row Labels</b>	<b>2002_DG MCCF Management &amp; Admin</b>	<b>2003_DG MCCF Programming</b>	<b>Grand Total</b>
2800:Salary Expense	122,186.26	27,257.96	149,444.22
4500:Supplies	487.58	31,097.86	31,585.44
4700:Non-cash Gift-in-Kind		125,187.82	125,187.82
5100:Other Services	8,138.53	2,421.50	10,560.03
5200:Travel, Conferences, Training	7,971.56	65,034.04	73,005.60
5300:Dues and Memberships	3,230.00	3,860.00	7,090.00
5600:Contract Services	2,500.00	49,565.87	52,065.87
5800:Advertising and Postage	42,179.22	28,068.86	70,248.08
7500:Student Financial Aid Expense		654,762.83	654,762.83
7600:Other Student Aid		63,698.76	63,698.76
<b>Grand Total</b>	<b>186,693.15</b>	<b>1,050,955.50</b>	<b>1,237,648.65</b>

<b>As of 12.31.2024</b>		
<b>CASH &amp; ST OPERATING</b>		
<b>US Bank</b>	365,302.93	UB Statement balance; Cash in ledger may have a different balance due to outstanding checks or deposit in transit.
<b>LAIF</b>	535,495.46	LAIF Statement balance
	<b>900,798.39</b>	
<b>INVESTMENTS</b>		
<b>Vanguard - Endowment Portfolio</b>	15,878,123.74	
<b>Vanguard - Excess Reserve Portfolio</b>	3,925,406.76	
<b>Vanguard - Reserve Portfolio</b>	1,098,475.87	
<b>Vanguard - JAFFY</b>	77,188.61	
<b>Vanguard - Title V</b>	506,211.08	
<b>Osher, as of June 30, 2024</b>	848,155.19	
	<b>22,333,561.25</b>	
<b><i>*Recommendations for transfer (aside from those indicated in the investment policy)</i></b>		
<b>Transfer from VG Endowment to US bank - Endowment f</b>	<b>207,250.58</b>	
<b>Transfer from VG Endowment to LAIF - Distribution</b>	<b>492,308.01</b>	

Accounts	UB	LAIF	VG - Reserve Portfolio	VG - Excess Reserve Portfolio	VG - Endowment Portfolio	TOTAL
<b>Target</b>	<b>\$ 175,000</b>	<b>\$ 500,000</b>	<b>\$ 1,000,000</b>	<b>No Max</b>		
<b>Move If...</b>	UB to LAIF if over 250k	LAIF to Resv if over 750k	Resv to ExResv if over \$1M			
<b>Beginning Balances</b>	<b>365,302.93</b>	<b>535,495.46</b>	<b>1,098,475.87</b>	<b>3,925,406.76</b>	<b>15,878,123.74</b>	<b>21,802,804.76</b>
<b>Recommendations:</b>	<b>Notes</b>					
Q2 Endowment gifts \$89,433.52- Move from US Bank to Endowment	(89,433.52)				89,433.52	
12/31/2024 Distributions and fees (1.5% Endowment management fees) - Move from Endowment to US Bank	207,250.58				(207,250.58)	
<i>Following the Investment Policy target balance waterfall - Endowment to US Bank</i>						
12/31/2024 Distributions and fees (3.5% Endowment distribution for Fall Scholarships) - Move from Endowment to LAIF		492,308.01			(492,308.01)	
<i>As discussed in the Dec 2023 Finance Committee Meeting, funds will be kept in LAIF until needed for Fall distribution instead of holding the funds in Excess reserve - Endowment to US Bank to LAIF</i>						
<b>Ending balances</b>	<b>483,119.99</b>	<b>1,027,803.47</b>	<b>1,098,475.87</b>	<b>3,925,406.76</b>	<b>15,267,998.67</b>	<b>21,802,804.76</b>
<i>Other moves for Foundation's Finance committee review</i>						
Move from LAIF to US Bank	277,803.47	(277,803.47)				
<i>Following the Investment Policy target balance waterfall - LAIF to US Bank (maintain \$750K max in LAIF)</i>						
Move from US Bank to Excess Reserve	(410,923.46)			410,923.46		
<i>Following the Investment Policy target balance waterfall - UB to Reserve to Excess Reserve</i>						
<b>Ending balances, if additional moves are made</b>	<b>350,000.00</b>	<b>750,000.00</b>	<b>1,098,475.87</b>	<b>4,336,330.22</b>	<b>15,267,998.67</b>	<b>21,802,804.76</b>

### FY24/25 Q2 Top Ten Donations

Donor name	Date	Type	Amount	Fund
The Conrad Prebys Foundation	12/3/2024	One-time gift	116,500.00	TRANSITIONS Seeding Justice Empowerment Circles Conrad Prebys
TrueCare/The Conrad Prebys Foundation	10/16/2024	One-time gift	70,131.60	NURSING Medical Assistant TrueCare via Prebys Foundation FY24-26
Al and Helen Free Foundation	12/10/2024	One-time gift	50,000.00	Al and Helen Free STEAM Endowed Scholarship
Tom and Paula Wilson	10/22/2024	One-time gift	50,000.00	Former Foster Youth
Julie and David Hatoff	10/22/2024	Pledge payment	29,000.00	Hatoff Tapestries Program Pledge
Elaine and Bob Algeo	12/23/2024	One-time gift	25,000.00	Endowment Matching Gift Campaign; General Student Success Scholarships; Spotlight Theatre Merit Awards
Bob Ciardella and Bessie Chin	12/10/2024	One-time gift	25,000.00	UPRISE Program - DACA
Kitchell Foundation	12/23/2024	One-time gift	22,500.00	Annual Fund
Cushman Foundation	11/26/2024	One-time gift	20,000.00	Student Emergency Financial Assistance - Cushman Foundation
Anthony and Anne Ongyod	12/19/2024	One-time gift	12,500.00	Endowment Matching Gift Campaign



	Actual FY23/24	Goals FY24/25	LY - YTD as of 12/31/24	YTD as of 12/31/24
<b>Students Supported</b>				
<b>Number of Students Supported (unduplicated)*</b>	720	Not Projected	report unavailable	700
Scholarships	624	Not Projected	337	545
Direct Student Aid Cash	358	Not Projected	152	186
Direct Student Aid- Non Cash (Gift Cards and Campus Fees)	Not Tracked Yet	Not Tracked Yet	Not Tracked Yet	Not Tracked Yet
<i>*Please see financial statements for the dollar amount.</i>				
<b>Fundraising Plan Priorities**</b>				
	<b>\$1,722,362</b>	<b>\$1,405,000</b>	<b>\$1,204,731</b>	<b>\$837,210</b>
<b>College Affordability (Financial Support for Students): \$750,000 to \$1,500,000</b>	<b>\$279,230</b>	<b>\$750,000</b>	<b>\$72,607</b>	<b>\$255,138</b>
Resilience Funds	\$43,694	\$500,000	\$22,605	\$103,993
Scholarships	\$235,536	\$250,000	\$50,002	\$151,145
<b>Endowed Funds for Long-Term Sustainability: \$130,000</b>				
	<b>\$225,122</b>	<b>\$130,000</b>	<b>\$215,950</b>	<b>\$39,666</b>
<b>Program and Campus Needs: \$250,000 – \$500,000</b>	<b>\$1,117,997</b>	<b>\$350,000</b>	<b>\$846,341</b>	<b>\$449,557</b>
<b>Unrestricted Funds: \$150,000 to \$200,000</b>	<b>\$100,013</b>	<b>\$175,000</b>	<b>\$69,833</b>	<b>\$92,849</b>
Annual Fund: \$100,000	\$57,074	\$100,000	\$43,056	\$64,282
President's Circle: \$25,000 - \$50,000	\$19,439	\$25,000	\$8,777	\$6,542
Event Sponsorships: \$25,000 - \$50,000	\$23,500	\$40,000	\$18,000	\$22,025
<b>Estate Giving: In plan, budgeted at \$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>** Cash only; Gift in Kind not included</i>				
<b>Fundraising Plan Statistics</b>				
<b>Major Gifts***</b>				
Number of Individual Major Gifts \$10k+	10	20	5	13
Total Raised from Individual Major Gifts \$10k+	\$465,020	\$200,000	\$152,500	\$273,500
<b>Planned Giving</b>				
Number of New Heritage Society Members	2	5	1	0
Number of Total Heritage Society Members	44	49	43	44
Number of Estate Gifts Received	0	1	0	0
<b>Annual Donors</b>				
Number of Members in President's Circle by Fiscal Year	54	59	39	20
Number of Annual Fund Donors by Fiscal Year	69	80	56	58
<b>Payroll Giving</b>				
Number of Payroll Donors	134	150	141	129
Total Raised in Payroll Donations	\$72,388	\$78,000	\$36,726	\$33,058
<b>Grants</b>				
Number of Grant Donors	25	28	13	16
Total Raised from Grants Received	\$809,250	\$300,000	\$631,825	\$300,200

**RESERVE : OPERATING RATIO**

<b>RESERVE FUNDS</b>	<b>Actual at 6/30/24</b>	<b># Years Operating in Reserve</b>	<b>Projected at 6/30/25</b>	<b># Years Operating in Reserve</b>	<b>VERSION 2: FY 2025/26 - Budget</b>	<b># Years Operating in Reserve</b>
Total Unrestricted Fund Balances	\$1,783,493	4.4	\$1,771,012	4.3	\$1,640,396	3.2
<b>FOUNDATION BUDGET</b>						
	<b>Actual at 6/30/24</b>		<b>Projected at 6/30/25</b>		<b>VERSION 2: FY 2025/26 - Budget</b>	
Revenue	\$494,916		\$395,457		\$435,000	
Operations & Program Allocations Expenses	\$409,304		\$410,339		\$515,617	
<b>Net</b>	<b>\$85,612</b>		<b>-\$14,883</b>		<b>-\$80,617</b>	

**BOARD CONSIDERATION / DISCUSSION**

- Policy for reserves (Ex: Determine the number of months expenses to reserve)
- ROI and utilizing funds for greatest impact (Ex: Scholarship gaps; student emergencies; foundation grants)

## **I. Background and Mission**

The MiraCosta College Foundation (hereafter referred to as the “Foundation”) is an independent, 501(c)(3) nonprofit corporation created to support students by funding their pursuits toward a higher education and providing the resources to help guide them toward success.

