



**NOTICE OF  
QUARTERLY MEETING  
ALLAN HANCOCK COLLEGE FOUNDATION  
BOARD OF DIRECTORS  
Thursday, January 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/97382808771>

*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*

Mary Nanning  
*Secretary*

Glenn Owen  
*Treasurer*

## **DIRECTORS**

Susan Appel

James H. Bray

Frank Campo

Michael J. Carroll

Maggi Daane

James E. Fields

Judy Frost

Michael L. Gibson

George Grama

Tim Harrington

Margaret S. Hesse

Debra Hood

Mario Juarez, Esq.

Robert B. Klug

Robert Manning

Sam Orozco, D.P.A.

Cynthia Schur

## **EMERITUS DIRECTOR**

Ronald L. Thatcher

## **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*

Lennette Espinoza  
*Student Representative*

## **FOUNDATION STAFF**

Marlyn Cox

Erin Gardner

Tracy McKee

Natalie Rucobo

Notice of Quarterly Meeting  
Allan Hancock College Foundation Board of Directors  
Meeting to be held remotely  
Thursday, January 28, 2021, 4 p.m.

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**AGENDA**

	<b>Page</b>	<b>Time</b>
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 for January 28, 2021 (ACTION)		4:03 p.m.
5. Approval of Minutes – October 22, 2020, Quarterly Board Meeting (ACTION)	1-5	4:04 p.m.
6. Welcome and Remarks from Board President – Lee-Volker Cox (Information)		4:05 p.m.
7. Resolution 2021-02 – Naming Doris T. Lahr Director Emerita, In Memoriam (ACTION)	6-8	4:10 p.m.
8. Hancock Financial Aid – by Mary Dominguez and Yvonne Teniente (Presentation)		4:15 p.m.
9. Consent Agenda (ACTION)		4:30 p.m.
<i>Consent agenda items are consistent with adopted policies and approved practices of the Foundation and are deemed routine in nature. They will be acted upon by a vote in one motion without discussion unless members of the board request an item's removal from the consent agenda.</i>		
9.A. 2021 College Trustee Appointments	9	
9.B. Conflict of Interest Policy and Disclosure Form	10-12	
9.C. Foundation Resolution 2021-01 Authorization of Savings, Checking, and Investment Account Signatures	13-14	
9.D. Foundation Staffing Update	15	
10. Governance and Nominations Committee		4:35 p.m.
10.A. Board Member Term Ends, January 2021 – Mary Nanning (Information)	16	
10.B. Board Member Nomination – Erica Jane Flores (ACTION)	17-19	
11. Finance Committee		4:45 p.m.
11.A. Financial Statements through 11/30/2020 (ACTION)	20-23	

11.B. Linsco Private Ledger Transfer to Charles Schwab & Co. (ACTION)	24-27
11.C. Endowment Trailing Quarters Funding (ACTION)	28-29
11.D. Review and Approval of Investment Policy Statement (ACTION)	30-37
11.E. Review and Approval of Endowment Funding Policy (ACTION)	38-41
11.F. 2020-2021 Endowment Scholarship and Program Funding (ACTION)	42
12. Advancement Committee	5:05 p.m.
12.A. Foundation Giving Report (Information)	43-47
12.B. Promise Campaign Update (Information)	48-49
12.C. President's Circle Subcommittee Report (Information)	50-51
12.D. Scholarship Subcommittee Report (Information)	52
12.E. Centennial Finale (Information)	53
13. Oral Reports (Information)	5:25 p.m.
13.A. Members of the Board of Directors – General Announcements	
13.B. College Superintendent/President – Kevin Walthers	
13.C. College Trustee – Jeffrey Hall	
13.D. PCPA Foundation Representative – Jim Bray	
13.E. Faculty Representative – Nichole Dechaine	
13.F. Student Representative – Lennette Espinoza	
13.G. Executive Director, College Advancement – Jon Hooten	
14. Consideration of New Business (Information)	5:50 p.m.
15. Next Meeting – Thursday, April 22, 2021, 4-6 p.m. (Information)	
16. 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.*

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

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**ALLAN HANCOCK COLLEGE FOUNDATION**

Quarterly Meeting of the Board  
Minutes of October 22, 2020

A regular meeting of the board of directors was held on Thursday, October 22, 2020, at 4 p.m. via Zoom teleconference. This meeting was held remotely in compliance with Governor Newsom's shelter-at-home order issued to help protect against the spread of COVID-19.

**1. Call to Order**

Foundation Board Vice President, J. Dale, called the meeting to order at 4:01 p.m.

**2. Roll Call**

*Directors Present:* J. Dale, M. Nanning, G. Owen, S. Appel, J. Bray, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, B. Manning, S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine

*Directors Absent:* L.V. Cox, C. Schur, G. Pensa

*Student Representative Absent:* F. Gonzalez Orozco

*Staff Present:* J. Hooten, M. Cox, E. Gardner, N. Rucobo

*Recorder:* E. Gardner

**3. Public Comment - None****4. Approval of Agenda – October 22, 2020 (ACTION)**

**MOTION:** On a motion by G. Owen, seconded by T. Harrington, the agenda for October 22, 2020, was approved the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine

*Noes:* None

*Abstentions:* None

**5. Approval of Minutes – July 23, 2020 (ACTION)**

The minutes from the July 23, 2020, quarterly board meeting were reviewed.

