



**NOTICE OF
QUARTERLY MEETING
ALLAN HANCOCK COLLEGE FOUNDATION
BOARD OF DIRECTORS
October 28, 2021
4-6 p.m.**

Agenda

In response to the coronavirus pandemic, the Governor has issued [Executive Order N-25-20](#), [Executive Order N-29-20](#), and [Executive Order N-35-20](#) modifying the Brown Act in order to facilitate essential public meetings being held through remote methods, such as telephonically or electronically. Directors and staff will attend via video conference.

The meeting will be conducted via Zoom: Meeting ID <https://hancockcollege.zoom.us/j/92104669670>

Please note the meeting may be recorded for future viewing.

The mission of the Allan Hancock College Foundation is to operate for the advancement of education by raising funds and building community support to meet the needs of the college in the areas of scholarships, capital/infrastructure projects and program support.

OFFICERS

Lee-Volker Cox, Ed.D.
President

Judith Dale
Vice President

Debra Hood
Secretary

Glenn Owen
Treasurer

DIRECTORS

Susan Appel
James H. Bray
Michael J. Carroll
Maggi Daane
J. Edwin Fields
Erica Jane Flores
Judy Frost
Michael L. Gibson
George Grama
Tim Harrington
Margaret S. Hesse
Mario Juarez, Esq.
Robert B. Klug
Robert Manning
Sam Orozco, D.P.A.
Cynthia Schur

EMERITUS DIRECTOR

Ronald L. Thatcher
Doris T. Lahr, In Memoriam

COLLEGE TRUSTEE REPRESENTATIVES

Jeffery Hall
Gregory A. Pensa

COLLEGE REPRESENTATIVES

Kevin G. Walthers, Ph.D.
Superintendent/President

Eric D. Smith
*Associate Superintendent/ Vice President,
Finance and Administration*

Jon Hooten, Ph.D.
*Executive Director,
College Advancement*

Nichole Dechaine
Faculty

Marcela Viveros
Student

FOUNDATION STAFF

Marlyn Cox
Erin Gardner
Tracy McKee
Natalie Rucobo

Notice of Quarterly Meeting
Allan Hancock College Foundation Board of Directors
Thursday October 28, 2021
4:00 – 6:00 p.m.

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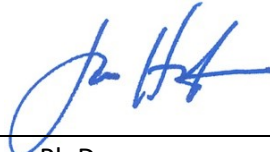
Please note the meeting may be recorded for future viewing.

AGENDA

	Page	Time
1. Call to order		4:00 p.m.
2. Roll Call		
3. Public Comment		
<i>Public comment not pertaining to specific agenda items is welcome at this time. If you wish to speak to any item listed, please complete a Request to Speak Card available from the Executive Director. It is suggested that speakers limit themselves to 5 minutes.</i>		
4. Approval of Agenda – October 28, 2021 (ACTION)		4:01 p.m.
5. Approval of Minutes – July 22, Annual Organizational Board Meeting (ACTION)	1-5	4:02 p.m.
6. Welcome and Remarks from Board President – Lee-Volker Cox (Information)		4:03 p.m.
7. Presentation with Mark Booher - Artistic Director/Associate Dean PCPA		4:05 p.m.
8. Governance and Nominations Committee		
8.A. New Board Member Nomination – Steve Popkin (ACTION)	6-7	4:20 p.m.
8.B. Appointment of Designee to Board of Directors – Keli Seyfert (ACTION)	8	4:22 p.m.
9. Finance Committee		
9.A. Approval of Financial Statements through 6/30/2021 and 8/31/2021 (ACTION)	9-15	4:25 p.m.
9.B. Auditors 2019-2020 IRS Form 990 Report (ACTION)		4:45 p.m.
9.C. Review and Consideration of Investment Policy Statement (ACTION)	16-21	4:50 p.m.
10. Advancement Committee		
10.A. Acceptance of Foundation Gift Acceptance Policy (ACTION)	22-28	5:00 p.m.
10.B. Foundation Giving Report and Hancock Promise Campaign Update (Information)	29-31	5:10 p.m.
10.C. President’s Circle Subcommittee Report (Information)	32	5:15 p.m.
10.D. Scholarship Subcommittee Report (Information)	33	5:30 p.m.

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|---|-----------|
| 11. Oral Reports (Information) | 5:35 p.m. |
| 11.A. Executive Director, College Advancement – Jon Hooten | |
| 11.B. College Superintendent/President – Kevin Walthers | |
| 11.C. College Trustee – Jeffrey Hall | |
| 11.D. PCPA Foundation Representative – Jim Bray | |
| 11.E. Faculty Representative – Nichole Dechaine | |
| 11.F. Student Representative – Marcela Viveros | |
| 11.G. Members of the Board of Directors – General Announcements | |
| 12. Consideration of New Business (Information) | 5:55 p.m. |
| 13. Next Meeting – Thursday, January 27, 2022, 4-6 p.m. (Information) | |
| 14. Adjourn (ACTION) | 6:00 p.m. |

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Allan Hancock College Foundation office at (805) 925-2004. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.



Jon Hooten, Ph.D.
Executive Director
Allan Hancock College Foundation

ALLAN HANCOCK COLLEGE FOUNDATION
Annual Organizational Board Meeting
Minutes of July 22, 2021

A regular meeting of the board of directors was held on July 22, 2021, at 4 p.m. via Zoom teleconference. This meeting was held remotely in compliance with the Brown Act to help protect against the spread of COVID-19.

1. Call to Order

Foundation Board President L.V. Cox, called the meeting to order at 4:00 p.m.

2. Roll Call

Directors Present: L.V. Cox, J. Dale, D. Hood, S. Appel, J. Bray, M. Carroll, M. Daane, J. Fields, E.J. Flores, J. Frost, M. Gibson, J. Hall, T. Harrington, P. Hesse, M. Juarez, R. Klug, B. Manning, S. Orozco, K. Walthers, N. Dechaine
Directors Absent: G. Grama, G. Owen, G. Pensa, C. Schur, E. Smith
Student Representative: M. Viveros
Guests: R. Valdovinos Jr., A. Raygoza, N. Ornelas
Staff Present: J. Hooten, M. Cox, E. Gardner, T. McKee, N. Rucobo
Recorder: E. Gardner

3. Public Comment - None

4. Approval of Agenda – July 21, 2021 (ACTION)

J. Bray requested his oral report be moved to the top of the section in order to leave early to attend another meeting.

MOTION: On a motion by M. Daane, seconded by R. Klug, the agenda for July 22, 2021, was approved as amended by the following vote:

Ayes: L.V. Cox, J. Dale, D. Hood, S. Appel, J. Bray, M. Carroll, M. Daane, J. Fields, E.J. Flores, J. Frost, M. Gibson, J. Hall, T. Harrington, P. Hesse, M. Juarez, R. Klug, B. Manning, K. Walthers, N. Dechaine
Noes: None
Abstentions: None

5. Approval of Minutes – April 22, 2021 (ACTION)

The minutes from the April 22, 2021, quarterly board meeting were reviewed.

MOTION: On a motion by M. Gibson, seconded by J. Dale, the minutes were approved as presented by the following vote:

Ayes: L.V. Cox, J. Dale, D. Hood, S. Appel, M. Carroll, M. Daane, J. Fields, E.J. Flores, M. Gibson, J. Hall, T. Harrington, P. Hesse, M. Juarez, R. Klug, B. Manning, K. Walthers, N. Dechaine
Noes: None
Abstentions: J. Bray, P. Hesse, J. Frost

6. Welcome and Remarks from Board President – Lee-Volker Cox (Information)

L.V. Cox welcomed the board and guests to the zoom meeting and thanked everyone for their continued hard work serving Hancock students.

7. Q&A: Beyond Incarceration Greater Education (B.I.G.E.) Program - with Marian Hancock Scholarship recipient and student delegate Rafael Valdovinos, Jr. and B.I.G.E. president and founder Arturo "Cheech" Raygoza (Information)

J. Hooten introduced R. Valdovinos and A. Raygoza and recognized their accomplishments as students on campus.

R. Valdovinos thanked the board for selecting him as the 2021 recipient for the Marian Hancock scholarship award. R. Valdovinos returned to school in 2017 as a part-time student taking classes with his daughter. In 2020 he left his tenured job in the oil fields to become a full-time student. R. Valdovinos did not know about the many resources available to him as a student until he met A. Raygoza who introduced him to the B.I.G.E. club. The B.I.G.E. club connects students who have experienced incarceration – those with unique, non-traditional student experiences - to resources both on and off campus with the goal of helping students navigate college life who might otherwise not have the support system.