For over 40 years, the vision of the Foundation has supported the vision that no one is denied access to education because of financial need and that resources are available to enrich the college experience for all students. In service to this vision, the Foundation’s mission is to promote the interests and welfare of the college and to secure resources that will transform student lives.

## **II. Introduction**

This policy is intended as a basic guide for safeguarding and managing the Foundation’s assets including the development of spending goals, investment strategies (including asset allocation) and investment performance review and reporting collectively comprise the “Portfolio”. The Portfolio’s assets will normally be held in one of four subordinate portfolios (or pools). These are (1) the “Reserve Portfolio” (2) Excess Reserve Portfolio (3) the “Endowment Portfolio” and (4) Title V Grant Endowment.

This investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Foundation and any other parties to whom the Foundation has delegated investment management responsibility for Portfolio assets.

The investment policies for the Foundation contained herein have been formulated consistent with the Foundation's Mission, reflects its anticipated financial needs and its willingness to assume investment and financial risk, as reflected in the majority opinion of the Foundation.

Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of the Foundation. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the Foundation.

### **III. Role of the Finance Committee and the Foundation Board**

The Foundation Board (the "Board") has a fiduciary responsibility to comply with the restrictions imposed by the donors of endowment funds. The Board also has a legal responsibility to ensure that the management of endowment funds is in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The Finance Committee of the Foundation Board (the "Committee") acts in a fiduciary capacity with respect to the Foundation and is accountable to the College and the Board for overseeing the investment and safeguarding of all assets owned by or held in trust. Foundation Management ("Management") is defined as the Foundation's Executive Director who oversees endowment accounting and makes recommendations to the Committee.

- a. **The Committee will review this Investment Policy Statement at least once per year.**

Changes to this Investment Policy Statement can be made only

by affirmation of a majority of the Committee, and final Board approval. Written confirmation of the changes will be provided to all Committee members and to any other parties hired on behalf of the Foundation as soon thereafter as is practicable.

- b. **Standard of Fiduciary Care.** The primary and constant standard for making investment and spending decisions for all Portfolio assets is the “Prudent Person Rule” which states that “the members of the governing board shall act with the care, skill, prudence, and diligence under the circumstances then prevailing a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the institution” in compliance with Uniform Prudent Management of Institutional Funds Act.

#### **IV. Manager Selection**

Investment management of the Portfolio (including its constituent pools) shall be recommended by the Committee for approval by the Board based on a selection process as established by the Committee. The Committee may elect to appoint a single manager for the Reserve Portfolio, Excess Reserve Portfolio, Endowment Portfolio, and the Title V Grant Endowment Portfolio, or separate managers for each. The Committee may also elect to manage the Reserve Portfolio itself. In addition to evaluating a manager’s historical performance compared to appropriate benchmarks, a manager’s ethical standards, financial viability, organizational structure, experience of key personnel, and investment philosophy will also be reviewed.

#### **V. Investment Objectives**

- a. The Endowment Portfolio is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the institution. The attainment of this broad objective will provide a balance between current spending needs of the Foundation and the need to preserve the purchasing power of the endowment for future generations. It is the Board's intent to invest all long-term funds using the same target allocation, whether funds are endowed or Board designated/quasi-endowed funds. Gifts with donor restrictions will be invested as per instructions.
- b. The Reserve Portfolio. Assets apportioned to the Reserve Portfolio are intended for use "on demand" are to be invested with the objective of preservation of capital and short-term liquidity. Only high-quality short-term investment vehicles are appropriate for this portfolio.
- c. The Excess Reserve Portfolio is to be comprised of funds that are above an approved threshold to adequately fund the Reserve Portfolio. Assets in the Excess Reserve Portfolio are intended to preserve capital, provide a relatively predictable stream on income, and achieve moderate growth of principal. Assets are to be used as a supplemental source of funds for the Reserve Portfolio.
- d. The Title V Grant Endowment is to be comprised of Endowment Fund corpus (an amount equal to the endowment challenge grant or grants awarded under this part plus matching funds if available) and Endowment Fund Income (an amount equal to the total value of the fund, including appreciation and retained interest and dividend, minus the endowment fund corpus). Each endowment challenge grant awarded must be matched by the Foundation, must be invested by the Foundation, and must have a duration of 20 years (Please reference spending

rules in grant document PART 628 for additional spending rules).

NOTE: Please reference the Investment and Spending Policy Flow Chart located within the appendix.

## **VI. Solicitation and Acceptance of Gifts Policy**

A. A separate policy has been adopted and approved by the Foundation to provide general information about the criteria and framework by which donations may be accepted or recommended to the Board for acceptance. This information should not be interpreted as legal advice, nor is the policy intended to override current IRS code and regulations. This policy includes:

- Special gifts acceptance
- Gifts of tangible property and equipment (gifts-in-kind)
- Gifts of real property
- Gifts of securities, limited partnerships, and other tangible property
- Gifts of life insurance
- Charitable Remainder Trusts
- Digital currency

## **VII. Spending Policy**

A. **Foundation spending shall be funded from these sources:**

- Current undesignated gifts (not designated as endowments),
- An annual endowment management fee (presently 1.5%) assessed on total Endowment Portfolio assets), and

- Partial distributions of net investment income (from interest or dividends) or net realized capital gains from the Endowment Portfolio
- Short term deficiencies or excess of cash needs may be balanced by withdrawals from/deposits to the Reserve Portfolio. Cash accumulations from earnings and capital gains that exceed the approved spending budget for any year will be reinvested.

B. **Purpose of Spending.** The Foundation exists to support the educational needs of the College. Consistent with prudent financial stewardship, the Foundation will spend its income each year for the purposes designated and/or approved by its Board. This will include a portion (1.5% endowment management fee) designated for the foundation's business operations, fundraising and other work of the Foundation and a percentage set by the Board (currently 3.5%) for charitable purposes. Thus, the current spending rate is 5%.

Endowment Portfolio earnings in excess of the Board established spending rate will be reinvested in the Endowment Portfolio to protect the endowment's purchasing power from one generation to the next.

NOTE: Title V Grant Endowment must be held for 20 years. Please reference spending rules in grant document PART 628. Title V Grant Endowment funds will not be included in the aforementioned 'Purpose of Spending'.

C. **Limitations on Spending -- General Policy.** In general, current spending will not be funded by accessing the principal corpus of the Endowment Portfolio. The distribution of Endowment Portfolio assets will be permitted to the extent that such distributions do not exceed a level that would erode the



Foundation's real assets over time. The Committee will seek to reduce the variability of annual Foundation distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Committee will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Foundation's spending policy, its target asset allocation, or both. Establishing the Spending Rate. The Committee will review and recommend the annual spending rate to the Board within 60 days following the end of each calendar year. The Foundation presently seeks to maintain an annual spending rate of no more than 5.5% of the 3-year trailing average of the Endowment Portfolio (valued on December 31 of each year.) Any excess earnings will be re-invested into the Endowment Portfolio. An endowment management fee of 1.5% will be assessed first, then a maximum of 4% will be used for charitable purposes as designated by the donor or determined by the Board. (See Appendix 1 for related administrative procedures.)

- D. **Adjusting the Endowment Management Fee.** The Committee has the option of adjusting the endowment management fee up to the Uniform Prudent Management of Institutional Funds Act mandated maximum of 2%. The Committee also has the option of reducing the fee as long as the resulting fee income to the Foundation is adequate to fully fund operational and employee costs. (See Appendix 1 for related administrative procedures.)
- E. **Maintaining an Operational Reserve.** Recognizing that stability and continuity are important to good management and administration, the Management will seek to hold an operational reserve such that in down market years reductions

in business operations and layoffs are unnecessary. In addition, Management will aim for a stable budget, and when necessary, plan for significant increases or cuts to the budget to meet extraordinary one-time costs.

## **VIII. Portfolio Investment Policies**

### **A. Diversification – All Portfolios**

Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

1. With the exception of fixed income investments explicitly guaranteed by the U.S. Government, no single investment security shall represent more than 5% of total Portfolio assets.
2. With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.
3. With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).

**Other Investment Policies.** Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from:

1. Purchasing securities on margin or executing short sales.
2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
3. Engaging investment managers who promise to engage in such practices.

### **B. Asset Allocation-General**

1. The Committee recognizes that the careful allocation of Portfolio assets among financial asset and sub asset categories with varying degrees of risk, return, and risk-return correlation will be the most significant determinant of long-term investment returns and achievement of Portfolio objectives for each of the Foundation's Portfolios.
2. The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Foundation, to the assumptions underlying Foundation spending policies, and/or to the capital markets and asset classes in which the Portfolio invests.

### **C. Asset Allocation Policy-Specific to the Endowment Portfolio and Excess Reserve Portfolio**

1. Foundation assets comprising the Endowment and Excess Reserve Portfolios will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of equity investments will be to maximize the long-term real growth of Endowment and Excess Reserve Portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of the equity investments.
2. Cash investments will, under normal circumstances, only be considered as temporary holdings in the Portfolio, and will be used for Foundation liquidity needs or to facilitate a planned program of dollar cost averaging into investments in either or both of the equity and fixed income asset classes.
3. Exhibit A (below) presents the long-term strategic asset allocation guidelines, presently determined by the Committee to be the most appropriate for the Endowment, given the Foundation's long-term objectives and short-term constraints.

#### **D. Asset Allocation Policy-Specific to the Reserve Portfolio**

Assets are to be invested in cash or cash/equivalents or as outlined in Exhibit B (below). Any fixed income investment duration should be aligned with the potential need for funds; resulting is a duration target not to exceed 3 years. All investments are required to exceed a minimum standard of investment-grade (BBB or Baa).

#### **E. Asset Allocation Policy-Specific to the Excess Reserve Portfolio**

Exhibit C (below) reflects the asset allocation recommended by the Committee for the Excess Reserve Portfolio.

### **F. Asset Allocation Policy—Specific to the Title V Grant Endowment Portfolio**

Exhibit D (below) reflects the asset allocation recommended by the Committee for the Title V Grant Endowment within the stated parameters of the grant bylaws.