**MOTION:** On a motion by R. Klug, seconded by M. Nanning, the minutes were approved by the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, F. Campo, M. Carroll, J. Fields, J. Frost, T. Harrington, P. Hesse, D. Hood, R. Klug, S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine

*Noes:* None

*Abstentions:* M. Daane, M. Juarez, M. Gibson

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

J. Hooten extends his welcome to the board of directors in L.V. Cox's absence. The board had hoped to be meeting in person this time, but the pandemic is still preventing large gatherings. K. Walthers will give a college COVID update during his oral report. J. Hooten notes the passing of D. Lahr; J. Bray will say a few words when he arrives. Board members shared words about D. Lahr and her contributions to the Allan Hancock College Foundation board of Directors.

B. Manning arrived at 4:08 p.m.

J. Hooten encourages directors to email a short statement about why they support the Promise program to be used in the upcoming year-end solicitation.

## **7. Consent Agenda (ACTION)**

7.A. Unrestricted Gift – M. Sjovold

7.B. Approval of Boyd Fund Distribution – Fine Arts Complex

7.C. Foundation Staffing Changes

**MOTION:** On a motion by M. Daane, seconded by T. Harrington, the consent agenda was approved by the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, B. Manning S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine

*Noes:* None

*Abstentions:* None

## **8. Governance and Nominations Committee**

M. Juarez presents on behalf of the Governance and Nominations Committee.

### **8.A. Board Member Resignation – Rick Rust (ACTION)**

R. Rust submitted his resignation from the Allan Hancock College Foundation Board of Directors, effective September 15, 2020. Foundation staff would like to thank him for his service as board director and his instrumental role in securing \$46,240 in support from Aera Energy since 2016.

**MOTION:** On a motion by M. Daane, seconded by M. Nanning, R. Rust's resignation was accepted by the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, B. Manning S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine

*Noes:* None

*Abstentions:* None

### **8.B. Board Member Nomination – George Grama (ACTION)**

G. Grama, Director of Focal Plane Operations at Raytheon Technologies in Lompoc and Goleta, has been nominated to serve on the Foundation board of directors. His nomination was brought to the Governance and Nominations Committee by T. Harrington, who has known G. Grama for several years.

**MOTION:** On a motion by J. Frost, seconded by M. Daane, G. Grama was approved to serve on the Allan Hancock College Foundation Board of Directors by the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, B. Manning S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine

*Noes:* None

*Abstentions:* None

### **8.C. Foundation Board Secretary – Debra Hood (ACTION)**

M. Juarez thanks M. Nanning for her service on both the Executive Committee and the Foundation board of directors. D. Hood has agreed to serve as board secretary for one year upon the end of M. Nanning's term of service in January 2021.

**MOTION:** On a motion by M. Daane, seconded by T. Harrington, D. Hood was approved to serve as secretary to the Allan Hancock College Foundation Board of Directors, effective at the January 2021 quarterly board meeting, by the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, B. Manning S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine  
*Noes:* None  
*Abstentions:* None

### **9. Financial Statements through 6/30/2020 (ACTION)**

G. Owen presented the financial statements through 6/30/2020.

The auditors are in the midst of reviewing the Foundation's financials through the end of fiscal year 2019-2020. The auditors recommended including line titled *PPP loan forgiveness income* representing the \$48,752 the Foundation has received from the Paycheck Protection Program loan.

J. Bray arrived at 4:24 p.m.

**MOTION:** On a motion by G. Owen, seconded by M. Gibson, the financial statements through 6/30/2020 were approved by the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, J. Bray, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, B. Manning S. Orozco, J. Hall, K. Walthers, E. Smith, N. Dechaine  
*Noes:* None  
*Abstentions:* None

### **10. Advancement Committee (Information)**

M. Gibson reported that the committee held its first meeting on September 30, 2020. The Promise Campaign has reached \$4 million. M. Gibson presented the giving report to the board comparing fiscal year 2018-2019 and fiscal year 2019-2020.

#### **10.A. Scholarship Subcommittee Report (Information)**

The scholarship working committee will have its first meeting on October 23, 2020. N. Rucobo reported on scholarship recipient demographics collected on this year's application. Staff will prepare an analysis of how these demographics compare to the college's demographics to be presented at the next meeting. The board discussed the importance of the reference letter being required for the scholarship application.

#### **10.B. Promise Campaign Update (Information)**

J. Hooten and M. Gibson presented an update on the campaign for the Hancock Promise Fund. Staff has paused the in-person receptions until it is safe to gather in groups again and have been focusing on one-on-one asks instead. The Advancement Committee welcomes any prospects who may be able to commit to multi-year pledges.

### **10.C. Centennial Update (Information)**

The college's centennial celebration started this fall with the opening of the 75<sup>th</sup> anniversary time capsule. AHC's Public Affairs and Communications team produced a video featuring the college's mascot, Spike, digging up the time capsule and delivering it to K. Walthers live on stage in the Marian Theater. The event was streamed online and posted on the college's centennial website. Public Affairs and Communications is also producing podcast episodes to be released in the winter.

The Centennial Steering Committee is working on a Hancock retiree reception as well as the centennial finale event.

A centennial merchandise store was just launched with portions of all sales benefitting the Hancock Promise.

### **11. Oral Reports (Information)**

**11.A. Members of the Board of Directors - None.**

#### **11.B. College Superintendent/President – K. Walthers**

The college's total enrollment is currently down 19.5% - a figure comparable to the state and the nation during the pandemic. PCPA staff is currently working remotely and will continue to do so until it is safe to come back to campus.

The student-led Food Share Because We Care program has been busy distributing food to the local community every Tuesday and Thursday. As of the meeting date, the program has served 36,000 vehicles between the Santa Maria and Lompoc campuses. Since school has started this semester, Hancock has added a student-only Food Share distribution on Wednesdays.