S. Orozco arrived at 4:14 p.m.

A. Raygoza co-founded the B.I.G.E. club after he started at Hancock in 2016. When he first arrived at Hancock, A. Raygoza did not find other students that he could connect with and decided to start the group to help show students the variety of resources that were offered to him. With a \$10,000 grant received in 2020, A. Raygoza has awarded eight scholarships to club members and grown the B.I.G.E. club from six to 30 members in a few short years. After earning three associate degrees from Hancock, A. Raygoza plans to transfer to either UC Santa Barbara or UC Berkeley next fall to pursue a doctorate degree.

K. Walthers commended N. Ornelas for her work supporting B.I.G.E. and Rising Stars among other student services. Hancock is allocating resources to the program, but the real value comes from the peer-to-peer support the students give each other. R. Valdovinos and A. Raygoza have built the program to ensure it stays strong even after they leave campus.

N. Ornelas, R. Valdovinos, and A. Raygoza left the meeting at 4:36 p.m.

8. Governance and Nominations Committee

8.A. 2021-22 Slate of Officers (ACTION)

M. Juarez presented the slate of officers for 2021-2022. J. Frost thanked the group for stepping up and leading the board as the executive team. The Governance and Nominations Committee will look for a replacement for B. Manning when he terms off in January 2022. This will be the last year of L.V. Cox's second term as president and the committee will be looking for individuals to recommend taking over as president next year.

MOTION: On a motion by M. Juarez, seconded by J. Frost, the 2021-22 Slate of Officers was approved as presented by the following vote:

Ayes: L.V. Cox, J. Dale, D. Hood, S. Appel, J. Bray, M. Carroll, M. Daane, J. Fields, E.J. Flores, J. Frost, M. Gibson, J. Hall, T. Harrington, P. Hesse, M. Juarez, R. Klug, B. Manning, S. Orozco, K. Walthers, N. Dechaine

Noes: None

Abstentions None

8.B. 2021-22 Committees and Chairs (ACTION)

M. Juarez presented the committees and chairs for 2021-2022. The scholarship subcommittee roster was amended to include S. Appel as a member.

MOTION: On a motion by M. Juarez, seconded by P. Hesse, the 2021-22 committees and chairs were approved as amended by the following vote:

Ayes: L.V. Cox, J. Dale, D. Hood, S. Appel, J. Bray, M. Carroll, M. Daane, J. Fields, E.J. Flores, J. Frost, M. Gibson, J. Hall, T. Harrington, P. Hesse, M. Juarez, R. Klug, B. Manning, S. Orozco, K. Walthers, N. Dechaine
Noes: None
Abstentions None

8.C. New Student Representative – Marcela Viveros (Information)

M. Juarez welcomed M. Viveros as the new student representative. M. Viveros has been elected to serve as president of the Allan Hancock College ASBG for the 2021-2022 academic year and will act as student representative to the Allan Hancock College Foundation while in office.

9. Foundation Staffing Update (ACTION)

At the Executive Committee meeting held on January 13, 2021, the committee approved hiring Ms. Terri Lee Coleman to assist staff in soliciting Centennial Celebration sponsorships. The hours of work required for T.L. Coleman to solicit \$63,700 in sponsorship support exceeded the approved \$5,015 hourly wage and payroll taxes. At their meeting on July 7, 2021, the Executive Committee approved the increase of T.L. Coleman's total hourly wages and payroll taxes to \$15,311.

MOTION: On a motion by M. Gibson, seconded by J. Dale, Ms. Terri L. Coleman's total hourly wages and payroll taxes from \$5,015 to \$15,311 as presented by the following votes:

Ayes: L.V. Cox, J. Dale, D. Hood, S. Appel, J. Bray, M. Carroll, M. Daane, J. Fields, E.J. Flores, J. Frost, M. Gibson, J. Hall, T. Harrington, P. Hesse, M. Juarez, R. Klug, B. Manning, S. Orozco, K. Walthers, N. Dechaine
Noes: None
Abstentions None

10. Approval of Financial Statements through 5/31/2021 (ACTION)

J. Frost presented the Foundation's financial statements in G. Owen's absence. Currently the Foundation's endowment policy allows the Foundation to take a 1.5% management fee to offset endowment administrative fees. The policy was instated in 2018 and staff plans to research other comparable institutions to determine if this policy should be re-evaluated in the future.

MOTION: On a motion by B. Manning, seconded by P. Hesse, the financial statements through 5/31/21 were approved as presented by the following vote:

Ayes: L.V. Cox, J. Dale, D. Hood, S. Appel, J. Bray, M. Carroll, M. Daane, J. Fields, E.J. Flores, J. Frost, M. Gibson, J. Hall, T. Harrington, P. Hesse, M. Juarez, R. Klug, B. Manning, S. Orozco, K. Walthers, N. Dechaine
Noes: None
Abstentions None

11. Advancement Committee

11.A. Foundation Giving Report and Hancock Promise Campaign Update (Information)

M. Gibson presented the report and pointed out the success of the centennial celebration. The committee and staff raised more than \$290,000 in gifts and pledges related to the virtual event.

11.B. President's Circle Subcommittee Report (Information)

M. Daane presented the report. There are a number of \$1,000 and above centennial sponsors that were added to the President's Circle who will be solicited to renew in 2022. The committee and staff are planning three President's Circle events this fiscal year, the first of which will be in October 2021.

T. Harrington left the meeting at 5:05 p.m.

11.C. Scholarship Subcommittee Report (Information)

Staff is currently collecting thank you letters and photos from this year's group of recipients. These will be sent to donors after July 31. Following thank you letters, staff will start disbursing scholarships in August. Staff plans to have a report on scholarship demographics by the next board meeting.

12. Oral Reports (Information)

12.D. PCPA Foundation Representative – Jim Bray

J. Bray's report has been moved to the top of this section. J. Bray has been selected to serve as president of the PCPA Foundation's board and is looking forward to serving for the coming years. PCPA's endowment is currently near \$3.5 million. PCPA's live theater returned to Solvang with their opening show on Wednesday, July 21. Shows will continue through the summer and students are scheduled to come back to campus in late August.

J. Bray left the meeting at 5:16 p.m.

12.A. Executive Director, College Advancement – Jon Hooten

J. Hooten reported that auxiliary accounting staff did an analysis that showed the Foundation did not have any decrease in activity during the pandemic. He commends M. Cox for her work closing out the fiscal year and completing the financials for the Centennial Celebration before books closed.

Staff is planning its first in-person Promise reception at the home of Brad and Barbara Johnson on August 21. This year's impact report recapping the Foundation's projects will be sent out in early September.

12.B. College Superintendent/President – Kevin Walthers

K. Walthers reported that Texas closed off new applications for the DACA program and plans to sign a letter urging the senate to institutionalize the program so that students can plan for the future.

Hancock has launched the Promise Plus program using money from a federal grant so that every full-time student can attend Hancock for free regardless of age or location. The program will last two years and only requires students enroll in 12 units and take one class in-person.

Hancock is seeing increases in enrollment particularly in full-time equivalent (FTE) students. Enrollment is still down from 2019, but the college anticipates the Promise Plus program will help increase numbers.

Hancock broke records with its 100th graduating class. More than 1,500 students graduated in May 2021. Of those, about 63% are Latinx students.

12.C. College Trustee – Jeffrey Hall

L. Lahr resigned from the college's board of trustees after moving out of Area 3. The board of trustees have since appointed Alejandra Enciso Medina to serve for Area 3. With her appointment, this is the first time in history that the board is comprised primarily of women and people of color.

K. Walthers added that the college is planning for students to come back to campus in the fall and implementing a \$200 incentive for students to get their vaccinations.

12.E. Faculty Representative – Nichole Dechaine

N. Dechaine reported that faculty is looking forward to the Fine Arts Complex coming together and eagerly awaits its completion. Faculty have also expressed excitement for seeing students back on campus in the fall.

12.F. Student Representative – Marcela Viveros

M. Viveros introduced herself as the newly elected ASBG president. She is pursuing a degree in psychology with the goal of earning a PsyD.

M. Viveros reported that students are preparing for this year’s Hancock Hello, a welcome event geared toward incoming high school students featuring clubs and other student activities and resources. The event will be held on campus before the fall semester.

M. Viveros thanked everyone who has helped with the Food Share Because We Care program. The program has served nearly half a million families since it started in spring of 2020. Starting on August 21, the program will continue providing food once a month.

12.G. Members of the Board of Directors – General Announcements

M. Daane shared that August 4 will be the Day of Hope campaign raising funds for the Mission Hope Cancer Center. Hancock is an event sponsor and she encourages the board to go online to support the cause.

12. Consideration of New Business (Information) – None

13. Next Meeting – Thursday, October 28, 2021, 4-6 p.m. (Information)

The board is planning for the next meeting to be held in person in October.

D. Hood requested the team stay focused on improving diversity on both the board and the Executive Committee. She encourages the board to think of individuals who could join to help make the board more representative of the community it serves. J. Frost seconds the statement and requests board members help the Governance and Nominations Committee identify new prospects to approach.