### **G. Rebalancing**

1. It is expected that the Endowment Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub asset classes. The Endowment and Excess Reserve Portfolio will be rebalanced to its target normal asset allocation under the following procedures:
  - i. The investment manager will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio or realign the current weightings closer to the target weightings for the Portfolio.
  - ii. The investment manager will review the Portfolio quarterly to determine the deviation from target weightings. During each quarterly review, the following parameters will be applied:
  - iii. If any asset class (equity or fixed income) within the Portfolio is +/-5 percentage points from its target weighting, the Portfolio will be rebalanced.

- iv. If any fund within the Portfolio has increased or decreased by greater than 20% of its target weighting, the fund will be rebalanced.
    - v. The investment manager may provide a rebalancing recommendation at any time.
  2. Performance shall be measured on a total return, time-weighted basis and presented for the most recent quarter, year-to-date, and the trailing years, three years, and five years. Performance for periods greater than one year shall be expressed on an annualized basis. To facilitate performance comparisons, investment results should be expressed both gross and net of fees.
  3. The specific performance objective is to attain, within acceptable risk levels, an average annual long-term total return that meets or exceeds the sum of the Foundation's spending rate plus inflation (as measured by the CPI, consumer price index) plus investment management and related fees. In cases where the Foundation is appointed trustee of a charitable trust, the investment objective is to achieve a return that satisfies the distribution rate while retaining as much corpus as possible.

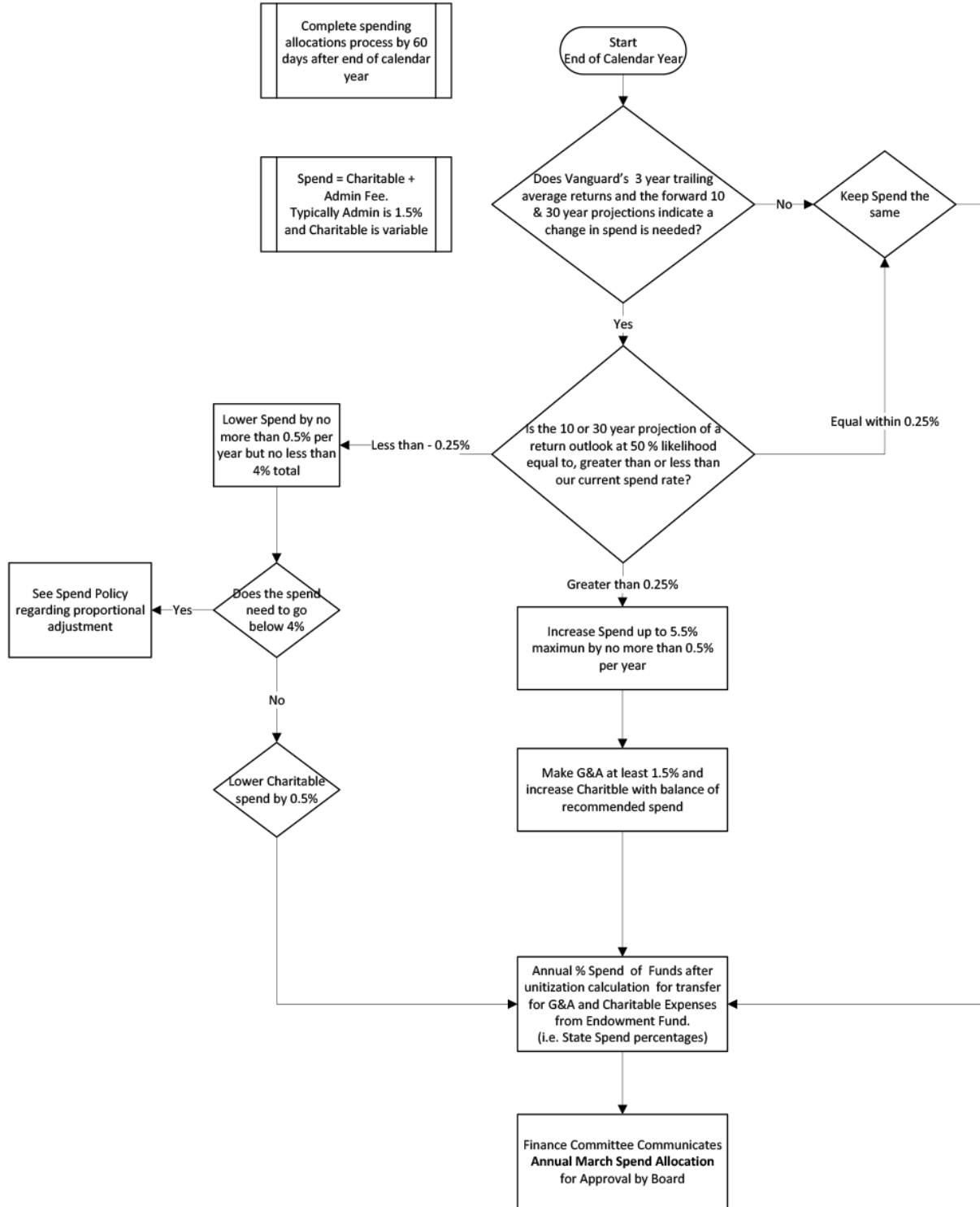
### **G. Reporting**

Investment reports shall be provided by the investment manager(s) on a (calendar) quarterly basis or more frequently if requested by the Committee. Each investment manager is expected to be available to review portfolio structure, strategy, and investment performance annually with the Investment Committee.

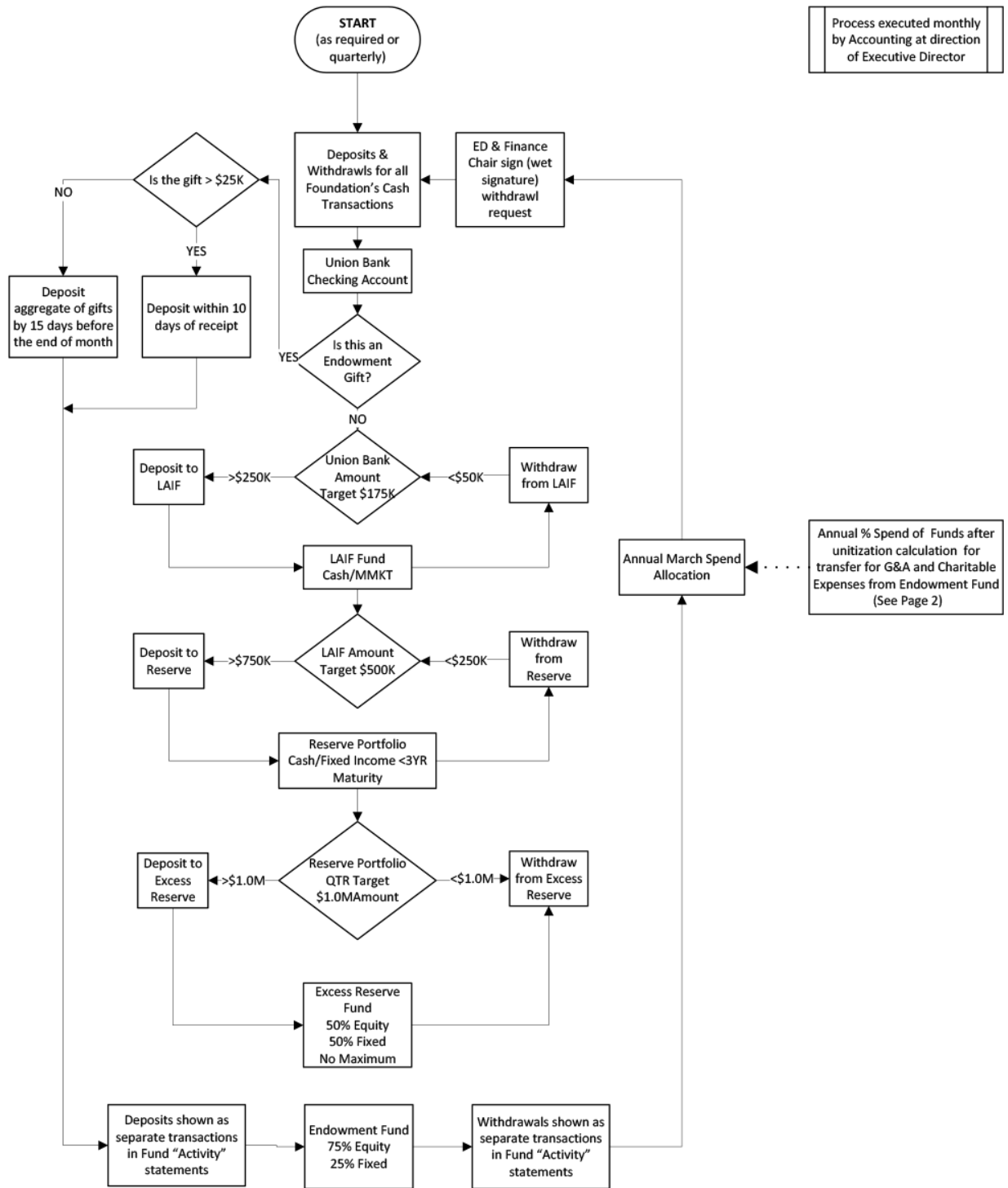
## **Appendix**

### **Investment and Spending Policy Flow Chart**

MiraCosta College Foundation: Investment & Spending Policy



MiraCosta College Foundation: Investment & Spending Policy



**Exhibit A: Asset Allocation Guidelines for the "Endowment Portfolio"**



## MiraCosta College Foundation: Investment &amp; Spending Policy

ASSET CLASS	Conservative Limit	Target Allocation	Aggressive Limit
Equities			
U. S. Equities International	36%	45%	48%
Equities	24%	30%	32%
<b>Total Equities</b>	<b>60%</b>	<b>75%</b>	<b>80%</b>
Fixed Income			
U.S. Fixed Income International	28%	17.5%	14%
Fixed Income	12%	7.5%	6%
<b>Total Fixed Income</b>	<b>40%</b>	<b>25%</b>	<b>20%</b>
Cash and Cash Equivalents	10%	0%	0%

Exhibit A approved by Finance Committee on 11/10/2016

Approved by the Foundation Board on 11/17/2016

### **Exhibit B: Asset Allocation Guidelines for the "Reserve Portfolio"**

MiraCosta College Foundation: Investment & Spending Policy

<i>Asset Class</i>	<i>Sub-Asset Class</i>	<i>Target Allocation</i>
<b>Equities</b>		<b>0%</b>
	Domestic (U.S.) Equities	0%
	International (Non U.S.) Equities	0%
<b>Fixed Income*</b>		<b>100.00%</b>
	Domestic (U.S.) Investment Grade	100%
	International (Non U.S.) Bonds	0%
<b>Total</b>		<b>100.00%</b>

\* Any fixed income investment duration should be aligned with the potential need for funds; resulting is a duration target not to exceed 3 years. All investments are required to exceed a minimum standard of investment-grade (BBB or Baa)

Exhibit B approved by Finance Committee on: (date)

Approved by the Foundation Board on : (date)

**Exhibit C: Asset Allocation Guidelines for the "Excess Reserve Portfolio"**

<i>Asset Class</i>	<i>Sub-Asset Class</i>	<i>Target Allocation</i>
<b>Equities</b>		<b>50.00%</b>
	Domestic (U.S.) Equities	30%
	International (Non U.S.) Equities	20%
<b>Fixed Income</b>		<b>50.00%</b>
	Domestic (U.S.) Investment Grade	35.00%
	International (Non U.S.) Bonds	15.00%
<b>Total</b>		<b>100.00%</b>

Exhibit C approved by Finance Committee on 11/10/2016

Approved by the Foundation Board on 11/17/2016

**Exhibit D**

a) A grantee shall invest, for the duration of the grant period, the endowment fund established under this part in savings accounts or in low-risk securities in which a regulated insurance company may invest under the law of the State in which the institution is located.