K. Walthers left 5:29 p.m.

#### **11.C. College Trustee – J. Hall**

J. Hall thanked Hancock and its students for its hard work with the Food Share program, especially in the Lompoc Valley.

#### **11.D. PCPA Foundation Representative – J. Bray**

The PCPA Strong fundraiser has helped to financially support the theater during the pandemic raising \$120,000 with matching donations. J. Bray thanks the college for not cutting funding to the PCPA program during the pandemic. Since moving online, audiences from around the world have had the ability to access PCPA plays. There is no traditional holiday show planned for this season, but instead PCPA plans to perform a holiday cabaret as a free online event on December 12, 2020.

J. Bray shared condolences for D. Lahr's passing and commended her for her contributions to the college and the surrounding community.

#### **11.E. Faculty Representative – N. Dechaine**

N. Dechaine's students are doing well working on final projects and plans for a virtual display of the art gallery. N. Dechaine encourages directors to attend the upcoming virtual Dimensions in Dance show.

**11.F. Student Representative – Fernando Gonzalez Orozco – None.**

**11.G. Executive Director, College Advancement – J. Hooten**

J. Hooten congratulates M. Daane as the 2020 Celebrate Philanthropy Honoree and will send the link to the virtual event to the rest of the board.

The board will receive an email invitation to the President’s Circle wine tasting event co-hosted with PCPA’s Encore Circle on November 14, 2020. The event will be held at the Hancock Winery and feature wines that were recently awarded in Wine Enthusiast magazine.

**12. Consideration of New Business (Information) – None.**

**13. Next Meeting (Information)**

The next meeting of the board will be held on Thursday, January 28, 2021, at 4 p.m.

**14. Adjourn (ACTION)**

**MOTION:** On a motion by F. Campo, seconded by M. Daane, the meeting was adjourned at 5:48 p.m. by the following vote:

*Ayes:* J. Dale, M. Nanning, G. Owen, S. Appel, J. Bray, F. Campo, M. Carroll, M. Daane, J. Fields, J. Frost, M. Gibson, T. Harrington, P. Hesse, D. Hood, M. Juarez, R. Klug, B. Manning, S. Orozco, J. Hall, E. Smith, N. Dechaine  
*Noes:* None  
*Abstentions:* None

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Mario Juarez, Chair Governance and Nominations Committee</b>	<b>January 28, 2021</b>
<b>Subject: Foundation Resolution 2021-02 Naming Doris T. Lahr Director Emerita, In Memoriam</b>	

**BACKGROUND**

The Governance and Nominations Committee and Executive Committee have approved Resolution 2021-02 naming Doris Throckmorton Lahr Director Emerita, In Memoriam of the Allan Hancock College Foundation. Doris T. Lahr served as a Foundation director for nearly nine years until her passing on October 1, 2020. In addition to establishing the Lahr Family Scholarship Endowment in 2014, Doris also contributed the inaugural gift to the Hancock Promise Fund in 2017. An excerpt from the AHC Foundation bylaws regarding emeritus directors and Resolution 2021-02 is included on the following pages for the board's review.

**RECOMMENDATION**

The Governance and Nominations Committee recommends the board of directors adopt Resolution No. 2021-02 Naming Doris T. Lahr Director Emerita, In Memoriam.

## Foundation Emeritus Director Policy

The Foundation currently has one emeritus director, Ron Thatcher, recognized in 2011 for his exemplary service. Mike Gibson was also named an emeritus director, but has now been re-elected to serve as a board director.

Excerpt from the Allan Hancock College Foundation bylaws under Article V - Directors:

- I. The Board of Directors shall have such Emeritus Directors as are designated in or pursuant to this Paragraph I.
  1. An Emeritus Director is conferred on a member whose time on the Allan Hancock College Foundation board has exemplified extraordinary service;
  2. Each Emeritus Director:
    - a. shall be entitled to receive notice of, and attend meetings of the Board of Directors (but the failure to give such notice shall not affect the validity of any such meeting), but shall not be counted toward the limit described in Paragraph V(B) above, shall not be counted toward the quorum requirement for meetings of Directors, and shall not be entitle to vote at such meetings;
    - b. shall not have any authority to bind this Corporation in any manner, except as the Board of Directors may designate from time to time by resolution;
    - c. may be removed without cause by the Board of Directors; and
    - d. shall have only those duties that are designated by the Board of Directors and accepted by the Emeritus Director.



**RESOLUTION NO. 2021-02**

**A RESOLUTION OF THE ALLAN HANCOCK COLLEGE FOUNDATION**

**BOARD OF DIRECTORS**

**NAMING DORIS THROCKMORTON LAHR DIRECTOR EMERITA, IN MEMORIAM**

WHEREAS, Doris Throckmorton Lahr served on the Allan Hancock College Foundation Board of Directors beginning in 2012 and has effectively demonstrated a deep and consistent commitment to student success in higher education until her passing on October 1, 2020; and,

WHEREAS, Doris T. Lahr was trained and worked professionally as a teacher, and was a tireless advocate for education and other social causes in the Santa Maria Valley; and,

WHEREAS, Doris T. Lahr demonstrated exemplary commitment to the mission of the Allan Hancock College Foundation Board of Directors and established the Lahr Family Scholarship Endowment in 2014 benefitting Hancock students enrolled in the AHC Industrial Technology program; and,

WHEREAS, Doris T. Lahr served as a member of the Allan Hancock College Foundation 40<sup>th</sup> Anniversary Committee aiding in the planning and execution of the Gala and its celebrations; and,

WHEREAS, Doris T. Lahr served on the Hancock Promise campaign committee from its inception in 2017 providing leadership with the inaugural gift to the \$10 million campaign to provide free college education to all local high school students regardless of background;

THEREFORE, BE IT RESOLVED that the Board of Directors of the Allan Hancock College Foundation hereby expresses its highest regard to Doris Throckmorton Lahr for her exceptional service, and confers on her, posthumously, the Allan Hancock College Foundation’s highest designation, Director Emerita, In Memoriam.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE ALLAN HANCOCK COLLEGE FOUNDATION this 28<sup>th</sup> day of January, 2021.