14. Adjourn (ACTION)

MOTION: On a motion by S. Appel, seconded by M. Daane, the meeting was adjourned at 5:44 p.m. by the following vote:

Ayes: L.V. Cox, J. Dale, D. Hood, S. Appel, M. Carroll, M. Daane, J. Fields, E.J. Flores, J. Frost, M. Gibson, J. Hall, P. Hesse, M. Juarez, R. Klug, B. Manning, S. Orozco, K. Walthers, N. Dechaine

Noes: None

Abstentions None

To: Board of Directors	ACTION
From: Mario Juarez, Chair Governance and Nominations Committee	October 28, 2021
Subject: New Board Member Nomination	

BACKGROUND

Steve Popkin has been nominated to serve on the Allan Hancock College Foundation Board of Directors. His nomination form can be found on the following page.

Steve Popkin

Steve Popkin is the Chief Executive Officer of Lompoc Valley Medical Center. He has held the position since February 2019. Mr. Popkin has more than three decades of senior management experience in the health care industry, including 20 years as CEO at various for-profit and not-for-profit hospitals in California.

RECOMMENDATION

The Governance and Nominations Committee recommends the board of directors accept the nomination of Steve Popkin.



NOMINATION FOR BOARD OF DIRECTORS

As our communities grow, we will also want and need for this foundation to grow. We are constantly looking for that special person who is a reflection of the vibrant communities we live in and who can help us meet the growing needs of the college, its students and its staff. The following is an excerpt from the roles and responsibilities of the Allan Hancock College Foundation Board of Directors:

Director's Role: The Board of Directors of the Allan Hancock College Foundation establishes goals and policies, ensures that adequate resources are available to carry out its policies, and monitors the achievement of its goals. Board members are drawn from the community. They contribute to board diversity and possess these qualifications:

- ◆ Esteemed in the community.
- ◆ Cares about the role and future of Allan Hancock College.
- ◆ Willing to serve a full term and to invest in the foundation and its activities.

Please assist the nominating committee by filling out the below information. All personal information will remain confidential.

Name STEVE POPKIN Spouse's Name DONNA POPKIN
Address 353 FALCON CREST DR. City LOMPOC Zip 93476
Occupation HOSPITAL CEO (LOMPOC VALLEY MEDICAL CENTER) Phone Number 323-573-7889

Why do you think you would be a good community representative for the board?

IN ADDITION TO "TYPICAL" COMMUNITY REPRESENTATION, I HAVE THE ABILITY TO WORK IN PARTNERSHIP WITH ALLAN HANCOCK IN AREAS OF HEALTHCARE, CAREER OPPORTUNITIES, MENTORING, ETC.

Please check the education/skills you feel you could contribute to our board:

- | | | |
|---|--|---|
| <input type="checkbox"/> accounting | <input type="checkbox"/> fund raising | <input type="checkbox"/> philanthropy |
| <input checked="" type="checkbox"/> advocacy | <input checked="" type="checkbox"/> investment | <input type="checkbox"/> planned giving |
| <input checked="" type="checkbox"/> community relations | <input type="checkbox"/> legal | <input type="checkbox"/> public speaking |
| <input checked="" type="checkbox"/> education | <input checked="" type="checkbox"/> management | <input type="checkbox"/> technology |
| <input type="checkbox"/> event planning | <input checked="" type="checkbox"/> marketing | <input checked="" type="checkbox"/> volunteer at events |

On what other boards have you served? YMCA; LOMPOC HOSPITAL FOUNDATION; LOMPOC VALLEY COMMUNITY HEALTHCARE ORGANIZATION; JANET GOESKE FOUNDATION; PARKVIEW HOSPITAL FOUNDATION; RIVERSIDE CHAMBER OF COMMERCE; GARDENA POLICE FOUNDATION; FAGI, INC.; HOSPITAL ASSOCIATION

In what other charitable or community activities have you participated? OF SOUTHERN CALIFORNIA; OTHERS
MANY CHARITABLE AND COMMUNITY ACTIVITIES RELATED TO THE ABOVE ORGANIZATIONS, AND OTHERS. A LIST AVAILABLE ON REQUEST.

Foundation Board Nominee: _____
 Signature
6/23/2020 Date

To: Board of Directors	ACTION
From: Governance and Nominations Committee Mario Juarez, Chair	October 28, 2021
Subject: Appointment of Designee to Board of Directors – Keli Seyfert	

BACKGROUND

The district's board of trustees recently approved the promotion of Keli Seyfert to the management position of Director of Auxiliary Accounting. Ms. Seyfert works closely with the Foundation's fiscal technician and is more involved in the day-to-day financial operations of the Foundation than Eric Smith (Associate Superintendent/Vice President of Finance and Administration). Mr. Smith approached the Foundation asking if Ms. Seyfert could be placed on the board.

The Governance and Nominations Committee recommends that Mr. Smith be allowed to name Ms. Seyfert as his designee in his absence.

RECOMMENDATION

The Governance and Nominations Committee recommends that the board of directors approves Ms. Seyfert to serve as Mr. Smith's designee in his absence.

To: Board of Directors	ACTION
From: Glenn Owen, Chair Finance Committee	October 28, 2021
Subject: Finance Committee	

BACKGROUND**9.A Review of the Allan Hancock College Foundation financial statements through 6/30/2021 and 8/31/2021 (ACTION)**

- AHC Foundation Financial Overview - General Operations 6/30/2021 pg. 10
- AHC Foundation Financial Overview - All Funds 6/30/2021 pg. 11
- AHC Foundation Financial Overview - Investments 6/30/2021 pg. 12
- AHC Foundation Statement of Operations 8/31/2021 pg. 13
- AHC Foundation Statement of Financial Position 8/31/2021 pg. 14
- AHC Foundation General Operations Budget 8/31/2021 pg. 15

9.B. Auditors 2019-2020 IRS Form 990 Report (ACTION)

As a part of the Foundation's annual audit, representatives from CWDL, Certified Public Accountants, prepares the Internal Revenue Service's Form 990. The firm has provided the Foundation with the filed Form 990 – Return of Organization Exempt From Income Tax form for the Board of Director's review and approval. The form will be emailed as a PDF to the board of directors. A hard copy will not be included in the mailed packet.

9.C. Review and Consideration of Investment Policy Statement (ACTION)

The purpose of the Foundation's Investment Policy Statement is to provide guidance to all related parties as to how the funds of the Foundation's investments shall be managed. The intent of the policy is to be sufficiently specific to be meaningful, yet flexible enough to be practical in changing times.

The Investment Policy Statement shall be reviewed and updated on an annual basis. Members of the Finance Committee have approved this policy to certify that they have reviewed the document and updated it where appropriate. A copy of the updated Investment Policy Statement is attached.

RECOMMENDATION

9.A. The Finance Committee recommends the approval of the financial statements as submitted.

9.B. The Finance Committee recommends the approval of the Auditors 2019-2020 IRS Form 990 as submitted.

9.C. The Finance Committee recommends approval of the Investment Policy as submitted.

AHC Foundation Financial Overview - General Operations

Statement of Activity	Actual as of 6/30/2021	% of Budget	Budget 2020-21
Support and revenue			
Unrestricted contributions	79,178	198%	40,000
PPP loan forgiveness income	12,998		
Transfers in (out):	-		
Admin fee @ 1.5%	124,997	152%	82,500
President's Circle Fee @1%	7,660	51%	15,000
Unrestricted endowment proceeds	6,100	122%	5,000
Promise fee 1.5%	19,516	260%	7,500
Hansen Proceeds	7,631	68%	11,271
Interfund transfers (out)	(22,500)		(22,500)
District support foundation operations	196,240	101%	194,355
Net transfers in (out)	339,644	116%	293,126
Other	91	21%	425
Total support and revenue	431,911	129%	333,551
Expenditures - See below	(332,609)	92%	(360,801)
Other Income:			
Net realized gain	7,313		-
Net unrealized gain (loss)	81,349		
Interest and dividends	18,907	69%	27,250
Total other income	107,569	395%	27,250
Change in net assets	206,871		-
Net assets, beginning	389,170		
Net assets, end	596,041		-

Statement of Financial Position	Actual as of 6/30/2021
Assets	
Current Assets	
Cash	581,497
Due from other funds	6,167
Prepaid items	9,548
Total current assets	597,212
Total assets	597,212
Liabilities and Net assets	
Current liabilities	1,169
Net Assets	596,043
Total liabilities and net assets	597,212

	Actual as of 6/30/2021	% of Budget	Budget 2020-21
Expenditures			
Advertising and postage	6,343	87%	7,250
Bank and brokerage charges	7,903	105%	7,500
Building and equipment	-	0%	2,350
Community activities	1,477	10%	14,250
Contracts and leases	3,554	59%	6,000
District college support	-		
Employee benefits	24,734	103%	24,038
Food	2,716	45%	6,000
Memberships and permits	3,892	153%	2,550
Miscellaneous expense	-		
Payroll PPP forgiveness	12,998		-
PCPA support	-		
Salaries	245,741	94%	261,863
Scholarship fund transfers out	-		
Software maintenance agreement	8,567	86%	10,000
Supplies and materials	11,383	91%	12,500
Student assistance	-		
Travel and conference	3,301	51%	6,500
Total expenditures	332,609	92%	360,801