(b) When investing the endowment fund, the grantee shall exercise the judgment and care, under the circumstances, that a person of prudence, discretion and intelligence would exercise in the management of his or her own financial affairs.

(c) An institution may invest its endowment fund in savings accounts permitted under paragraph (a) of this section such as—

(1) A federally insured bank savings account;

(2) A comparable interest-bearing account offered by a bank;

or

(3) A money market fund.

(d) An institution may invest its endowment fund in low-risk securities permitted under paragraph (a) of this section such as—

(1) Certificates of deposit;

(2) Mutual funds;

(3) Stocks; or

(4) Bonds.

(e) An institution may not invest its endowment fund in real estate.

### **Administrative Procedures for providing to the Committee the Information they Need to Establish the Spending Policy**

Established by Management: 11/10/2016

1. Within 60 days following the end of the calendar year, Management will provide to the Finance Committee the following information:
  - a. Rate of returns on the Endowment Fund for each of the three previous calendar years

- b. Recommended spending rates based on the three-year trailing average value for the Endowment Fund and normal accounting procedures. The recommendations will include:
          - i. Endowment management fee, not to exceed to 2% (currently 1.5%)
          - ii. Recommended charitable purpose spending rate that is compliant with prudent management and industry best practices.
2. The process for allocating endowment earnings are as follows:
  - a. In accordance with Board policy, the endowment management fee (currently set at 1.5%) is allocated first to the operational fund for the Foundation.
  - b. Funds are secondly allocated for charitable purposes (currently set at 3.5%) as designated by the donor or for allocation by the Board.
  - c. The calculation that is currently used to establish the Foundation maximum spending is as follows: 1.5% (endowment management fee + 4% (charitable purpose allocations) = 5.5% (maximum spending limit as established by policy)
3. When earnings are below the Board's established spending limits:
  - a. If the three-year average growth rate of the Endowment Portfolio were to decline, and 5.2% was determined to be the prudent maximum spending rate, the calculation to derive charitable spending would be: 5.2% (earnings) – 1.5% (endowment management fee) = 3.7% for charitable purpose allocations.
4. Adjusting the endowment management fee: In the occurrence when endowment portfolio earnings drop below 5.5%, the Finance Committee may consider reducing the 1.5%

endowment management fee, so long as the funding provided is adequate to fully fund the Foundation's business and operating costs, including essential and productive staff positions. If the management fee is to be reduced, the reduction should be proportional. Here is an example:

- a. The 1.5% endowment management fee expressed as a percentage of the 5.5 distribution is 27.27% ( $1.5\%/5.5\% = 27.27\%$ ) Therefore, if the earnings were to decline to 4.9% and the Committee agreed to proportionally reduce the management fee, the calculation would be as follows,  $(4.9\% \times 27.27\%) / 100 = 1.34\%$ . This would provide a 1.34% spending rate for charitable purposes.

\*\*Approved by the MCCF Board on August 27, 2024

**Memorandum of Understanding**  
**MiraCosta Community College District and MiraCosta College Foundation**  
**2025 Review**

**Purpose**

The Memorandum of Understanding (MOU) is the formal agreement, renewed every five years, which defines the parameters of the relationship between the MiraCosta Community College District (District) and the MiraCosta College Foundation (Foundation). The MOU sets forth the services or support each entity will provide the other.

**Fiscal Year 2023/24 Support and Impact**

In the last fiscal year, the District provided a total of \$662,114 of in-kind support for staffing and facilities. In compliance with the MOU, the Foundation returned more than \$4 for every \$1 invested by the District in resources and support to the campus community.

**2025 Draft**

With a futures mindset, District and Foundation staff recommend modifying the MOU to include public relations or other public purposes directly related to the District's mission, as determined by the District.

This proposed change to the MOU would not itself expand the amount of financial support from the District to the Foundation. Rather, it would allow support from the district to include public relations or other public purposes, in line with the District strategy, which created the Office of Advancement, which now integrates the Development/Foundation Office, the Public Information Office, and the Alumni Association. As with all support outlined in the MOU, these services and funds provided by the Foundation to the District will have a fair-market value in excess of the value provided by the District.

**2025 Timeline**

February 4, 2025: The MiraCosta College Foundation's Finance Committee reviews with an Action Item for the Executive Committee to review.

February 4, 2025: The MiraCosta College Foundation's Executive Committee reviews with an Action Item for the full MiraCosta College Foundation Board of Directors to review.

February 25, 2025: The MiraCosta College Foundation Board of Directors reviews with an action item for the MiraCosta Community College District's Board of Trustees to ratify.

March 27, 2025: The MiraCosta Community College District's Board of Trustees reviews as a ratification item.

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE MIRACOSTA COMMUNITY COLLEGE  
DISTRICT AND THE MIRACOSTA COLLEGE FOUNDATION**

THIS AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, by and between the MiraCosta Community College District ("District"), and the MiraCosta College Foundation ("Foundation") a nonprofit California corporation created and operated for the benefit of the District. This Agreement supersedes any prior agreement or memorandum of understanding between the parties, including the June 24, 2015, memorandum of understanding.

**BACKGROUND AND PURPOSE**

WHEREAS, the Foundation is an independent, 501(c)(3) nonprofit corporation. It has not been designated as a community college auxiliary organization described in Education Code §§ 72670 et seq., and it exists to serve the District; and

WHEREAS, the Foundation's purpose is to promote the interests and welfare of the District, accept and steward gifts and grants donated for the benefit of the District, and to actively assist the District in fundraising activities; the District initiates and implements fundraising and alumni/community outreach functions;

WHEREAS, the District desires the Foundation to continue its assistance to the District, including its stewardship of donor funds and assistance in fundraising efforts directed toward expanding and enhancing the educational goals and capabilities of the District, and further desires to make available to the Foundation support toward meeting these objectives and will provide certain support to the Foundation to further both the District's and Foundation's purposes;

WHEREAS, the District believes that so long as the Foundation continues to adequately perform funds management and fundraising assistance to the District, as determined by the District, the District's best interests are served by continuing to support the Foundation's operations by providing personnel, certain facilities, amounts for public relations or other public purposes, and administrative services, including the services of the District's Associate Vice President of Institutional Advancement as set forth in this Agreement;

WHEREAS, the Board of Trustees of the District believes the services and funds provided by the Foundation to the District have a fair-market value in excess of the value of the facilities, administrative services, amounts provided for public relations or other public purposes, and personnel provided by the District to the Foundation.

NOW THEREFORE, the District and the Foundation hereby enter into this Agreement defining the parameters of their relationship.

**ARTICLE I: Foundation's Responsibilities and Relationship to the District**

The Foundation agrees to provide the District the following services:

- A. To receive and administer gifts of property, real or personal, financial or otherwise, to be used on behalf of the District, its faculty, students, and staff all according to the terms of the donor. In the event the donor does not specify the terms or all the terms for which the gift shall be used, the Foundation shall administer and use the gift for the benefit of the District in accordance with the District's needs and priorities.
- B. To hold, manage, and distribute assets in its possession for the dedicated purpose of supporting the mission of the District.
- C. To assist with fundraising efforts as defined by the District through the identification, cultivation, and solicitation of philanthropic contributors to the District.
- D. To continue to promote the District's best interest, when requested, within the region, state, and nation to raise the visibility and enhance the reputation of the District.
- E. To keep accurate and confidential financial records of donors and donor funds and to make such records promptly available to the District upon the District's request.
- F. To assist with the appropriate stewardship, recognition, and acknowledgement to donors through timely correspondence, gift clubs, and recognition events.
- G. To abide by ethical and legal practices as is in accordance with the Foundation's charitable 501(c)(3) status.
- H. To establish a financial plan to underwrite the cost of Foundation programs, operations, and services not provided by the District.
- I. To have a separate annual audit of the financial records of the Foundation conducted by an independent CPA auditing firm approved by the Foundation Board, and to make all audit information promptly available to the District by the end of the first quarter of each calendar year.
- J. Provide an annual financial report to the District Board of Trustees, including an annual statement describing the benefits and services of the Foundation.
- K. To develop and abide by gift acceptance guidelines and policies that are in accordance with the District's mission, goals, policies, procedures, and objectives.
- L. To provide seed grants for new program development and for the purpose of securing and stewarding institutional relationships and partnerships, including



performing all tasks associated with grants, including, but not limited to, grant writing, administering, and reporting.