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Kevin G. Walthers, Ph.D., Superintendent/President,  
Allan Hancock College

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

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Lee-Volker Cox, Ed.D., President to the Board of  
Directors

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Debra Hood, Secretary to the Board of Directors

<b>To: Board of Directors</b>	<b>CONSENT</b>
<b>From: Mario Juarez, Chair Governance and Nominations Committee</b>	<b>January 28, 2021</b>
<b>Subject: 2021 College Trustee Appointments</b>	

**BACKGROUND**

At the December 15, 2020, board meeting the Allan Hancock College Board of Trustees approved Trustee Jeffrey Hall and Trustee Greg Pensa to continue to serve as representatives to the Allan Hancock College Foundation Board of Directors.

<b>To: Board of Directors</b>	<b>CONSENT</b>
<b>From: Jon Hooten, Executive Director College Advancement</b>	<b>January 28, 2021</b>
<b>Subject: Conflict of Interest Policy and Disclosure Form</b>	

**BACKGROUND**

According to board policy, each Foundation board member will submit a signed Conflict of Interest Policy and Disclosure Form to the Foundation office annually. This disclosure will remain on file and maintained as one of the documents open to public inspection in the Foundation office. The document is included as a handout with this board book for directors to complete and sign. Please use the return envelope provided to return to the Foundation office (PO Box 5170, Santa Maria, CA 93456-5170) at your earliest convenience.



## Conflict of Interest Policy and Disclosure Form

It is in the best interest of the *Allan Hancock College Foundation (AHCF)* to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This conflict of interest policy is intended to help Board members and employees of *AHCF* identify situations that present potential conflicts of interest and to provide *AHCF* with a procedure to manage conflicts.

### 1. Conflict of Interest Defined.

In this policy, a person with a conflict of interest is referred to as an "interested person. For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:

- a. A Board member, employee, or family member of either is a party to a contract, or involved in a transaction with *AHCF* for goods or services,
- b. A Board member, employee, or family member of either has a material financial interest in a transaction between *AHCF* and an entity in which the Board member, employee, or family member is a board member.
- c. A Board member, employee, or a family member of either has a material financial interest in a business or enterprise that competes with *AHCF*.

Other situations may create the appearance of a conflict in connection with a person who has influence over the activities or finances of *AHCF*. All such circumstances should be disclosed to the Board or staff, as appropriate.

Gifts, Gratuities, and Entertainment. Accepting gifts, entertainment, or other favors from individuals or entities can also result in a conflict when the party providing the gift/ entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal value or entertainment of nominal value which are not related to any particular transaction or activity of *AHCF*.

### 2. Procedures.

- a. Prior to Board action on a contract or other transaction involving a Conflict of Interest, a Board member having a Conflict of Interest shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting,
- b. A person who has a Conflict of Interest shall not participate in the decision except to disclose material facts and to respond to questions,
- c. The person having a conflict of interest may not vote on the contract or transaction.
- d. Staff members who have a Conflict of Interest with respect to a contract or transaction that is not the subject of Board action shall disclose to the president of *AHCF* any such Conflict of Interest. That staff member shall refrain from any action that may affect *AHCF's* participation in such contract or transaction.
- e. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the president of *AHCF*.

### 3. Review of policy.

- a. Each Board member and employee of *AHCF* shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.
- b. Annually, each Board member and employee shall complete a disclosure form identifying any relationships or circumstances in which he or she is involved that he or she believes could contribute to a Conflict of Interest.

**Allan Hancock College Foundation  
Conflict of Interest Policy and Disclosure Form**

Please complete the financial relationships survey below. These disclosures will be used for tax Form 990.

During the year,

	Yes	No
Did you loan any money to or receive a loan from <i>AHCF</i> ?	[ ]	[ ]
If yes, was the loan outstanding at the end of the year?	[ ]	[ ]
Did you have a family or business relationship with another officer or director of <i>AHCF</i> ?	[ ]	[ ]
Did <i>AHCF</i> provide a grant or other assistance to you or person related to you?	[ ]	[ ]
Did you or a member of your family own more than 35% of another entity that did business with <i>AHCF</i> ?	[ ]	[ ]
Did you serve as an officer, director, trustee, key employee, partner, or member of an entity doing business with <i>AHCF</i> ?	[ ]	[ ]
Did a member of your family receive compensation or other material financial benefit from <i>AHCF</i> ?	[ ]	[ ]

If you checked yes to any of the above questions, please describe below:

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Please describe below any relationships or circumstances that you believe could contribute to a conflict of interest between and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interest to report.

\_\_\_\_\_ I have the following conflict of interest to report. Please specify other nonprofit and for-profit boards you and your spouse sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own:

1. \_\_\_\_\_ 2. \_\_\_\_\_

3. \_\_\_\_\_ 4. \_\_\_\_\_

I hereby certify that the information set forth is true and complete to the best of my knowledge.

I have reviewed, and agree to abide by, the Policy of Conflict of Interest of *AHCF*.

