



FOUNDATION

**MIRACOSTA COLLEGE FOUNDATION BOARD
FINANCE COMMITTEE SPECIAL MEETING**

MONDAY, June 14, 2021 3 p.m. – 4 p.m.

Zoom Video Conference

One tap mobile: +16699006833

Meeting URL:

<https://miracosta-edu.zoom.us/j/94467302197?pwd=UjFYdWR0YmtadEhDd1VBU3FvNW9qQT09&from=addon>

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NOTE: If joining by phone only - please identify yourself during roll call or send an email to djaykus@miracosta.edu to record the number you are calling in from.

MINUTES

I. CALL TO ORDER

Request consent to record the meeting

Chair, Bandemer called the meeting to order at 3:02pm

II. ROLL CALL, WELCOME, INTRODUCTIONS

Committee members present:

Matt Adams

Bruce Bandemer

George Karetas

Sharon Wiback

Advisors present:

Foundation Board President, Alec Babiarz

Interim Associate Vice President/Executive Director, Dr. Peter Smits

Advisors absent:

VP Administrative Services, Tim Flood

Staff present:

Foundation Specialist, Dee Jaykus

Development Officer, Tori Fishinger

Interim Development Officer, Charity Singleton



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

None

IV. CHANGES IN AGENDA ORDER

None

V. APPROVE MEETING MINUTES - ACTION

Special Meeting June 8, 2021

With edits to committee member Karetas' discussion of cryptocurrency:

By motion made by committee member Wiback and seconded by committee member Adams, the special meeting minutes of June 8, 2021 were approved.

Vote: 4/0

Aye: Adams, Bandemer, Karetas, Wiback

Absent:

Abstentions: None

VI. ACCEPTING CRYPTOCURRENCY DONATIONS – Action

By motion made by committee member Bandemer and seconded by committee member Karetas, accepting cryptocurrency donations was approved.

Vote: 4/0

Aye: Adams, Bandemer, Karetas, Wiback

Absent:

Abstentions: None

Chair, Bandemer reported speaking with an organization listed on the information that committee member Adams sent to the committee. The organization would accept the donation if we set up an account at a cost of \$2,500. There is a 5% fee on transactions. It would immediately converted to cash if directed to do so. The organization also would help market MiraCosta College Foundation and list of solicitations for bitcoin and crypto donations for charities. We would provide a URL for a landing page. The organization uses a referral to appraise the value. The organization would provide a timestamp receipt of the donation stating the number received and the date. It is up to an appraiser to find the value. Another option is a donor advised fund. Vanguard does accept crypto but there is a minimum contribution of \$25,000.

Committee member, Adams reported speaking with Schwab. They will accept crypto into a donor advised fund and liquidate. However, they still haven't rolled anything out for a separate account to be set up. They are not able to receive the crypto, liquidate and transfer cash to a charitable portfolio account. Perhaps in the future.

Chair, Bandemer commented the donor receives the tax deduction at the time the assets are released. There is a risk of loss of the donation or a dilution of the donation if the account holder doesn't grant the funds to MiraCosta College Foundation. While the donor is living this isn't the case, however if the donor passes away they can give everything to their general fund, so it's important to make specific requirements. This is difficult with a donor



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advised fund to structure donor by donor. It would be challenging. Maybe for a one off, but not for crypto.

Chair, Bandemer reported speaking with the San Diego Foundation, who have not formalized their crypto acceptance. They are happy to work with us and have us be the guinea pig and push it through. Structural issues remain. Recently a client donated a house and wanted an annuity. The MiraCosta College Foundation doesn't have a way to take the donation, we worked with San Diego Foundation to set up an annuity with MCC Foundation as the ultimate beneficiary. SD Foundation did take some fees on the transaction but it is still a win for everyone.

Advisor, Smits commented that the process could be the same as stock.

Chair, Bandemer commented that is option 3. Go to coin base or other brokerage house that will accept the crypto or trade crypto and liquidate and direct to MiraCosta College Foundation. Stocks may be valued higher or lower on the date that MiraCosta College Foundation sells the asset.

Interim Executive Director, Smits mentioned considering public relations with the donor and shared how a stock donation was valued at \$100K the day it was traded and when the Institution sold the stock it was worth \$90K.

Chair, Bandemer commented that crypto would be the same risk.

Chair, Bandemer opened the discussion for how to sell it. Consensus was we sell it immediately, much like how when accept the donation of stock. Our broker will immediately upon receipt donation of stock sell it, so we have a policy in place.

Interim Executive Director, Smits suggested looking MiraCosta College Foundation policy and procedure to make sure that the mechanism is well understood by everybody, so we don't make a misstep here.

Chair, Bandemer shared concern by accounting and others was the burden it will put on the Foundation to acknowledge these gifts. This could be solved by setting a minimum. We have policies and procedures, we have to make sure that they are a fit for this type of donation.

Interim Executive Director, Smits suggested looking at 4 or 5 other public institutions in California and believes it is a wave of the future to accept crypto.

Chair, Bandemer asked Interim Executive Director, Smits to reach out to contacts and inquire of the risk and processes for accepting.

Committee member, Karetas inquired if the \$2,500 set up fee for the organization mentioned earlier was a one-time fee or annual fee and expressed concern if the company were to go out of business. Chair, Bandemer stated it's a one-time fee to set up the account but would need to obtain more clarity. Interim Executive Director, Smits would like to make



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sure that the organization that would be promoting our accepting the crypto would not have access to our database.

Chair, Bandemer will provide Foundation staff with details of other exchange organizations and find the best way to implement. Review policy and procedures. Foundation staff to look at what other institutions have in place.

Chair, Bandemer to share contact information with ED, Smits.

Committee member, Karetas asked if we need to come back to decide which of the three options. Chair, Bandemer commented it could be all three. Meeting to be held within a month (beginning to mid July), incorporate into the Poll out now for a meeting to review Investment and Spending Policy.

Interim Executive Director, Smits asked for a link to our policies and procedures. Staff member, Jaykus to send.

VII. FUTURE AGENDA ITEMS

None

VIII. ADJOURNMENT

Chair, Bandemer adjourned the meeting at 3:28 p.m.

* **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.



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