- M. To provide scholarships to the students of the District in accordance with the awarding of those scholarships through the District's Scholarship and Financial Aid Office.
- N. To maintain and manage an endowment, including the establishment of fund agreements with donors, setting and implementing investment and spending policies and procedures that prudently steward the principal of the endowment and honor donor intent, as prescribed by the Uniform Prudent Investor Act, the Uniform Prudent Management of Institutional Fund Act, and other applicable California laws.
- O. To receive, hold, manage, invest, and disburse contributions of cash, securities, patents, copyrights, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred gift instruments, and disposition or allocation of real estate or other forms of tangible property.
- P. To permit the following individuals to serve as non-voting advisors to the Foundation Board: the District Superintendent/President, the District Vice President of Administrative Services, the District Associate Vice President of Institutional Advancement, District Board of Trustees Liaison, and representatives of the following District organizations: Academic Senate, Classified Senate, and Associated Student Government.
- Q. To promptly disclose any terms, conditions, or limitations imposed by the donor or legal determination on any gift to be transferred or distributed to the Superintendent/President or designee on behalf of the District. Acceptance of gifts will follow the Foundation "Solicitation and Acceptance of Gifts" policy attached to this Agreement as Exhibit "A".
- R. To develop policies and procedures that will allow for the assessment of reasonable and proportionate gift and transaction fees, which will enable the Foundation to pay for a portion of the expenses associated with donor recognition as well as business operations of the Foundation, including reimbursing the District up to 25% of the District's Associate Vice President of Institutional Advancement and up to 40% of a full-time equivalent District accountant's compensation, and other payments, as agreed by the parties. The compensation reimbursement for the Associate Vice President of Institutional Advancement and the Accountant will be agreed to by the parties annually prior to the start of the fiscal year. The Foundation's current "Administrative Costs Recovery" policy is attached to this Agreement as Exhibit "B" and ~~are is~~ incorporated herein by this reference and will be reported to the District Board of Trustees when updated, as an informational item.
- . To perform any and all other services as requested by the District that are consistent with the Foundation's mission and purpose.

## ARTICLE II: District's Responsibilities and Relationship to the Foundation

The District agrees to provide the Foundation with the following limited services:

- A. To continue to provide the Foundation with personnel, certain facilities, amounts needed for public relations or other public purposes directly related to the District's mission, as determined by the District, and administrative services and staff to serve the Foundation for the benefit of the District, as determined by the Superintendent/President or designee. The District will provide these staff members as follows: the service of the Associate Vice President of Institutional Advancement to serve as the Foundation's Chief Operating Officer. The District agrees to assign up to 40% of a full-time equivalent District accountant to provide accounting and banking service support. Foundation reimbursement limits and timelines for these services will be determined annually as described in Article 1 section R. of this MOU
- B. To assist with such marketing services, as is reasonably necessary, for the Foundation to accomplish its goals. Such assistance to include:
  - 1. Creation of a logo and brand identity for the Foundation that is congruent with the MiraCosta College name, brand identity, and image;
  - 2. Development and facilitation of the MiraCosta College Foundation website; and
  - 3. Authorization to use the logo, brand identity, District name, images, and marketing brand in conformance with the District's branding guidelines, which may be modified by the District at any time.
- C. To provide information technology support including software, hardware, and functional support necessary to carry out its functions.
- D. To have the Superintendent/President of the District recommend for approval to the Board of Trustees, with the consultation of the Foundation Board, a person to serve as the Executive Director of the MiraCosta College Foundation. The Executive Director of the Foundation will be the District's Associate Vice President of Institutional Advancement, unless otherwise agreed by the District.
- E. To consider the recommendations of the Executive Director regarding staffing requirements of the Foundation and, if the Foundation determines it needs to hire personnel, to allow for the hiring of personnel through the District's normal processes and procedures as the District determines necessary.
- F. To support the operations of the Foundation by assigning, at the District's discretion, District personnel to assist the Foundation.
- G. To provide an accurate and fair process for the selection and awarding of scholarships, in conformance to the criteria established by scholarship donors.
- H. To communicate institutional priorities and long-term plans, as approved by the Board of Trustees and the District's administrative leadership to the Foundation, and to include

the Executive Director of the Foundation as an active participant in collegial governance and the campus community.

- I. To allow the District Superintendent/President, or their designee, to assume an appropriate role in the strategic aspects of fundraising activities, such as donor cultivation and community engagement.
- J. Acceptance of gifts on behalf of the District will follow the "Foundation Solicitation and Acceptance of Gifts" policy.
- K. District will allow the Foundation to occupy, operate, and use District property and services, either separately or jointly with the District, from time to time as agreed upon by the District and the Foundation. The Foundation-s must use such property or services in accordance with all District policies, rules, and regulations. The District has the right to enter and inspect all District facilities used by the Foundation and to revoke the Foundation's right to use District property or services at any time.
- ~~K-L.~~ To provide funding and support, for public relations or other public purposes, which serve to augment District appropriations or are otherwise directly related to the District's mission, as determined by the District. District and Foundation will ensure compliance with all requirements related to use of public funds. The District may audit all spending of the Foundation as set forth in Article V of this Agreement.

#### **ARTICLE III: Alignment of Interests**

- A. The District Superintendent/President shall have the right to cause the Foundation to cease any activity of the Foundation deemed, in their judgment, to be contrary to the interests of the District or inconsistent with the policies and practices or purposes of the District. This provision shall survive the termination of this Agreement.
- B. The parties agree that if this Agreement is terminated and no new Agreement or Memorandum of Understanding is agreed to between the parties within a reasonable period of time, as determined by the District, then after the payment of all of its debts and liabilities, the remaining net assets of the Foundation shall, consistent with donor intent, the Articles and Bylaws of the Foundation, and the California Nonprofit Law (i.e., California Corporations Sections 5000-10841, as amended from time to time) be distributed to the District or be expended for the benefit of the District in accordance with a Plan of Distribution as approved by the Superior Court and/or the California Attorney General.
- C. The Foundation will not enter into any gift agreement for the benefit of the District that seeks to obligate the District without the District Superintendent/President's, or designee's, prior written approval.

#### **ARTICLE IV: Non-assignability**

- A. The Agreement is not assignable by either party.

**ARTICLE V: Terms of Agreement**

- A. The Agreement will be in effect until it is changed or terminated by written agreement of the parties; in addition, the Board of Directors of the Foundation are expected to initiate a review of the agreement at least every five years. The District may terminate this Agreement upon ninety (90) days written notice to the Foundation.
- B. The Foundation agrees that the District or its auditors may inspect and audit all of the Foundation's records and documents, and make copies of all such records and documents, to ensure the Foundation complies with the requirements of this section and this Agreement. The Foundation will make all such records and documents available for inspection, reproduction, and audit, within five (5) days of the District's request to inspect, reproduce, or audit records and documents.

**ARTICLE VI: Leadership and Governance of the District and the Foundation**

The Foundation and the District have two separate and different systems for the selection of their leadership and governance:

- A. The District is governed by the Board of Trustees, which is composed of elected individuals who represent the voters of the District, and by one student representative who has an advisory role, and is elected by the student body for a one-year term. The Board of Trustees is responsible for setting priorities and long-term plans for the District and is legally accountable for the performance and oversight of all aspects of the District. The Board of Trustees is responsible for the employment, compensation, and evaluation of the Superintendent/President of the District.
- B. The Foundation is governed by the voting Foundation Board members. The Foundation Board is responsible for the control and management of all assets of the Foundation, including the prudent management of all gifts consistent with donor intent. The Foundation Board is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws that address fiduciary responsibilities, including expectations of all individual Board members to comply with ethical guidelines and policies.
- C. The District is responsible for the employment, compensation, and evaluation of the Associate Vice President of Institutional Advancement, who will serve as the Foundation's Executive Director and Chief Operations Officer, unless otherwise agreed by the District. Foundation Board members will provide the District's Superintendent/President annual performance feedback regarding the Executive Director.

**ARTICLE VII: Miscellaneous**

- A. This Agreement and its attachments represent the entire and integrated agreement between the District and the Foundation, and supersede all prior understandings, negotiations, representations, or agreements, whether oral or written.
- B. If any court of competent jurisdiction holds any term, condition, or provision of this Agreement to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired, or invalidated in any way.
- C. No modification or amendment of any provision of this Agreement shall be effective unless the parties approve of the modification or amendment in an approved and signed writing. The parties will not construe the failure of a party to enforce any of the provisions of this Agreement as a waiver of such provisions and a party's failure to enforce any provisions of this Agreement shall not affect the right of either party thereafter to enforce each provision hereof in accordance with its terms.
- D. The parties may execute this Agreement in several counterparts, each of which the parties shall deem an original, but all of which together shall constitute one and the same agreement.
- E. The parties agree that time is of the essence and they shall perform the services required by this Agreement in an expeditious and timely manner so as not to unreasonably delay the purpose of this Agreement.

**IN WITNESS WHEREOF**, the Board of Trustees approve this Agreement on \_\_\_\_ day of \_\_\_\_\_, 20\_\_ and the Board of Directors approve this Agreement on \_\_\_\_ day of \_\_\_\_\_, 20\_\_. The parties have executed this Agreement in duplicate at Oceanside, California, as of the date(s) written below.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT**

**MIRACOSTA COLLEGE FOUNDATION**

By: _____	Date: _____	By: _____	Date: _____
<a href="#">[Name]Rick Cassar</a>		<a href="#">[Name]Janice Kurth</a>	
President, Board of Trustees		President	
MiraCosta Community College District		MiraCosta College Foundation	

**Revision History [11/15/2005, 06/24/2015, 11/19/2020](#)**  
**Current Agreement: date**  
**First Amendment**

MiraCosta College Foundation: Investment & Spending Policy

## **I. Background and Mission**

The MiraCosta College Foundation (hereafter referred to as the “Foundation”) is an independent, 501(c)(3) nonprofit corporation created to support students by funding their pursuits toward a higher education and providing the resources to help guide them toward success.

For over 40 years, the vision of the Foundation has supported the vision that no one is denied access to education because of financial need and that resources are available to enrich the college experience for all students. In service to this vision, the Foundation’s mission is to promote the interests and welfare of the college and to secure resources that will transform student lives.

## **II. Introduction**

This policy is intended as a basic guide for safeguarding and managing the Foundation’s assets including the development of spending goals, investment strategies (including asset allocation) and investment performance review and reporting collectively comprise the “Portfolio”. The Portfolio’s assets will normally be held in one of four subordinate portfolios (or pools). These are (1) the “Reserve Portfolio” (2) Excess Reserve Portfolio (3) the “Endowment Portfolio” and (4) Title V Grant Endowment.

This investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Foundation and any other parties to whom the Foundation has delegated investment management responsibility for Portfolio assets.