Name: \_\_\_\_\_ Position: (Director or Employee) \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

<b>To: Board of Directors</b>	<b>CONSENT</b>
<b>From: Jon Hooten, Executive Director College Advancement</b>	<b>January 28, 2021</b>
<b>Subject: Foundation Resolution 2021-01 Authorization of Savings, Checking, and Investment Account Signatures</b>	

### **BACKGROUND**

Resolution No. 2021-01 Authorization of Savings, Checking, and Investment Accounts is found on the following page. It has been reviewed and approved by the Executive Committee and is being submitted to the board for approval.

Authorized signatories include:

- Kevin G. Walthers, Ph.D., Allan Hancock College Superintendent/President
- Eric D. Smith, Allan Hancock College Associate Superintendent/Vice President, Finance and Administration
- Jon Hooten, Ph.D., Allan Hancock College Executive Director, College Advancement
- Laura Becker, Allan Hancock College Director, Business Services
- Robert Curry, Ph.D., Allan Hancock College Associate Superintendent/Vice President, Academic Affairs

### **RECOMMENDATION**

Staff recommends the board of directors adopt Resolution No. 2021-01 Authorization of Savings, Checking, and Investment Account Signatures as submitted.



**RESOLUTION NO. 2021-01**

**A RESOLUTION OF THE ALLAN HANCOCK COLLEGE FOUNDATION**

**BOARD OF DIRECTORS**

**AUTHORIZATION OF SAVINGS, CHECKING, AND**

**INVESTMENT ACCOUNT SIGNATURES**

WHEREAS, the establishment of various commercial savings, checking and investment accounts is necessary for the conduct of foundation business; and

WHEREAS, appropriate district employees must be authorized signatories for the accounts;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Allan Hancock College Foundation hereby authorizes the following individuals as signatories for the Allan Hancock College Foundation savings, checking, and investment accounts.

Any two of the following:

- \_\_\_\_\_ Kevin G. Walthers, Ph.D.  
Allan Hancock College Superintendent/President
  
- \_\_\_\_\_ Eric D. Smith  
Allan Hancock College Associate Superintendent/Vice President,  
Finance and Administration
  
- \_\_\_\_\_ Jon Hooten, Ph.D.  
Allan Hancock College Executive Director, College Advancement
  
- \_\_\_\_\_ Laura Becker  
Allan Hancock College Director, Business Services
  
- \_\_\_\_\_ Robert Curry, Ph.D.  
Allan Hancock College Associate Superintendent/Vice President,  
Academic Affairs

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE ALLAN HANCOCK COLLEGE FOUNDATION this 28<sup>th</sup> day of January, 2021.

\_\_\_\_\_  
Debra Hood, Secretary to the Board of Directors

<b>To: Board of Directors</b>	<b>CONSENT</b>
<b>From: Lee-Volker Cox, Chair Executive Committee</b>	<b>January 28, 2021</b>
<b>Subject: Foundation Staffing Update</b>	

**BACKGROUND**

The Executive Committee reviewed and approved the following staffing changes at their meeting on January 13, 2021.

Tracy Jimenez McKee was hired as a full time Administrative Assistant on November 16, 2020, to relieve the two advancement positions of most clerical functions to accommodate their fundraising workload. Tracy brings over 20 years of experience in constituent relations, event production, hospitality, and executive support in the non-profit and entertainment sectors. She spent the majority of her career in Los Angeles, working for 11 years at the National Academy of Recording Arts and Sciences (aka the GRAMMYS) as an executive assistant and project manager, as well as a production assistant at Dick Clark Productions and a performer at Disneyland Resorts. She received her B.A. in Communications from Cal State Fullerton.

In preparation for the centennial finale celebration, the Foundation planned to engage a contractor (Terri Lee Coleman) to help solicit sponsorships and support other aspects of the event. Recent changes in employment law (AB5), however, requires this function be a payroll position. The temporary position will initially be paid \$4,375 for an average of five hours of work per week effective January 2021 through the event in May 2021. The total cost of the temporary position, including payroll taxes, will be \$5,015 which will be accounted for in the centennial finale event budget.

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Mario Juarez, Chair Governance and Nominations Committee</b>	<b>January 28, 2021</b>
<b>Subject: Governance and Nominations Committee</b>	

**BACKGROUND****10.A. Board Member Term Ends, January 2021 – Mary Nanning (Information)**

Mary Nanning’s term of service as a member of the Allan Hancock College Foundation Board of Directors ends at the January 28, 2021, quarterly board meeting. The Governance and Nominations Committee would like to thank M. Nanning for her commitment to the Foundation’s mission and her service as board secretary.

**10.B. Board Member Nomination – Erica Jane Flores (ACTION)**

The nomination of Erica Flores, Development and Communications Director for Santa Ynez Valley People Helping People, to serve on the Allan Hancock College Foundation Board of Directors has been reviewed and approved by the Governance and Nominations Committee and the Executive Committee. E. Flores’ nomination form and biographical sketch are submitted for the board’s review on the following pages.

**RECOMMENDATION**

The Governance and Nominations Committee recommends the board of directors accept the nomination of Erica Jane Flores to serve on the Allan Hancock College Foundation Board of Directors.



## 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 Erica Jane Flores Spouse's Name n/a

Address [REDACTED] City Santa Ynez Zip 93460

Occupation Development & Communications Director Phone Number [REDACTED]

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

See attached.