AHC Foundation Financial Overview - All

Statement of Activity	Actual as of 6/30/2021
Support and revenue	
Unrestricted contributions	1,912,414
PPP loan forgiveness income	12,998
Change in benefical interest	30,907
Other	1,476
Total support and revenue	1,957,795
Expenditures - See below	1,609,522
Other Income:	
Net realized gain	1,118,941
Net unrealized gain (loss)	5,053,508
Interest and dividends	723,337
Total other income	6,895,786
Other transfer-in:	
District support for foundation operations	196,240
Total other transfer-in	196,240
Change in net assets	7,440,299
Net assets, beginning	30,003,965
Net assets, end	37,444,264

Statement of Financial Position	Actual as of 6/30/2021
Assets	
Current Assets	
Cash	2,424,985
Accounts receivable	127,269
Pledges receivable - current	350
Other assets	37,728
Due from other funds	6,167
Total current assets	2,596,499
Pledges receivable - non current	398,610
Investments (cost)	27,227,139
Investments (FMV adjustment)	7,354,706
Total assets	37,576,954
Liabilities and Net assets	
Current liabilities	132,687
Net Assets	37,444,264
Total liabilities and net assets	37,576,951

Expenditures	Actual as of 6/30/2021
Advertising and postage	6,450
Bank and brokerage charges	275,153
Building and equipment	2,512
Community activities	12,372
Contracts and leases	6,304
District College Support	336,928
Employee benefits	24,734
Food	20,443
Memberships and permits	11,998
Miscellaneous	5,200
Payroll PPP forgiveness	12,998
PCPA support	89,840
Salaries	245,741
Scholarships	479,069
Software licenses & maintenance	29,643
Student Assistance	22,927
Supplies and materials	23,609
Travel and conference	3,601
Total expenditures	1,609,522

AHC Foundation Financial Overview - Investments

Investment Advisor/Fund	6/30/2020	6/30/2021	Change	% Change
Morgan Stanley - UMA Active Assets	\$ 5,902,820	\$ 7,372,092	\$ 1,469,272	24.89%
Morgan Stanley - UMA Unrestricted	\$ 520,233	\$ 626,115	\$ 105,882	20.35%
Morgan Stanley - Title V		\$ 105,487	\$ 105,487	
Morgan Stanley - Boyd Music Program	\$ 2,310,279	\$ 2,867,068	\$ 556,789	24.10%
Monarch Wealth Strategies	\$ 1,609,985	\$ 2,073,718	\$ 463,733	28.80%
Monarch Wealth Strategies Lahr	\$ 62,937	\$ 71,285	\$ 8,348	13.26%
Interest in CA Community Colleges	\$ 121,564	\$ 176,495	\$ 54,931	45.19%
Northern Trust - Young	\$ 1,287,197	\$ 1,737,238	\$ 450,041	34.96%
Northern Trust - Boyd	\$ 7,290,670	\$ 8,663,596	\$ 1,372,926	18.83%
Santa Barbara Foundation - Hancock Promise	\$ 3,113,238	\$ 4,960,531	\$ 1,847,293	59.34%
Mechanics Bank - Boyd	\$ 4,660,100	\$ 5,928,220	\$ 1,268,120	27.21%
Total	\$ 26,879,023	\$ 34,581,845	\$ 7,702,822	28.66%

Statement of Financial Position:

Investments (cost)	\$ 27,227,139
Investments (FMV adjustment)	\$ 7,354,706
Net investments reported	\$ 34,581,845

**ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDING 08/31/2021**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
REVENUES:							
Contributions, Gifts, Grants & Endwmnts	0	7,111	23,400	54,612	230	0	85,354
Interest and Investment Income	0	2,549	4	0	0	67,984	70,536
Realized Gain/Loss on Invest	0	1,965	0	0	0	224,442	226,407
Unrealized Gain/Loss on Invest	0	12,286	0	0	0	417,842	430,128
Other Local Revenues	0	30	0	7,695	0	0	7,725
Total Revenues	0	23,940	23,404	62,307	230	710,268	820,150
EXPENSES:							
Non Bargaining Unit	0	42,859	0	0	0	0	42,859
Benefits	0	4,107	0	0	0	0	4,107
Office/Operational Supplies	0	425	15,953	0	0	0	16,378
Non Instr Printing	0	196	483	0	0	0	679
Food - Business Meetings/Events	0	212	144	0	0	0	357
Service Contracts (Businesses)	0	447	0	0	0	0	447
Travel - All Travel Costs	0	89	0	0	0	0	89
Foundation Community Activities	0	1,500	0	0	0	0	1,500
Dues & Memberships	0	2,748	483	0	0	0	3,231
Non-Tech Licenses, Permits, Fees	0	425	20,825	0	0	0	21,250
Software Maintenance Agreement	0	7,948	675	0	0	0	8,623
District/College Support	0	0	4,647	0	0	0	4,647
Postage/Express Services	0	44	0	0	0	0	44
Bank Service Charges	0	109	0	0	0	0	109
Investment Brokerage Fees	0	656	0	0	0	48,428	49,084
PCPA Support	0	0	0	21,004	0	0	21,004
Equipment	0	0	1,648	0	0	0	1,648
Student Assistance	0	0	1,900	0	0	0	1,900
Scholarships	0	0	0	410,185	0	0	410,185
Total Expenses	0	61,764	46,758	431,189	0	48,428	588,139
Net Income (Loss)	0	(37,823)	(23,354)	(368,882)	230	661,840	232,011
OTHER FINANCING SOURCES/OUTGO:							
Intrafund Transfer-In	0	22,856	10,000	5,180	207,845	0	245,882
Intrafund Transfers-Out	0	0	210,945	12,080	0	22,856	245,882
Other Transfer-In	0	12,966	0	0	0	0	12,966
Net Transfers	0	35,823	(200,945)	(6,900)	207,845	(22,856)	12,966
Net Inc/Dec in Fund Bal	0	(2,001)	(224,299)	(375,782)	208,075	638,984	244,977
FUND BALANCE:							
Fund Equity, July 1	0	596,043	2,090,702	790,712	24,089,018	9,877,791	37,444,267
Current Balance	0	594,043	1,866,403	414,930	24,297,093	10,516,775	37,689,244