MiraCosta College Foundation: Investment & Spending Policy

The investment policies for the Foundation contained herein have been formulated consistent with the Foundation's Mission, reflects its anticipated financial needs and its willingness to assume investment and financial risk, as reflected in the majority opinion of the Foundation.

Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of the Foundation. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the Foundation.

### **III. Role of the Finance Committee and the Foundation Board**

The Foundation Board (the "Board") has a fiduciary responsibility to comply with the restrictions imposed by the donors of endowment funds. The Board also has a legal responsibility to ensure that the management of endowment funds is in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The Finance Committee of the Foundation Board (the "Committee") acts in a fiduciary capacity with respect to the Foundation and is accountable to the College and the Board for overseeing the investment and safeguarding of all assets owned by or held in trust. Foundation Management ("Management") is defined as the Foundation's Executive Director who oversees endowment accounting and makes recommendations to the Committee.

**a. The Committee will review this Investment Policy Statement at least once per year.**

Changes to this Investment Policy Statement can be made only

by affirmation of a majority of the Committee, and final Board approval. Written confirmation of the changes will be provided to all Committee members and to any other parties hired on behalf of the Foundation as soon thereafter as is practicable.

- b. **Standard of Fiduciary Care.** The primary and constant standard for making investment and spending decisions for all Portfolio assets is the “Prudent Person Rule” which states that “the members of the governing board shall act with the care, skill, prudence, and diligence under the circumstances then prevailing a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the institution” in compliance with Uniform Prudent Management of Institutional Funds Act.

#### **IV. Manager Selection**

Investment management of the Portfolio (including its constituent pools) shall be recommended by the Committee for approval by the Board based on a selection process as established by the Committee. The Committee may elect to appoint a single manager for the Reserve Portfolio, Excess Reserve Portfolio, Endowment Portfolio, and the Title V Grant Endowment Portfolio, or separate managers for each. The Committee may also elect to manage the Reserve Portfolio itself. In addition to evaluating a manager’s historical performance compared to appropriate benchmarks, a manager’s ethical standards, financial viability, organizational structure, experience of key personnel, and investment philosophy will also be reviewed.

#### **V. Investment Objectives**



## MiraCosta College Foundation: Investment &amp; Spending Policy

- a. The Endowment Portfolio is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the institution. The attainment of this broad objective will provide a balance between current spending needs of the Foundation and the need to preserve the purchasing power of the endowment for future generations. It is the Board's intent to invest all long-term funds using the same target allocation, whether funds are endowed or Board designated/quasi-endowed funds. Gifts with donor restrictions will be invested as per instructions.
- b. The Reserve Portfolio. Assets apportioned to the Reserve Portfolio are intended for use "on demand" are to be invested with the objective of preservation of capital and short-term liquidity. Only high-quality short-term investment vehicles are appropriate for this portfolio.
- c. The Excess Reserve Portfolio is to be comprised of funds that are above an approved threshold to adequately fund the Reserve Portfolio. Assets in the Excess Reserve Portfolio are intended to preserve capital, provide a relatively predictable stream on income, and achieve moderate growth of principal. Assets are to be used as a supplemental source of funds for the Reserve Portfolio.
- d. The Title V Grant Endowment is to be comprised of Endowment Fund corpus (an amount equal to the endowment challenge grant or grants awarded under this part plus matching funds if available) and Endowment Fund Income (an amount equal to the total value of the fund, including appreciation and retained interest and dividend, minus the endowment fund corpus). Each endowment challenge grant awarded must be matched by the Foundation, must be invested by the Foundation, and must have a duration of 20 years (Please reference spending

MiraCosta College Foundation: Investment & Spending Policy

rules in grant document PART 628 for additional spending rules).

NOTE: Please reference the Investment and Spending Policy Flow Chart located within the appendix.

## **VI. Solicitation and Acceptance of Gifts Policy**

A. A separate policy has been adopted and approved by the Foundation to provide general information about the criteria and framework by which donations may be accepted or recommended to the Board for acceptance. This information should not be interpreted as legal advice, nor is the policy intended to override current IRS code and regulations. This policy includes:

- Special gifts acceptance
- Gifts of tangible property and equipment (gifts-in-kind)
- Gifts of real property
- Gifts of securities, limited partnerships, and other tangible property
- Gifts of life insurance
- Charitable Remainder Trusts
- Digital currency

## **VII. Spending Policy**

A. **Foundation spending shall be funded from these sources:**

- Current undesignated gifts (not designated as endowments),
- An annual endowment management fee (presently 1.5%) assessed on total Endowment Portfolio assets), and

## MiraCosta College Foundation: Investment &amp; Spending Policy

- Partial distributions of net investment income (from interest or dividends) or net realized capital gains from the Endowment Portfolio
- Short term deficiencies or excess of cash needs may be balanced by withdrawals from/deposits to the Reserve Portfolio. Cash accumulations from earnings and capital gains that exceed the approved spending budget for any year will be reinvested.

**B. Purpose of Spending.** The Foundation exists to support the educational needs of the College. Consistent with prudent financial stewardship, the Foundation will spend its income each year for the purposes designated and/or approved by its Board. This will include a portion (1.5% endowment management fee) designated for the foundation's business operations, fundraising and other work of the Foundation and a percentage set by the Board (currently 3.5%) for charitable purposes. Thus, the current spending rate is 5%.

Endowment Portfolio earnings in excess of the Board established spending rate will be reinvested in the Endowment Portfolio to protect the endowment's purchasing power from one generation to the next.

NOTE: Title V Grant Endowment must be held for 20 years. Please reference spending rules in grant document PART 628. Title V Grant Endowment funds will not be included in the aforementioned 'Purpose of Spending'.

**C. Limitations on Spending -- General Policy.** In general, current spending will not be funded by accessing the principal corpus of the Endowment Portfolio. The distribution of Endowment Portfolio assets will be permitted to the extent that such distributions do not exceed a level that would erode the

Foundation's real assets over time. The Committee will seek to reduce the variability of annual Foundation distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Committee will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Foundation's spending policy, its target asset allocation, or both. Establishing the Spending Rate. The Committee will review and recommend the annual spending rate to the Board within 60 days following the end of each calendar year. The Foundation presently seeks to maintain an annual spending rate of no more than 5.5% of the 3-year trailing average of the Endowment Portfolio (valued on December 31 of each year.) Any excess earnings will be re-invested into the Endowment Portfolio. An endowment management fee of 1.5% will be assessed first, then a maximum of 4% will be used for charitable purposes as designated by the donor or determined by the Board. (See Appendix 1 for related administrative procedures.)

- D. **Adjusting the Endowment Management Fee.** The Committee has the option of adjusting the endowment management fee up to the Uniform Prudent Management of Institutional Funds Act mandated maximum of 2%. The Committee also has the option of reducing the fee as long as the resulting fee income to the Foundation is adequate to fully fund operational and employee costs. (See Appendix 1 for related administrative procedures.)
- E. **Maintaining an Operational Reserve.** Recognizing that stability and continuity are important to good management and administration, the Management will seek to hold an operational reserve such that in down market years reductions

in business operations and layoffs are unnecessary. In addition, Management will aim for a stable budget, and when necessary, plan for significant increases or cuts to the budget to meet extraordinary one-time costs.

## **VIII. Portfolio Investment Policies**

### **A. Diversification – All Portfolios**

Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

1. With the exception of fixed income investments explicitly guaranteed by the U.S. Government, no single investment security shall represent more than 5% of total Portfolio assets.
2. With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.
3. With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).

MiraCosta College Foundation: Investment & Spending Policy

**Other Investment Policies.** Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from:

1. Purchasing securities on margin or executing short sales.
2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
3. Engaging investment managers who promise to engage in such practices.

**B. Asset Allocation–General**

1. The Committee recognizes that the careful allocation of Portfolio assets among financial asset and sub asset categories with varying degrees of risk, return, and risk–return correlation will be the most significant determinant of long–term investment returns and achievement of Portfolio objectives for each of the Foundation’s Portfolios.
2. The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio’s asset allocation, it expects to do so only in the event of material changes to the Foundation, to the assumptions underlying Foundation spending policies, and/or to the capital markets and asset classes in which the Portfolio invests.

**C. Asset Allocation Policy–Specific to the Endowment Portfolio and Excess Reserve Portfolio**

## MiraCosta College Foundation: Investment &amp; Spending Policy

1. Foundation assets comprising the Endowment and Excess Reserve Portfolios will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of equity investments will be to maximize the long-term real growth of Endowment and Excess Reserve Portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of the equity investments.
2. Cash investments will, under normal circumstances, only be considered as temporary holdings in the Portfolio, and will be used for Foundation liquidity needs or to facilitate a planned program of dollar cost averaging into investments in either or both of the equity and fixed income asset classes.
3. Exhibit A (below) presents the long-term strategic asset allocation guidelines, presently determined by the Committee to be the most appropriate for the Endowment, given the Foundation's long-term objectives and short-term constraints.

**D. Asset Allocation Policy-Specific to the Reserve Portfolio**

Assets are to be invested in cash or cash/equivalents or as outlined in Exhibit B (below). Any fixed income investment duration should be aligned with the potential need for funds; resulting is a duration target not to exceed 3 years. All investments are required to exceed a minimum standard of investment-grade (BBB or Baa).

**E. Asset Allocation Policy-Specific to the Excess Reserve Portfolio**

MiraCosta College Foundation: Investment & Spending Policy

Exhibit C (below) reflects the asset allocation recommended by the Committee for the Excess Reserve Portfolio.

#### **F. Asset Allocation Policy–Specific to the Title V Grant Endowment Portfolio**

Exhibit D (below) reflects the asset allocation recommended by the Committee for the Title V Grant Endowment within the stated parameters of the grant bylaws.

#### **G. Rebalancing**

1. It is expected that the Endowment Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub asset classes. The Endowment and Excess Reserve Portfolio will be rebalanced to its target normal asset allocation under the following procedures:
  - i. The investment manager will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio or realign the current weightings closer to the target weightings for the Portfolio.
  - ii. The investment manager will review the Portfolio quarterly to determine the deviation from target weightings. During each quarterly review, the following parameters will be applied:
  - iii. If any asset class (equity or fixed income) within the Portfolio is +/-5 percentage points from its target weighting, the Portfolio will be rebalanced.