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

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

On what other boards have you served? Golden Circle of Champions, CA FFA  
College School District Trustee, National

In what other charitable or community activities have you participated? Society of minorities in Agriculture, Natural Resources & Related Science

Solvang Festival Theater Capital Campaign,  
S.B County Farm Bureau, UCSB Arts & Lectures

Foundation Board Nominee: Erica Jane Flores  
Signature \_\_\_\_\_ Date \_\_\_\_\_

09/2020

**Erica Jane Flores**

**Nomination for Board of Directors | Allan Hancock College Foundation**

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

As a little girl I grew up on Hancock's campus, always by my grandma's side. Both of my grandparents taught and coached at Hancock. My grandma, Jane Merlo, shuttled all our family from one sporting event to the next – golf, basketball, baseball, football, and more. While my grandma only taught golf, she insisted in loyally showing her support on and off the sidelines. To this day, I run into my grandma's former students. They tell me stories of a tough gal that never just let her students show up and leave. She insisted in being involved in their lives. She knew their goals, their families, their struggles, their triumphs – and she did not let people give up on any of their pursuits. In most ways, my grandma inspired my career in education and my commitment to giving back.



For the last two decades I have worked in higher education – in student affairs, as a teacher, an internship and research coordinator, in the Office of the President, and as a major gift officer.

I spent part of my career in Indianapolis working for a national nonprofit, National FFA and travelled the country working with universities and helping college students connect with internships and full-time positions. I launched a program called "Backpack to Briefcases" through a partnership with Kraft Brands and a vision to help students explore careers, develop skills, and professional experiences. While working for University of Kentucky, I developed an education abroad, internships and research program for a 300-student department. As a consultant to the president of Cal Poly, I wrote the proposal to establish the California Strawberry Education and Research Center.

While in Indianapolis, I served with United Way on their funding allocation committee, where I evaluated 103 human service organizations by doing site visits, meeting with staff, evaluating financials and providing recommendations for funding. Recently I worked as a campaign specialist and later a volunteer for the Solvang Festival Theater's \$4.7 million capital campaign to make necessary structural improvements. I have served on national, state, and local boards and understand the complexities of the policies and decisions that boards have to make.

**Biographical Sketch**

Born and raised as the fourth generation on her mom's family ranch in Santa Ynez, Erica Jane Flores grew up raising large livestock since she was 5 years old – and was a proud Bobcat! Her father, an immigrant farm worker from Mexico with only a formal third grade education, often describes her as his "American Dream" telling people his sacrifices were so "she could achieve more than I ever thought possible."

After spending most of her youth as a member of 4-H, FFA, and serving as a California State FFA Officer, her deeply rooted passion for agricultural education inspired her pioneering efforts as the first in leading Diversity and Inclusion initiatives for National FFA, a premier youth leadership organization of over 700,000 high school and collegiate students in 7,500 schools. She has launched award-winning, multi-year national engagement initiatives in the Latino,

Native American, and African American communities creating greater access to secondary and post-secondary education.

Erica Flores received her Bachelor of Science in Agricultural Business from California State University, Chico (CSU Chico) and was named a Distinguished 21st Century Graduate of the Institution. Erica Flores is also the co-founder of CSU Chico's Cross-Cultural Leadership Center, which showcases "Faces of Change," an art collection of paintings completed by Erica. She is a featured artist in the Glick Eye Institute in downtown Indianapolis. She is an alumni of Semester at Sea, having lived and studied on a ship for a 75-day voyage in South East Asia and the Pacific Rim. She spent 4.5 years teaching and advising in Agricultural Economics at the University of Kentucky, including teaching a course in International Food Marketing in France and Switzerland. Erica is a member of Sigma Alpha Professional Sorority, P.E.O. International, and Gamma Sigma Delta Honor Society, and a former National Parliamentarian for the Society of Minorities in Agriculture, Natural Resources and Related Sciences.

Erica is a certified fundraiser, and on December 1, 2020, assumed her new role as the Development and Communications Director for Santa Ynez Valley People Helping People (PHP). Prior to joining PHP, she was the Director of Development for UCSB Arts & Lectures which was recently awarded a 2020 Local Heroes Award for their leadership in performing arts and public affairs.

In the most recent election, Erica earned a seat as a trustee of the College School District in Santa Ynez and was elected as Vice President of the Board. Erica is a mom to a curious two-year-old and is grateful to raise her daughter in her hometown.

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>January 28, 2021</b>
<b>Subject: Financial Statements through 11/30/2020</b>	

**BACKGROUND**

The Foundation's financial statements can be found on the following pages for the board's review:

- AHC Foundation Financial Overview – General Operations    11/30/2020    pg. 21
- AHC Foundation Financial Overview – All    11/30/2020    pg. 22
- AHC Foundation Financial Overview – Investments    11/30/2020    pg. 23

**RECOMMENDATION**

The Finance Committee recommends the board of directors approve the financial statements through 11/30/2020 as submitted.