**ALLAN HANCOCK COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 08/31/2021**

	Cash Admin	General Operations	Restricted	Scholar- ships	Endowment Principal	Endowment Rev/Exp	Total
ASSETS:							
Claim on Cash	(11,144,376)	586,958	1,341,195	656,855	(1,957,407)	10,516,775	0
AHC Fdtn Mechanics Bank Checking	360,214	0	0	0	0	0	360,214
AHC Fdtn MS Active Assets MM	116,283	0	0	0	0	0	116,283
MS Select UMA Boyd 3740 Inv Cash	0	0	0	0	169,748	0	169,748
MS Select UMA Unrestr 2948 Inv Cash	22,280	0	0	0	0	0	22,280
Monarch With Strategies Pooled Cash	18,502	0	0	0	0	0	18,502
Monarch With Strategies Lahr Cash	0	0	0	0	274	0	274
Northern Trust Boyd Cash	0	0	0	0	441,189	0	441,189
Northern Trust Young Cash	0	0	0	0	71,727	0	71,727
Mechanics Bank With Mgmt Boyd Cash	0	0	0	0	306,346	0	306,346
MS Select UMA Pooled 1441 Inv Cash	325,530	0	0	0	0	0	325,530
MorgStnly Title V HSI HP 8826 Cash	0	0	0	0	1,627	0	1,627
Accounts Receivable	0	0	126,769	0	0	0	126,769
Pledge Receivable - Current	0	0	248,910	0	0	0	248,910
Pledge Receivable - Non Current	0	0	160,689	0	0	0	160,689
Discount on Pledge Receivable	0	0	(11,930)	0	0	0	(11,930)
Accrued Interest Receivable	0	0	0	0	1,242	0	1,242
Due From Other Funds	0	7,085	0	0	0	0	7,085
Inventory	0	0	770	0	0	0	770
MS Select UMA Boyd 3740 Inv Cost	0	0	0	0	2,188,267	0	2,188,267
MS Select UMA Unrestr 2948 Inv Cost	485,921	0	0	0	0	0	485,921
Monarch With Strategies Pooled Cost	1,613,663	0	0	0	0	0	1,613,663
Monarch With Strategies Lahr Cost	0	0	0	0	59,097	0	59,097
Northern Trust Boyd Cost	0	0	0	0	7,003,555	0	7,003,555
Northern Trust Young Cost	0	0	0	0	1,224,969	0	1,224,969
Mechanics Bank With Mgmt Boyd Cost	0	0	0	0	4,942,834	0	4,942,834
MS Select UMA Pooled 1441 Inv Cost	5,425,896	0	0	0	0	0	5,425,896
Interest in CA Comm Colleges Cost	0	0	0	0	176,495	0	176,495
SB Fdtn Hancock Promise Cost	0	0	0	0	4,358,605	0	4,358,605
MorgStnly Title V HSI HP 8826 Cost	0	0	0	0	299,110	0	299,110
MS Select UMA Boyd 3740 Inv FMV Adj	0	0	0	0	748,341	0	748,341
MS Select UMA Unrestr 2948 FMV Adj	152,820	0	0	0	0	0	152,820
Monarch With Strtgs Pooled FMV Adj	482,659	0	0	0	0	0	482,659
Monarch With Strtgs Lahr FMV Adj	0	0	0	0	12,830	0	12,830
Northern Trust Boyd FMV Adj	0	0	0	0	1,782,246	0	1,782,246
Northern Trust Young FMV Adj	0	0	0	0	544,431	0	544,431
Mechanics Bk With Mgmt Boyd FMV Adj	0	0	0	0	997,527	0	997,527
MS Select UMA Pooled 1441 FMV Adj	2,140,607	0	0	0	0	0	2,140,607
SB Fdtn Hancock Promise FMV Adj	0	0	0	0	911,534	0	911,534
MrgStnly Title V HSI HP 8826 FMV Adj	0	0	0	0	12,508	0	12,508
Total Assets	0	594,043	1,866,403	656,855	24,297,093	10,516,775	37,931,169
LIABILITIES:							
Sales Tax Payable	0	0	0	0	0	0	0
Due To/From Interchart Scholarshi	0	0	0	241,925	0	0	241,925
Total Liabilities	0	0	0	241,925	0	0	241,925
FUND BALANCE:							
Fund Equity FYB	0	596,043	2,090,702	790,712	24,089,018	9,877,791	37,444,267
Current Income/Loss	0	(2,001)	(224,299)	(375,782)	208,075	638,984	244,977
Total Fund Balance	0	594,042	1,866,403	414,930	24,297,093	10,516,775	37,689,244
Total Liabilities & Fund Balance	0	594,042	1,866,403	656,855	24,297,093	10,516,775	37,931,169

**Allan Hancock College Foundation
Foundation General Operations**

Query View Budget Quick Query
 Fiscal period start 07/01/2021
 Fiscal period end 06/30/2022
 As of Date 08/31/2021
 Chart of Accounts 3
 Fund 831001 and 831002
 Organization AFN
 Account All
 Program 709001

Account	Account Title	Adopted Budget	Year to Date	Available Balance
Expenses				
214000	Non Bargaining Unit	\$ 265,000	\$ 42,859	\$ 222,141
332000	Classified Non Instr FICA-Soc Scrt	\$ 16,000	\$ 2,657	\$ 13,343
336000	Classified Non-Instr FICA-Medicare	\$ 3,800	\$ 621	\$ 3,179
342000	Classified Non Instr Health & Wlfr	\$ 1,200	\$ 505	\$ 695
352000	Classified Non-Instr SUI	\$ 1,700	\$ -	\$ 1,700
352500	Classified ETT-Foundation	\$ 50	\$ -	\$ 50
362000	Classified Non Instr Workers Comp	\$ 2,100	\$ 323	\$ 1,777
451500	Public Relations/Recognitions	\$ 500	\$ -	\$ 500
452000	Office/Operational Supplies	\$ 7,000	\$ 425	\$ 6,575
454000	Non Instr Printing	\$ 8,000	\$ 196.06	\$ 7,804
471000	Food - Business Meetings/Events	\$ 6,000	\$ 212.35	\$ 5,788
511000	Indep Contractor (Individuals)	\$ 2,500	\$ -	\$ 2,500
511200	Service Contracts (Businesses)	\$ 3,500	\$ 447	\$ 3,053
521000	Travel - All Travel Costs	\$ 6,500	\$ 89	\$ 6,411
522000	On-Site-Prof. Develop/Webinars	\$ 2,000	\$ -	\$ 2,000
522400	Foundation Community Activities	\$ 15,500	\$ 1,500	\$ 14,000
531000	Dues & Memberships	\$ 2,500	\$ 2,748	\$ (248)
532000	Non-Tech Licenses,Permits,Fees	\$ 1,500	\$ 425	\$ 1,075
566000	Software Maintenance Agreement	\$ 15,000	\$ 7,948	\$ 7,052
569000	Equipment Rental	\$ 1,000	\$ -	\$ 1,000
587000	Postage/Express Services	\$ 3,500	\$ 44	\$ 3,456
588000	Advertising	\$ 2,000	\$ -	\$ 2,000
589200	Bank Service Charges	\$ 4,000	\$ 109	\$ 3,891
589500	Investment Brokerage Fees	\$ 5,000	\$ 656	\$ 4,344
641000	Equipment	\$ 1,500	\$ -	\$ 1,500
721500	Intrafund Transfers-Out	\$ 12,000	\$ -	\$ 12,000
Revenue				
882000	Contributions, Gifts, Grants&Endwmnt	\$ 42,500	\$ 7,111	\$ (7,111)
886000	Interest and Investment Income	\$ 21,000	\$ 2,549	\$ (2,549)
887000	Realized Gain/Loss on Investment	\$ -	\$ 14,251	\$ (14,251)
889000	Other Local Revenues	\$ 140	\$ 30	\$ (30)
898200	Intrafund Transfer-In	\$ 247,350	\$ 22,856	\$ (22,856)
898300	Other Transfer In	\$ 78,360	\$ 12,966	\$ (12,966)
			\$ -	\$ -
Revenue Total		\$ 389,350	\$ 59,763	\$ 329,587
Expenditure Total		\$ 389,350	\$ 61,764	\$ 327,586
Report Total (of all records)		\$ -	\$ (2,001)	\$ 2,001

<u>Intra Fund Transfers-Out</u>	<u>Budget</u>	<u>Actual</u>
Raiser's Edge donor database	\$ 12,000	\$ -
	\$ 22,500	\$ -

<u>Intra Fund Transfers-In</u>	<u>Budget</u>	<u>Actual</u>
Administration Fee @ 1.5%	\$ 95,000	\$ 22,856
President's Circle Fee @ 15%	\$ 7,500	\$ -
Unrestricted Endowment Proceeds	\$ 5,000	\$ -
Hancock Promise Gift Fee @ 1.5%	\$ 7,500	\$ -
Hansen Unrestricted Endowment	\$ 9,350	\$ -
Other Transfer-In (District Support)	\$ 78,360	\$ 12,966
Other Transfer-In (District Support)	\$ 123,000	\$ -
	\$ 325,710	\$ 35,822



**ALLAN HANCOCK COLLEGE FOUNDATION
INVESTMENT POLICY STATEMENT**

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ALLAN HANCOCK COLLEGE FOUNDATION INVESTMENT POLICY STATEMENT

1. INTRODUCTION AND PURPOSE

The Allan Hancock College Foundation (Foundation) is a non-profit corporation dedicated to:

- Soliciting and raising money to award scholarships to students enrolled at Allan Hancock College (AHC) or who are preparing to leave AHC to continue their studies at a four year college/university.
- Supporting the educational programs of Allan Hancock College.
- Assisting Allan Hancock College in the funding of its capital needs.

With this mission in mind, the purpose of this Investment Policy Statement is to provide guidance to all related parties as to how the funds of the Foundation shall be managed. Its intent is to outline a philosophy and attitude which will guide the investment management of the Foundation's assets towards desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical in changing times.

The investment fund shall be managed in accordance with high standards of fiduciary duty and in compliance with applicable laws and regulations, including but not limited to the Uniform Prudent Management of Institutional Funds Act.

This policy will be reviewed on an annual basis and updated as appropriate. The Finance Committee shall be responsible for the investment and reinvestment of funds and assets of the Allan Hancock College Foundation. Once approved by the Finance Committee, the document will be approved by the full Board of Directors at its regularly scheduled meeting.

In fulfilling its responsibilities under this Statement, the Finance Committee shall, among other activities, recommend to the Board of Directors the hiring and dismissal of investment managers, fiscal agents and other agents.

2. SCOPE

This Investment Policy Statement applies only to those assets for which the Foundation directors have discretionary authority. All other assets shall be managed in accordance with the guidelines established for those specific assets.

3. OBJECTIVES

The primary investment objectives of this policy are:

- To provide sufficient total return to support the scholarship program of AHC in a significant way and to support other educational programs wherever possible.
- To preserve and grow investment principal so that scholarship and educational programs can be supported over the long term.
- To maximize the total rate of return on Foundation assets consistent with reasonable standards of prudence and risk tolerance.
- To manage the Foundation's assets with a responsible sense of care, skill and diligence in all decisions.