- iv. If any fund within the Portfolio has increased or decreased by greater than 20% of its target weighting, the fund will be rebalanced.
    - v. The investment manager may provide a rebalancing recommendation at any time.
  2. Performance shall be measured on a total return, time-weighted basis and presented for the most recent quarter, year-to-date, and the trailing years, three years, and five years. Performance for periods greater than one year shall be expressed on an annualized basis. To facilitate performance comparisons, investment results should be expressed both gross and net of fees.
  3. The specific performance objective is to attain, within acceptable risk levels, an average annual long-term total return that meets or exceeds the sum of the Foundation's spending rate plus inflation (as measured by the CPI, consumer price index) plus investment management and related fees. In cases where the Foundation is appointed trustee of a charitable trust, the investment objective is to achieve a return that satisfies the distribution rate while retaining as much corpus as possible.

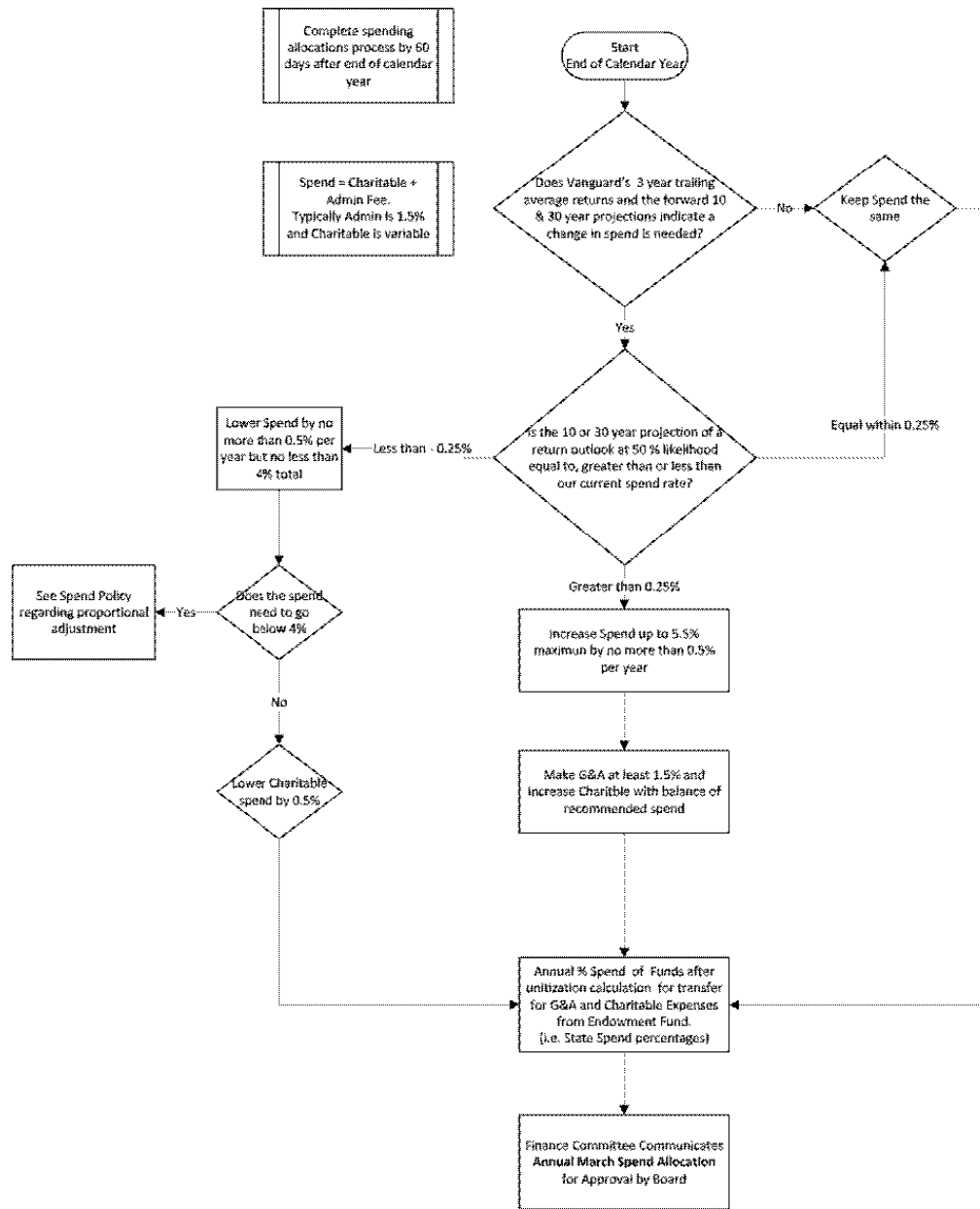
### **G. Reporting**

Investment reports shall be provided by the investment manager(s) on a (calendar) quarterly basis or more frequently if requested by the Committee. Each investment manager is expected to be available to review portfolio structure, strategy, and investment performance annually with the Investment Committee.

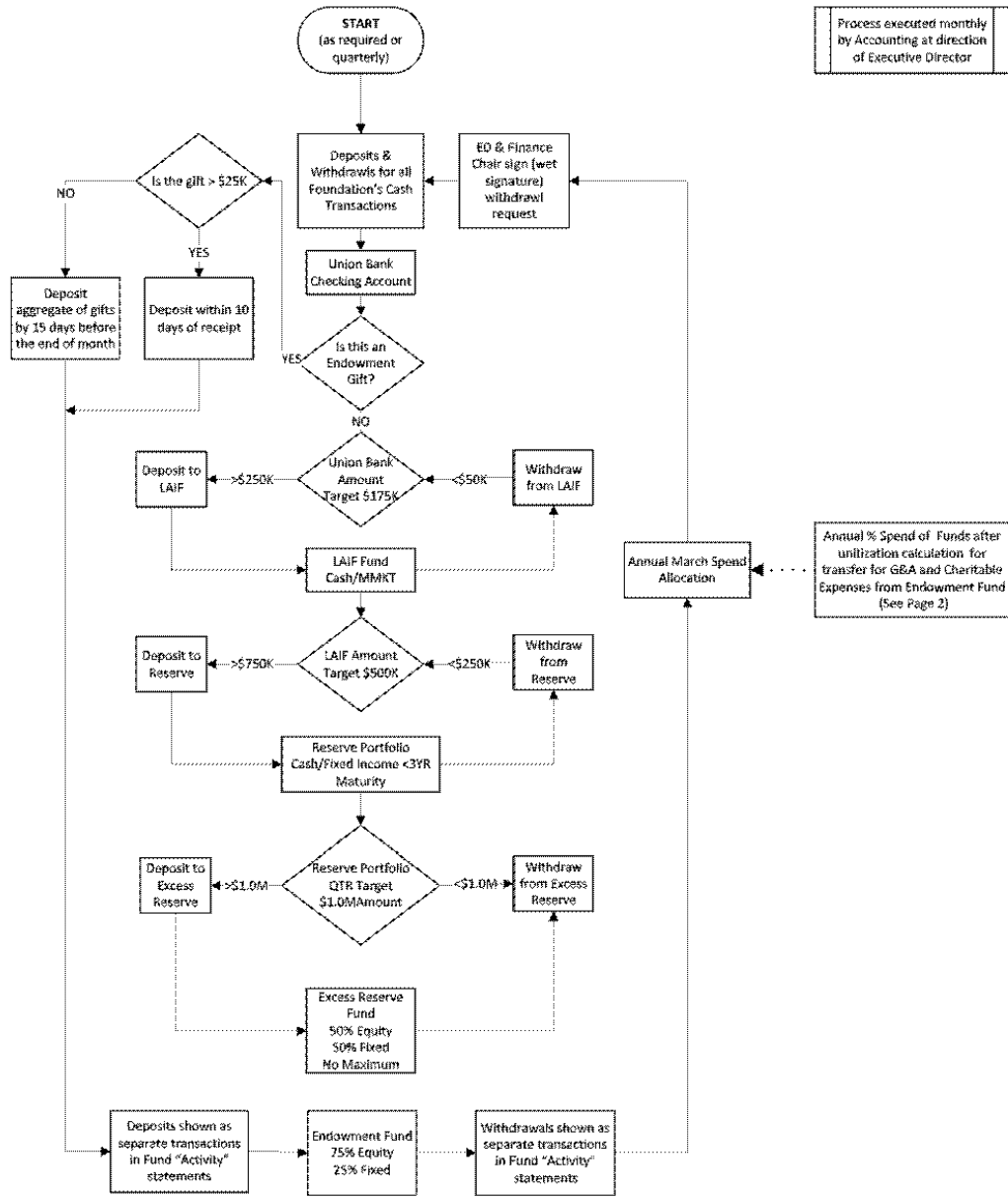
## **Appendix**

### **Investment and Spending Policy Flow Chart**

MiraCosta College Foundation: Investment & Spending Policy



MiraCosta College Foundation: Investment & Spending Policy



**Exhibit A: Asset Allocation Guidelines for the "Endowment Portfolio"**

## MiraCosta College Foundation: Investment &amp; Spending Policy

ASSET CLASS	Conservative Limit	Target Allocation	Aggressive Limit
Equities			
U. S. Equities International	36%	45%	48%
Equities	24%	30%	32%
<b>Total Equities</b>	<b>60%</b>	<b>75%</b>	<b>80%</b>
Fixed Income			
U.S. Fixed Income International	28%	17.5%	14%
Fixed Income	12%	7.5%	6%
<b>Total Fixed Income</b>	<b>40%</b>	<b>25%</b>	<b>20%</b>
Cash and Cash Equivalents	10%	0%	0%

Exhibit A approved by Finance Committee on 11/10/2016

Approved by the Foundation Board on 11/17/2016

**Exhibit B: Asset Allocation Guidelines for the "Reserve Portfolio"**

## MiraCosta College Foundation: Investment &amp; Spending Policy

<b>Asset Class</b>	<b>Sub-Asset Class</b>	<b>Target Allocation</b>
<b>Equities</b>		<b>0%</b>
	Domestic (U.S.) Equities	0%
	International (Non U.S.) Equities	0%
<b>Fixed Income*</b>		<b>100.00%</b>
	Domestic (U.S.) Investment Grade	100%
	International (Non U.S.) Bonds	0%
<b>Total</b>		<b>100.00%</b>

\* Any fixed income investment duration should be aligned with the potential need for funds; resulting is a duration target not to exceed 3 years. All investments are required to exceed a minimum standard of investment-grade (BBB or Baa)

Exhibit B approved by Finance Committee on: (date)

Approved by the Foundation Board on : (date)

### Exhibit C: Asset Allocation Guidelines for the "Excess Reserve Portfolio"

<b>Asset Class</b>	<b>Sub-Asset Class</b>	<b>Target Allocation</b>
<b>Equities</b>		<b>50.00%</b>
	Domestic (U.S.) Equities	30%
	International (Non U.S.) Equities	20%
<b>Fixed Income</b>		<b>50.00%</b>
	Domestic (U.S.) Investment Grade	35.00%
	International (Non U.S.) Bonds	15.00%
<b>Total</b>		<b>100.00%</b>

Exhibit C approved by Finance Committee on 11/10/2016

Approved by the Foundation Board on 11/17/2016

### Exhibit D

a) A grantee shall invest, for the duration of the grant period, the endowment fund established under this part in savings accounts or in low-risk securities in which a regulated insurance company may invest under the law of the State in which the institution is located.