## AHC Foundation Financial Overview - General Operations

Statement of Activity	Actual as of 11/30/2020	% of Budget	Budget 2020-21
Support and revenue			
Unrestricted contributions	39,122	98%	40,000
PPP loan forgiveness income	12,998		
Transfers in (out):	-		
Admin fee @ 1.5%	48,783	59%	82,500
President's Circle Fee @1%	-	0%	15,000
Unrestricted endowment proceeds	-	0%	5,000
Promise fee 1.5%	6,754	90%	7,500
Hansen Proceeds	-	0%	11,271
Interfund transfers (out)	-		(22,500)
District support foundation operations	28,434	15%	194,355
Net transfers in (out)	83,971	29%	293,126
Other	32	8%	425
Total support and revenue	136,123	41%	333,551
Expenditures - See below	(123,105)	34%	(360,801)
Other Income:			
Net realized gain	834		-
Net unrealized gain (loss)	44,060		
Interest and dividends	7,330	27%	27,250
Total other income	52,224	192%	27,250
Change in net assets	65,242		-
Net assets, beginning	389,170		
Net assets, end	454,412		-

Statement of Financial Position	Actual as of 11/30/2020
<b>Assets</b>	
Current Assets	
Cash	448,061
Due from other funds	6,367
Total current assets	454,428
Total assets	454,428
<b>Liabilities and Net assets</b>	
Current liabilities	16
Net Assets	454,412
Total liabilities and net assets	454,428

	Actual as of 11/30/2020	% of Budget	Budget 2020-21
Expenditures			
Advertising and postage	2,884	40%	7,250
Bank and brokerage charges	2,912	39%	7,500
Building and equipment	-	0%	2,350
Community activities	298	2%	14,250
Contracts and leases	1,151	19%	6,000
District college support	-		
Employee benefits	8,547	36%	24,038
Food	740	12%	6,000
Memberships and permits	1,308	51%	2,550
Miscellaneous expense	-		
Payroll PPP forgiveness	12,998		-
PCPA support	-		
Salaries	85,827	33%	261,863
Scholarship fund transfers out	-		
Software maintenance agreement	-	0%	10,000
Supplies and materials	4,510	36%	12,500
Student assistance	-		
Travel and conference	1,930	30%	6,500
<b>Total expenditures</b>	<b>123,105</b>	<b>34%</b>	<b>360,801</b>

## AHC Foundation Financial Overview - All

Statement of Activity	Actual as of 11/30/2020
Support and revenue	
Unrestricted contributions	686,742
PPP loan forgiveness income	12,998
Other	542
Total support and revenue	700,282
Expenditures - See below	765,131
Other Income:	
Net realized gain	216,001
Net unrealized gain (loss)	2,833,663
Interest and dividends	199,536
Total other income	3,249,200
Other transfer-in:	
District advancement officer	
District support for foundation operations	28,434
Total other transfer-in	28,434
Change in net assets	3,212,785
Net assets, beginning	29,979,941
Net assets, end	33,192,726

Statement of Financial Position	Actual as of 11/30/2020
<b>Assets</b>	
Current Assets	
Cash	2,207,907
Accounts receivable	500
Pledges receivable - current	229,772
Other assets	1,270
Due from other funds	6,367
Total current assets	2,445,816
Pledges receivable - non current	334,555
Investments (cost)	25,282,468
Investments (FMV adjustment)	5,137,767
<b>Total assets</b>	<b>33,200,606</b>
<b>Liabilities and Net assets</b>	
Current liabilities	2,380
Due to Scholarships	5,500
<b>Net Assets</b>	<b>33,192,726</b>
Total liabilities and net assets	33,200,606

Expenditures	Actual as of 11/30/2020
Advertising and postage	2,917
Bank and brokerage charges	108,706
Building and equipment	2,512
Community activities	7,204
Contracts and leases	1,151
District College Support	29,583
Employee benefits	8,547
Food	6,340
Memberships and permits	4,225
Miscellaneous	710
Payroll PPP forgiveness	12,998
PCPA support	37,324
Salaries	85,827
Scholarships	415,922
Software licenses & maintenance	19,276
Student Assistance	5,702
Supplies and materials	14,257
Travel and conference	1,930
<b>Total expenditures</b>	<b>765,131</b>

## AHC Foundation Financial Overview - Investments

Investment Advisor/Fund	6/30/2020	11/30/2020	Change	% Change
Morgan Stanley - UMA Active Assets	\$ 5,902,820	\$ 6,676,543	\$ 773,723	13.11%
Morgan Stanley - UMA Unrestricted	\$ 520,233	\$ 572,383	\$ 52,150	10.02%
Morgan Stanley - Boyd Music Program	\$ 2,310,279	\$ 2,566,765	\$ 256,486	11.10%
Monarch Wealth Strategies - LPL	\$ 1,609,985	\$ 1,812,345	\$ 202,360	12.57%
Monarch Wealth Strategies - LPL - Lahr	\$ 62,937	\$ 68,651	\$ 5,714	9.08%
Interest in CA Community Colleges	\$ 121,564	\$ 121,564	-	0.00%
Northern Trust - Young	\$ 1,287,197	\$ 1,485,569	\$ 198,372	15.41%
Northern Trust - Boyd	\$ 7,290,670	\$ 7,896,202	\$ 605,532	8.31%
Santa Barbara Foundation - Hancock Promise	\$ 3,113,238	\$ 3,913,047	\$ 799,809	25.69%
Mechanics Bank - Boyd	\$ 4,660,100	\$ 5,307,166	\$ 647,066	13.89%
<b>Total</b>	<b>\$ 26,879,023</b>	<b>\$ 30,420,235</b>	<b>\$ 3,541,212</b>	<b>13.17%</b>

<b>Statement of Financial Position:</b>	
Investments (cost)	\$ 25,282,468
Investments (FMV adjustment)	\$ 5,137,767
Net investments reported	<u>\$ 30,420,235</u>

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>January 28, 2021</b>
<b>Subject: Linsco Private Ledger Transfer to Charles Schwab &amp; Co.</b>	

**BACKGROUND**

The Foundation received the attached letter and information from investment advisor Aaron Clark, Monarch Wealth Strategies, with a request to transfer the Foundation's investment held at Linsco Private Ledger (LPL) Financial to Charles Schwab & Co.