4. POLICIES

4.1. Finance Committee

Investments are the responsibility of the Finance Committee acting under the direction of the Foundation Board. The college Associate Superintendent/Vice President,

Finance and Administration, is responsible for opening bank, brokerage, and safekeeping accounts, for executing such documents as may be necessary, and entering into investment manager agreements. As per Education Code 81655, only those persons delegated authority by the college's governing board and approved by the Foundation's board of directors shall be authorized to enter into a Power of Attorney agreement with investment managers and to execute transactions, upon approval of the Finance Committee. With the approval of the Finance Committee, the college president, college associate superintendent/vice president of administrative services and the Foundation executive director shall jointly establish a system of internal controls which shall be documented in writing. The internal controls shall be periodically reviewed and approved by the independent auditor for the Foundation. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees and directors of the Foundation.

4.2. Acceptable Investments

- 4.2.1. Obligations of the U.S. Government and U.S. Federal Agency Securities.
- 4.2.2. Certificates of Deposit in any U.S. commercial bank or savings institution provided that the collective amount in any one institution does not exceed FDIC/SAIF insurance limitations (per the Dodd-Frank Wall Street Reform and Consumer Protection Act, permanently insured at \$250,000 as of July 21, 2010). Limitation may be exceeded where the banking institution or its parent has an investment rating of at least "A" by Moodys, Standard & Poors and/or Fitch's rating service. ***This restriction does not apply to separately managed portfolios or mutual funds.***
- 4.2.3. Corporate notes, bonds and commercial paper provided that the issuer is rated at least "A" by Moodys, Standard & Poors and/or Fitch's rating service. ***This restriction does not apply to separately managed portfolios or mutual funds.***
- 4.2.4. Convertible bonds. Provided that the issuer is rated at least "A" by Moodys, Standard & Poors and/or Fitch's rating service. ***This restriction does not apply to separately managed portfolios or mutual funds.***
- 4.2.5. Money Market Mutual Funds
- 4.2.6. Equities. U.S. Domestic securities with market capitalization's of at least \$250 million that are traded on one of the major U.S. exchanges. (This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.7. Foreign Equities. Traded as American Depository Receipts (ADR's). This restriction does not apply to separately managed portfolios or mutual funds.
- 4.2.8. Mutual Funds ***and separately managed accounts*** that are diversified holdings of equities in particular market capitalization groups and asset styles.
 - 4.2.8.1. Large Cap – Growth
 - 4.2.8.2. Large Cap – Value
 - 4.2.8.3. Large Cap – Blend
 - 4.2.8.4. Mid Cap – Growth
 - 4.2.8.5. Mid Cap – Value
 - 4.2.8.6. Mid Cap – Blend
 - 4.2.8.7. Small Cap – Growth
 - 4.2.8.8. Small Cap – Value
 - 4.2.8.9. Small Cap – Blend
 - 4.2.8.10. Emerging Markets
 - 4.2.8.11. International (by size, style and geography)

- 4.2.9. Exchange Traded Index Funds
- 4.2.10. Real Estate may be held provided it is the result of a gift to the AHC Foundation and the Finance Committee has determined that it either generates sufficient rental income to justify the cost of ownership or there is a compelling need for the property at some point in the future that justifies holding the property.
- 4.2.11. Real Estate Investment Trusts (R.E.I.T.'s), *as well as mutual funds and separately managed portfolios investing in real estate.*
- 4.2.12. Alternative Investments such as hedge funds may be used as an additional investment vehicle to enhance returns, reduce volatility, and expand the diversification of Foundation assets.
- 4.2.13. Mortgage Backed Securities and CMO's (excluding PAC bonds, IO's, PO's, residual bonds, etc.) may be used. These securities shall be treated as part of the Foundation's fixed income asset class.

4.3. Prohibited Investments

The AHC Foundation will not invest directly in these investments. However, it is expressly understood that through our investing in certain Hedge Funds, Mutual Funds, *separately managed accounts*, or Alternative Investments, these fund managers may in turn be investing in certain of these instruments as part of their investment strategy.

- 4.3.1. Commodities and Futures Contracts
- 4.3.2. Private Placements
- 4.3.3. Options
- 4.3.4. Limited Partnership (does not apply in cases of Alternative Investment funds established as LLP)
- 4.3.5. Venture Capital Investments
- 4.3.6. Derivative instruments (except mortgage backs and CMO's)
- 4.3.7. Short selling, puts, calls
- 4.3.8. Margin transactions
- 4.3.9. Oil and gas or natural resource properties
- 4.3.10. Art objects or other collectibles
- 4.3.11. Private stock issuance

4.4. Diversification and Asset Allocation

Diversification is recognized by the Finance Committee as a critical tool to balance risk, return, and correlation characteristics of different asset classes in the Foundation's overall investment structure. The AHC Foundation has established the following optimal allocation of assets when investing new monies. Realizing that these strategic optimal allocation targets may have to be adjusted in certain market conditions, it has also established maximums and minimums to cover these conditions.

Current Allocation

<u>Asset Class*</u>	<u>Minimum</u>	<u>Maximum</u>
Large Cap Equities	20%	50%
Mid Cap Equities	5%	20%
Small Cap Equities	5%	15%
International Equities	15%	50%
Fixed Income	25%	40%
Other (R.E.I.T.'s Hedge Funds, etc.)	0%	10%

Recommended Allocation

<u>Asset Class*</u>	<u>Minimum</u>	<u>Maximum</u>
<i>Large Cap U.S. Equities</i>	<i>10%</i>	<i>50%</i>
<i>Mid Cap U.S. Equities</i>	<i>0%</i>	<i>20%</i>
<i>Small Cap U.S. Equities</i>	<i>0%</i>	<i>15%</i>
<i>International Equities</i>	<i>10%</i>	<i>50%</i>
<i>Fixed Income</i>	<i>15%</i>	<i>40%</i>
<i>Other (R.E.I.T.'s Hedge Funds, Alternatives, etc)</i>	<i>0%</i>	<i>25%</i>

*These targets relate to non restricted long term funds under management such as the endowment funds which support scholarships and programs. The foundation may make exceptions for donors who require investments that fall outside these guidelines.

4.5. Investment Consultants and Managers

Acting on instructions from the Finance Committee, the Foundation may enter into an agreement with an investment consulting service to advise in the selection of qualified investment managers, preparation of investment policy statements, and the monitoring and review of the manager performance.

The investment consultant shall be independent of any selected investment manager.

Any professional investment manager(s) retained by the Foundation must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisory Act of 1940. The firm must be registered in its state of domicile, and have been in business a minimum of five years.

The Finance Committee may also choose to utilize the services and strategy of a Community Fund or other manager that has its own investment policy. If this is desirable, the Finance Committee will execute a due diligence review of the firm's investment policy to understand compatibility with AHC's goals and objectives.

4.6. Meetings, Reporting and Communication

The Finance Committee of the AHC Foundation will meet regularly, generally quarterly and in no event less than quarterly. The committee is responsible for reporting the results of its discussions and decisions to the Executive Committee of the Board of Directors. Also, on a quarterly basis, it will report to the full Board of Directors at its regular quarterly meeting the following key information:

- 4.6.1. Period-to-date financial results
- 4.6.2. Period-to-date financial results vs. budget
- 4.6.3. Investment Portfolio results to date
- 4.6.4. Current Investment Portfolio valuations
- 4.6.5. Other pertinent investment and financial information as appropriate.

4.7. Evaluation of Performance

Fund managers will be evaluated on at least an annual basis. Their performance over a sufficiently long time horizon (at least 3 to 5 years) shall be compared to indices of similar style funds (e.g. – S & P 500, Russell 3000, etc.) and/or comparable benchmarks. Managers who consistently under perform versus appropriate benchmarks over longer time horizons will be replaced unless compelling evidence exists to suggest that the funds performance has returned to, or is about to return to, an acceptable level.

5. DONATIONS

The Finance Committee will demonstrate “due diligence” in considering donations other than cash or liquid assets. It is recommended, and in some cases required, that the donor provide an assessment and/or valuation report. If the Foundation is required to pay for the study, the study will be performed to furnish reassurance that “due diligence” was performed, should problems arise. In consideration of a gift of real estate, the committee shall use a qualified environmental consultant to provide an environmental site assessment to disclose any contamination problems or other potential problems. The committee will also consult a lawyer to interpret any legal ramifications or liabilities. The Finance Committee will make a recommendation to the Executive Committee to accept or reject the gift offer.

6. CONFLICT OF INTEREST

A conflict would result from any transaction in which the college or the Foundation is a party, in which an “interested person” had a direct or indirect material financial interest. For this purpose, an “interested person” is any director, officer, or employee of the Foundation. Anyone with a conflict of interest shall be precluded from the discussion and the decision making of that transaction.