MiraCosta College Foundation: Investment & Spending Policy

(b) When investing the endowment fund, the grantee shall exercise the judgment and care, under the circumstances, that a person of prudence, discretion and intelligence would exercise in the management of his or her own financial affairs.

(c) An institution may invest its endowment fund in savings accounts permitted under paragraph (a) of this section such as—

(1) A federally insured bank savings account;

(2) A comparable interest-bearing account offered by a bank;

or

(3) A money market fund.

(d) An institution may invest its endowment fund in low-risk securities permitted under paragraph (a) of this section such as—

(1) Certificates of deposit;

(2) Mutual funds;

(3) Stocks; or

(4) Bonds.

(e) An institution may not invest its endowment fund in real estate.

**Administrative Procedures for providing to the Committee the Information they Need to Establish the Spending Policy**

Established by Management: 11/10/2016

1. Within 60 days following the end of the calendar year, Management will provide to the Finance Committee the following information:
  - a. Rate of returns on the Endowment Fund for each of the three previous calendar years

- b. Recommended spending rates based on the three-year trailing average value for the Endowment Fund and normal accounting procedures. The recommendations will include:
          - i. Endowment management fee, not to exceed to 2% (currently 1.5%)
          - ii. Recommended charitable purpose spending rate that is compliant with prudent management and industry best practices.
2. The process for allocating endowment earnings are as follows:
  - a. In accordance with Board policy, the endowment management fee (currently set at 1.5%) is allocated first to the operational fund for the Foundation.
  - b. Funds are secondly allocated for charitable purposes (currently set at 3.5%) as designated by the donor or for allocation by the Board.
  - c. The calculation that is currently used to establish the Foundation maximum spending is as follows: 1.5% (endowment management fee + 4% (charitable purpose allocations) = 5.5% (maximum spending limit as established by policy)
3. When earnings are below the Board's established spending limits:
  - a. If the three-year average growth rate of the Endowment Portfolio were to decline, and 5.2% was determined to be the prudent maximum spending rate, the calculation to derive charitable spending would be: 5.2% (earnings) – 1.5% (endowment management fee) = 3.7% for charitable purpose allocations.
4. Adjusting the endowment management fee: In the occurrence when endowment portfolio earnings drop below 5.5%, the Finance Committee may consider reducing the 1.5%

## MiraCosta College Foundation: Investment &amp; Spending Policy

endowment management fee, so long as the funding provided is adequate to fully fund the Foundation's business and operating costs, including essential and productive staff positions. If the management fee is to be reduced, the reduction should be proportional. Here is an example:

- a. The 1.5% endowment management fee expressed as a percentage of the 5.5 distribution is 27.27% ( $1.5\%/5.5\% = 27.27\%$ ) Therefore, if the earnings were to decline to 4.9% and the Committee agreed to proportionally reduce the management fee, the calculation would be as follows,  $(4.9\% \times 27.27\%) / 100 = 1.34\%$ . This would provide a 1.34% spending rate for charitable purposes.

\*\*Approved by the MCCF Board on August 27, 2024



**Exhibit B****MiraCosta College Foundation: Administrative Costs Recovery Policy****Page 1 of 3****Objective**

An administrative costs recovery fee will be charged by MiraCosta College Foundation accounts according to the type of account. Fees assessed will be used to support the Foundation's efforts to cultivate, solicit, and steward gifts and other sources of revenue. Administrative costs are recovered for providing the following services:

- Accounts payable processing
- Accounts receivable processing
- Annual audit
- Annual State and Federal filing fees for non-profit organization
- Automated accounting
- Billing and collection services
- Cashiering
- Check preparation
- Contract preparation and review
- Expenditure controls (authorized purchase through purchase order control)
- Banking services
- General cash administration
- Insurance costs
- Legal services
- Monthly bank reconciliations
- Payroll/personnel administration
- Project management reports
- Risk management
- Staff support and accounting related matters
- Reporting to regulatory agencies (Chancellor's office, State of California, tax returns)

**Campus Program Accounts**

Campus program accounts are established for the support of a specific campus program or a department. Some examples of campus program accounts are: EOPS book fund, scholarship funds, campus beautification. A fee of 4% for each transaction will be assessed and charged against the program account.

Annual expendable scholarships, those given to be expended in the current year, are exempt from the 4% transaction fee. Donors to annual expendable scholarships will be

asked to include an additional 4% to their donation for the purpose of covering costs incurred by the Foundation in the administration of their scholarship.

Special program and equipment accounts are campus program accounts established to facilitate short term special programs or to purchase equipment only, and generally have few expenses. Administrative fees will be determined by the Vice President, Institutional Advancement on a case-by-case basis for special program accounts within the range of 4% to 8%, to be assessed based upon expenses.

#### **Endowment Accounts**

Endowment accounts are those accounts whose funds are restricted for expenditure either internally or externally by contractual obligation and are administered pursuant to the Foundation's Endowment and Investment Policies.

First time endowments are assessed a 3% fee upon arrival, then endowment funds are invested by the Foundation. The Foundation will assess an annualized endowment management fee of 1.5% calculated at the time the distribution is taken.

#### **Trusts and Planned**

Trustee's fees for investment portfolios managed by the MiraCosta College Foundation will be calculated on market value of the trust assets. An annual fee of 1.5% will be distributed to the MiraCosta College Foundation on January 1, based on the market value of the trust as of that date.

When the Foundation, as trustee or executor of a trust or will, is required to perform extraordinary services upon the death of a trustor/trustee or beneficiary, an additional fee of one percent 1% will be assessed on the market value of the trust assets to offset the cost of extra services.

All planned gifts received by the Foundation will be subject to a 5% gift fee.

#### **Real Property Gifts**

A fee is charged for acceptance, sale and/or management of real property. The amount and type of fee is based on the circumstances of each property gift. The fee structure is similar to those of banks and trust companies providing services for the general public.

Supplemental fees are applicable where the Foundation is involved in toxic waste matters, repair/improvement supervision, prolonged negotiations, litigation, condemnation proceedings and any other consulting services. Hourly rates for the Vice President, Institutional Advancement and all other Foundation employees will be applied at prevailing hourly rate. Actual costs for required outside professional services are charged directly to the project based on actual services performed.

#### **Capital Gifts**

Direct costs for Foundation services will be included in the Capital Project.

#### **Grants**

**MiraCosta College Foundation: Administrative Costs Recovery Policy**

**Page 3 of 3**

Requests for fees will be added to grant proposals unless specifically disallowed by the granting foundation, fund or corporation. Unless otherwise stated by the funder and where permitted, all grants will be assessed a 4% fee upon receipt of the grant in order to pay for administrative overhead related to processes associated with grant writing, stewardship, and reporting. Grants given directly to college departments will not be assessed a grant fee by the Foundation.

**Gifts - Other**

Gifts other than cash or securities that require extraordinary services will be analyzed on a case-by-case basis and may be subject to supplemental fees in order to recover from the cost of acceptance, sale, and/or management of such gifts. In such cases, the Vice President, Institutional Advancement will seek approval from the Finance/Operations Committee to assess supplemental fees.

**Exclusions**

This policy does not apply to grant and contract accounts or internal transfers from accounts which have already met other administrative fee or overhead recovery requirements.

**Donor Notification**

Donors will receive credit for the full amount of their gifts. Gift receipts and stewardship reports will inform the donor that a portion of the gift received has been allocated to cover the cost of fundraising/administrative costs of the Foundation.

*The Foundation will review the policy every two years.*

Admin Costs Recovery – Approved by Foundation Board 08.27.2024

[Foundation Board Manual](#)

### Independent Audit Services Request for Proposals Process Summary

#### Description:

The Request for Proposals (RFP) process launched in January 2025, for Independent Audit Services for the Foundation, as we have been with our current firm for 5 years. The selected Bidder will enter a contract effective July 1, 2025, through June 30, 2030. (Our current auditors are currently working on FY 2023-24.) No board action is needed at this time.

#### Process Timeline:

<b>II. DATES AND TIMEFRAMES ACTIVITY</b>	<b>DATE &amp; TIME (PST)*</b>
Bid Advertisement Dates	1st: January 7, 2025 (submitted) 2nd: January 14, 2025
DEADLINE FOR PRE-BID INQUIRIES	Submit via PlanetBids by: January 28, 2025, before 4:00 p.m.
DEADLINE FOR RESPONSE TO PRE-BID INQUIRIES	Uploaded to PlanetBids by: January 31, 2025, before 6:00 p.m.
<b>DEADLINE TIME/DATE FOR SUBMISSION OF BID PROPOSALS</b>	<b>February 13, 2025, by 11:00 a.m.</b> <b>MUST SUBMIT ELECTRONICALLY</b>
LOCATION FOR OBTAINING BID AND CONTRACT DOCUMENTS	District's PlanetBids Vendor Portal at: <a href="https://miracosta.edu/districtbids">https://miracosta.edu/districtbids</a> OR <a href="https://pbsystem.planetbids.com/portal/47167/portal-home">https://pbsystem.planetbids.com/portal/47167/portal-home</a>
Interviews	February 25-28, 2025
Anticipated Board of Trustees Approval	March 27, 2025