Additionally, on an annual basis, all members of the Finance Committee shall sign the Foundation’s “Statement of Conduct, Commitment, and Conflict of Interest”, a copy of which will be available for public review in the Foundation office.

7. CONCLUSION AND CERTIFICATION

This Investment Policy Statement is designed to be used as a guideline to assist the AHC Foundation Board of Directors, the Finance Committee, and any Investment Consultants or Managers. It should be viewed as a flexible document whose purpose is to assist all parties in the management of the Foundation’s assets.

The following Finance Committee members have reviewed and approved this Investment Policy Statement at the meeting held via Zoom on October 13, 2021:

Finance Committee – Chair	Glenn Owen
Committee Director	Lee-Volker Cox
Committee Director	James E. Fields
Committee Director	Judy Frost
Committee Director	Peggy Hesse
Committee Director	Eric D. Smith

Approved: 10/13/2021

Approved: 1/13/2021

Approved: 7/10/2019

Approved: 3/28/2018

Approved: 9/22/2016

To: Board of Directors	ACTION
From: Mike Gibson, Chair Advancement Committee	October 28, 2021
Subject: Review and Consideration of Foundation Gift Acceptance Policy	

BACKGROUND

A donor approached the Foundation with interest in making a significant gift of cryptocurrency. However, the current gift policy was last revised before the emergence of cryptocurrency and does not provide for its acceptance.

As of October 2021, the IRS defines cryptocurrency as property, not currency. As such, all gifts of cryptocurrency valued at \$5,000 or above will require a third-party appraisal for the donor to take a deduction. Current best practices are for cryptocurrency to be immediately traded after receipt to minimize risk in rapid market fluctuations. The Foundation currently does this as a matter of practice (not policy) with other gifts of property, such as securities.

RECOMMENDATION

The Advancement Committee recommends the board approves the revised and updated Gift Acceptance Policy to accept gifts of cryptocurrency, with the understanding they will be treated in practice like other gifts of property and traded upon receipt.



Gift Acceptance Policy

Revised: ~~May-October 2010~~2021

**ALLAN HANCOCK COLLEGE FOUNDATION
GIFT ACCEPTANCE POLICY**

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Background and Purpose

The Allan Hancock College Foundation's mission is to "to operate for the advancement of education by raising funds and building community support to meet the needs of the college in the areas of scholarships, capital/infrastructure projects and program support." The Foundation has been determined by the IRS to have exempt status under Section 501(c)(3), and as a public charity under Sections 509(a)(1) & 170(b)(1)(A)(vi).

This gift acceptance policy shall provide guidance to the Foundation, its donors, board members, and staff to those practices and policies that apply to gift acceptance and processing by the Foundation on behalf of the Allan Hancock Joint Community College District or any of its departments, programs or services. Charitable gifts are to be accepted according to the individual gift policies as set forth herein.

While individual gift acceptance policies are detailed and specific to the type of charitable gift, they will be interpreted in light of two overriding principles:

Principle 1: A gift will not be accepted by the Foundation if such acceptance would not be in the interest of the donor. A determination of the donor's interest will include, but not be limited to, the donor's financial situation and philanthropic interests, as well as any tax or legal matters revealed while planning for a gift. The Foundation will not encourage any gifts that are inappropriate in light of the donor's known personal or financial situation.

Principle 2: A gift will not be accepted by the Foundation unless there is a reasonable expectation that acceptance of the gift will ultimately benefit the Foundation or College.

Donors are ultimately responsible for ensuring that the proposed gift furthers their charitable, financial, and estate planning goals, and are urged to seek the advice of their advisors. The Foundation does not offer legal, accounting, tax, or financial advice to donors or prospective donors.

Types of Acceptable Gifts

The Foundation ~~will~~ can accept the following types of gifts:

- Bargain sale
- Bequest
- Cash (currency, money orders, official bank checks, payroll deduction, electronic transfer, including credit card transactions)
- Charitable gift annuity
- Charitable lead trust
- Charitable remainder trust
- Cryptocurrency
- Income in respect of decedent
- Life insurance policies and beneficiary designations
- Oil, gas and mineral rights

- Real property
- Retained life estate
- Securities
- Tangible personal property and gifts-in-kind

Restrictions on Gift Acceptance

The Allan Hancock College Foundation will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are consistent with the Foundation or College's stated mission and do not

- Violate the terms of its corporate charter
- Violate any federal, state, or local law, statute, or ordinance; or
- Violate this policy.

Gifts which are counter to or beyond the scope of the Foundation or College's mission will not be accepted.

Gifts accepted must not inhibit it from seeking similar or different gifts from other donors. No gift will be accepted which limits, beyond a general definition of subject area, the work that a faculty member, staff member, or student can perform. A gift may be considered inappropriate, and therefore declined, due to particular restrictions imposed by the donor.

The Foundation will not accept a gift if such acceptance imposes upon it overly burdensome administrative or other efforts or costs, or exposes it to unacceptable liability.

The Foundation will not accept a gift if such acceptance would not be in the interest of the donor.

All gifts accepted by the Foundation will utilize charitable giving practices that conform to federal and state laws and regulations.

The Foundation will not accept a gift or pledge that is conditional on a prior commitment to name a facility, space or program in order for that gift to be executed. All commitments for naming opportunities must be approved by the Board of Trustees of the Allan Hancock Joint Community College District. All other conditional gifts and pledges must be reviewed by the Foundation's Executive Committee.

Expenses Associated with Acceptance of Gifts

IRS policy requires that:

- Real or tangible personal property in excess of \$5,000 must be accompanied by an independent qualified appraisal that is made not earlier than 60 days before the date of the contribution of the appraised property and not later than the due date of the tax return, including extensions.
- Gifts of closely-held securities exceeding \$10,000 must be accompanied by a qualified independent appraisal.

It is the donor's responsibility to obtain the qualified appraisal from an independent qualified appraiser and the donor is responsible for all costs associated with an appraisal.

The Foundation may not provide appraisals, but may have a list of independent qualified appraisers from which the prospective donor may choose.

Under certain situations the Executive Committee of the Foundation may permit expenses to be paid by the Foundation in order to secure the gift. These expenses will be reimbursed to the Foundation prior to distribution of the proceeds to the gift purpose.

In addition to the appraisal expense noted above, there are additional expenses related to real estate gifts.

Donors and prospective donors are encouraged to seek the counsel of their legal, accounting, tax, financial or other advisors. Expenses incurred in seeking such counsel are the responsibility of the donor.

Reporting & Counting of Gifts

All gifts to the Allan Hancock College Foundation will be reported and counted per the Council for Advancement and Support of Education (CASE) Management and Reporting Standards and/or the National Committee on Planned Giving (NCPG) Guidelines for Reporting and Counting Charitable Gifts.

Key definitions:

Gift: A contribution received by the Foundation for either unrestricted or restricted use in furtherance of the instance for which the Foundation or College has made no commitment of resources or services other than, possibly committing to use the gift as the donor specifies. In accordance with US Internal Revenue Service regulations, if a donor receives benefits in return for a gift, the amount of the gift recorded and reported is reduced by the fair market value of all benefits given

Unrestricted Gift: Outright gift given by a donor without any restriction.

Restricted Gift: A gift that has been restricted by the donor for a specific purpose.

Endowment: Endowment funds are those that donors specify are to be retained and invested for income-producing purposes. Income from endowment can be either restricted or unrestricted based on donor direction.

Outright gifts: Gifts given specifically for current operations, including those restricted to a specific current use. Outright gifts may be unrestricted or restricted

Planned Gift: A planned gift is any gift of any kind for any amount, given for any purpose—operations, capital expansion, or endowment—whether given currently or

deferred if the assistance of a professional staff person, qualified volunteer, or the donor's advisors is necessary to complete the gift. In addition, it includes any gift which is carefully considered by a donor in light of estate and financial plans.

Pledge: A pledge is a promise to make a gift at some time in the future. There must be some document between the donor and Foundation outlining the pledge agreement.

Grant: A grant is a contribution received by the Foundation for either unrestricted or restricted use in furtherance of the Foundation and/or College that typically comes from a corporation, foundation or other organization, rather than an individual. The Foundation may determine that what a donor calls a grant is, for internal recordkeeping, a gift. There are two types of grants which are considered philanthropic in nature and thus countable in annual giving or comprehensive campaign reports:

- *Nonspecific grant*: A grant received by the Foundation that did not result from a specific grant proposal. The Foundation and/or College do not commit specific resources or services and are not required to report to the donor on the use of the funds.
- *Specific grant*: A grant received by the Foundation resulting from submitting a grant proposal. The Foundation and/or College commits resources or services as a condition of the grant, and the grantor often requests an accounting of the use of funds and of results of the programs or projects undertaken. The grantor's requirement of regular status reports or other reports does not negate the philanthropic (and countable) nature of a specific grant.

Sponsorship: Corporations and other organizations often give money to sponsor activities, events or projects and in return receive recognition on campus, at the event, or in publications. Most corporate sponsorship dollars are fully countable; the determining factor is whether the recognition the corporation receives constitutes advertising. The IRS defines advertising in this instance as competitive pricing or product information displayed because of the donation. If the recognition fits this definition of advertising, the sponsorship is an exchange transaction not a gift. Simple name or logo placement is not advertising.

Contract: An agreement between the Foundation and/or College and another entity to provide an economic benefit for compensation. Contracts are not gifts and are excluded from the Foundation's fundraising totals.

Donor Control: A donor may not retain any implicit control over a gift after acceptance by the institution. A donor certainly can suggest what department or area to which the institution should apply the contribution. However, ~~to be considered a gift to be a gift for CASE and NCPG purposes,~~ no further involvement on the part of the donor is appropriate upon gift acceptance.

To: Board of Directors	Information
From: Mike Gibson, Chair Advancement Committee	October 28, 2021
Subject: Foundation Giving Report and Promise Campaign Update	

Foundation Giving Report

The quarterly Foundation Giving Report provides a comparison of Foundation fundraising for fiscal year 2019-2020, 2020-2021, and the first two months 2021-2022. The first line, *Total Revenue Committed*, represents revenue from all one-time gifts and pledges made in that time frame whereas *Total Revenue Received* reflects all one-time gifts and payments made on pledges. Note that received revenue in some cases is more than committed revenue because pledge payments were received on pledges that were committed before the report window. Received Foundation revenue is further broken out by campaign category illustrating the designation for revenue received in each time period.

<u>Foundation Revenue Comparison</u>	<u>7/1/19 - 6/30/20</u>	<u>7/1/20 - 6/30/21</u>	<u>7/1/21 - 8/31/21</u>
Total Revenue Committed	\$3,646,043	\$1,812,128	\$85,315
Total Revenue Received	\$3,483,551	\$2,198,091	\$86,645
Received Revenue by Campaign			
Hancock Promise	\$2,123,169 ¹	\$970,051	\$11,381
Annual Scholarships ²	\$304,643	\$444,218	\$54,727
Endowed Scholarships	\$58,369	\$204,331 ³	\$0
Endowments (Other) ⁴	\$373,322	\$124,259	\$0
President's Circle	\$37,670	\$51,148 ⁵	\$9,581
Unrestricted Operations	\$65,104	\$78,178	\$7,111
Other restricted (Depts, programs, etc.)	\$521,274 ⁶	\$325,906	\$3,845
	<u>\$3,483,551</u>	<u>\$2,198,091</u>	<u>\$86,645</u>

¹ The Foundation received two gifts totaling \$1,845,275 from the Mary and Wayne Leutloff bequest in fiscal year 2019-2020.

² Timing of annual gifts often plays a role in Annual Scholarship revenue reporting, as gift dates tend to vary for donors from year to year.

³ Three new scholarship endowments were established in fiscal year 2020-2021.

⁴ The *Endowments (Other)* category contains all gifts to non-scholarship endowments that support Hancock programs or the Foundation.

⁵ Foundation staff have been utilizing new membership software to automate the tracking of President's Circle renewals helping to increase renewal rates over the last year.

⁶ The Foundation received \$115,672 for the Adult Reentry Warm Handoff grant program in fiscal year 2019-2020. There was a decrease in revenue to the Hancock Promise Working Fund from the AHC Bookstore between fiscal year 2019-2020 and 2020-2021 due to the decrease in bookstore sales during the pandemic.

AHC Foundation Grants 7/1/20 - 8/31/21	Date	Amt	Designation
The Towbes Foundation	7/8/2020	\$10,000	AIM Fund Scholarship
ExxonMobil	7/8/2020	\$3,300	AHC MESA Program
Arthur N. Rupe Foundation	7/23/2020	\$40,000	Arthur Rupe Foundation Scholarship
Sierra College	7/23/2020	\$5,211	SkillsUSA
MUFG Union Bank Foundation	8/10/2020	\$5,000	Hancock Promise
The Fund for Santa Barbara	10/6/2020	\$10,000	BIGE Club
U.S. Department of Education	1/20/2021	\$19,904	Hancock Promise
U.S. Department of Education	1/28/2021	\$30,096	Hancock Promise
Santa Ynez Valley Rotary	3/16/2021	\$5,000	Hancock Promise
Arthur N. Rupe Foundation	3/30/2021	\$31,245	Arthur Rupe Foundation Scholarship
The Towbes Foundation	5/28/2021	\$7,500	AIM Fund Scholarship
Hutton Parker Foundation	6/1/2021	\$2,500	Media grant - Centennial Celebration
Bank of America	6/2/2021	\$10,000	Student Emergency Fund
MUFG Union Bank Foundation	6/14/2021	\$2,500	Hancock Promise
Pacific Gas and Electric Company	8/27/2021	\$2,500	General Scholarship
TOTAL		<u>\$184,756</u>	

Other Metrics

The below report tracks total number of new donors and LYBUNTS (“Last Year But Unfortunately Not This”) for fiscal year 2019-2020, 2020-2021, and the first two months of 2021-2022. For each year listed, LYBUNTS represent the number of donors who gave in that time frame the previous year, but not in the one listed.

	7/1/19 - 6/30/20	7/1/20 - 6/30/21	<u>7/1/21 - 8/31/21</u>
New Donors	155	174	5
LYBUNTS	228	181	32

Foundation Support to District

The Foundation provides the AHC Joint Community College District support for other programs and projects beyond scholarships.

Restricted Funds Expenses – FY 2020-2021	
AHC Programs (restricted dept. support)	\$398,344
President's Circle	\$48,278
Student Emergency Fund	\$14,157
Subtotal	<u>\$460,779</u>
Scholarships Funded	
Scholarships	\$548,884
Subtotal	<u>\$548,884</u>
Total Support to District 7/1/20 – 6/30/21	<u>\$1,009,663</u>

Hancock Promise Campaign Update

As of August 31, 2021, the Hancock Promise campaign has a total of **\$5,370,067** in gifts and pledges.

Between 7/1/20 and 8/31/21, the Foundation added \$889,704 in committed revenue (new gifts and pledges) to the campaign total. This includes \$217,265 net revenue from the Hancock 100 Centennial Celebration and nearly \$100,000 in new pledges.

Foundation staff worked with Brad and Barbara Johnson to plan the first private reception since receptions were put on hold during the pandemic. The reception was planned for August 21, 2021, but postponed due to the summer's increase in active COVID-19 cases in Santa Barbara County. Staff plans to continue with receptions for the Hancock Promise in the spring of 2022.

To: Board of Directors	Information
From: Maggi Daane, Chair President’s Circle Subcommittee	October 28, 2021
Subject: President’s Circle Subcommittee Report	

Membership Report

	June 1, 2021 – September 21, 2021
Current Total	106
Pending Renewal	1

This number includes 55 Centennial sponsorships who received complementary one-year memberships as a cultivation strategy. Staff will solicit these new members for renewed membership in July 2022.

Financial Report

	July 1, 2020 – June 30, 2021	July 1, 2021 – August 31, 2021
Opening Balance	\$53,353.00	\$56,223.00
Revenue	\$51,148.00	\$9,581.00
Expenses	\$48,278.00	\$19,862.00
Balance	\$56,223.00	\$45,942.00

President’s Circle Renewals

Staff sent out 4 renewals through October and have seen a positive response to 3. We are currently waiting for one renewal.

Each member of the Foundation’s Board of Directors is invited and encouraged to become a member of the President’s Circle. The President’s Circle is a wonderful way to show your support for Hancock and support the vision of our President.

Behind-the-Scenes Fine Arts Event

On October 21, 2021, the President’s Circle will host an exclusive tour of the Fine Arts complex. There will be a private reception outside in the commons on the Santa Maria Campus after the Fine Arts complex tour. Keep an eye open for your invitation in the mail!

Save The Date for Future Events

Staff solidified two more event dates for President’s Circle members.

- NASA event with private reception, more information to follow.
 - Monday, November 22, 2021 – Time: TBD
- PC/Encore Circle Annual Event
 - Saturday, April 30, 2022 – Time: TBD

To: Board of Directors	Information
From: Bob Manning, Chair Scholarship Subcommittee	October 28, 2021
Subject: Scholarship Subcommittee Report	

BACKGROUND

Work is well underway on the 2021-2022 AHC Foundation Scholarship Program. The scholarship working team committee will meet via zoom on Friday, October 22, 2021 to discuss changes to the online scholarship program, rubric, and goals for each meeting.

The online application will launch November 3, and students may submit their application through Wednesday, February 9, 2022. The work of the review teams will begin immediately after that through April with reading, ranking and identifying students for donor scholarships.