**RECOMMENDATION**

The Finance Committee recommends the board of directors approves the transfer of Foundation investments held at LPL Financial to Charles Schwab & Co.



11/23/2020

ALLAN HANCOCK COLLEGE FOUNDATION  
P O BOX 5170  
SANTA MARIA, CA 93456

Dear Jon,

If 2020 has taught us anything, it's that change is upon us and in the end, it's what you do with it that matters. As an SEC-Registered Investment Advisor (RIA), Monarch has the fiduciary responsibility to regularly evaluate custodians to ensure we are at the best possible financial institution, as it relates to fees, trade execution, asset safety, and service...to name a few. After months and many hours of extensive research and careful consideration, we have determined that moving our custodian to Charles Schwab & Co. (Schwab), Inc. is the best decision for our clients and for our firm.

Schwab is the largest Custodian of RIA assets in the country\*, as well as rated highest in Investor and Customer Satisfaction\*\*. Their recent acquisition of TD Ameritrade takes the best of both companies to create an even more advanced offering. With Schwab's commitment to transparency, ethics, low fees, asset safety and service, we are confident that our partnership with Schwab will allow us to better serve you.

During this transition we have made the decision as a firm to do away with brokerage commissions and conduct business going forward exclusively as a fee-only RIA. This will put us in a stronger position of providing unconflicted advice. In doing so, we will no longer be able to service new brokerage business. However, we have a thoughtful solution in place to provide continued support for any investment or insurance company relationships you may have outside of LPL Financial (annuities, employer sponsored plans, 529 plans, etc).

In the coming weeks, we will walk you through what the transfer process will look like and answer any questions you may have along the way. You will receive paperwork, either by mail or DocuSign, to open accounts and transfer your investments held at LPL to Schwab. In order to complete our transition, we plan to no longer be affiliated with LPL Financial as of November 30th, 2020. Please find attached Frequently Asked Questions related to this custodian update.

We treasure our relationship with you, and we look forward to maintaining the personalized, focused and results-oriented service you have come to expect from us. We may be using a new custodian, but we have been—and will always be—100 percent committed to managing your precious assets as if they were our own.

Sincerely,

Aaron Clark, MPAS®, CFP®, AAMS®  
Founder & President

\*ACT Advisor Conversion Services Dashboard Metrics: January 2005 – December 2019.  
\*\* Awarded by J.D. Power in 2020

Tel: 805.564.0800

Fax: 805.564.0808

www.mwsus.com

12 E. Carrillo Street

Suite 208

Santa Barbara

California 93101



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## *Custodian Transition*

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### **Why is Monarch doing this?**

We want what is best for our clients – Charles Schwab has more assets under management than any other custodian in the industry\* and a comprehensive digital platform. This means better technology, reporting, pricing, and execution, as well as a wider selection of investment products, services, and technology features. Additionally, by eliminating brokerage commissions from our business model, we will be in a more objective position for providing financial advice going forward.

### **What should I expect?**

- This is a custodian change. Everything else (our company, our office locations, our hours, our email addresses, and phone numbers) will remain the same. We will still have your financial plans, portfolio preferences, and life goals as well.
- Since we are changing custodians, we'll need to establish the same types of accounts you had at LPL Financial with Charles Schwab.
- The Charles Schwab paperwork will facilitate the account opening and transfer of assets process for you. To the extent possible, the forms will be prepopulated and will require your signatures along with minimal additional information.
- You will receive the Charles Schwab paperwork soon, along with detailed instructions.

### **What is the account transfer process going to look like?**

- When your paperwork from Charles Schwab arrives, any additional required information will be highlighted for you to fill in. In addition, please sign and date where indicated and return the completed package to our office using the pre-paid mailing envelope or complete the DocuSign process.
- We will submit it to Charles Schwab, and they will start the transfer process, which typically takes 5-7 business days.
- You will receive confirmation from Charles Schwab that the account(s) have been opened and will be ready for you to set up online access to your accounts. Once your transfer is complete, you can access your accounts through the online portal.

### **I received the paperwork. Can you tell me what is going to change?**

Once you complete and return the paperwork, we will work with Charles Schwab to open your new accounts and transfer your assets. We will continue managing your finances as we have done in the past, but now your accounts will be maintained at Charles Schwab.

### **What happens to me if I don't sign this? Who will take care of me?**

If you choose not to move forward and sign the new paperwork, your accounts will remain at LPL Financial. While at LPL, your account will not be managed by us or LPL Financial. If you would like us to continue to serve you and actively manage your accounts as we have been, please sign the provided paperwork.

Revision 11.11.2020

### **Can we just keep our accounts where they are?**

Yes. However, if you choose to do so, we will no longer be able to manage your accounts as we plan to no longer be affiliated with LPL Financial after November 30<sup>th</sup>, 2020. Additionally, LPL will not assign a representative to your accounts and your assets will not be managed. If you would like us to continue to serve you and actively manage your accounts as we have been, please sign the provided paperwork.

### **Are there additional documents I need to return with this package?**

Yes, there is likely to be additional documentation required. There will be specific information about this in your package, but examples of what may be needed are:

- In order to establish ACH instructions, a copy of a preprinted voided check.
- If opening a trust account, certain pages from your trust document.
- We will work with our Schwab conversion and transition team to identify any other client-specific needs.

### **How much will this change cost me?**

Absolutely nothing. We will setup your accounts exactly as they are currently. Depending on your investments, your costs may actually decrease. If LPL charges any outgoing account fees, we will make sure you receive a credit on the Schwab side.

### **How long will it take to move my account?**

As soon as we submit your paperwork to Charles Schwab, the account(s) will be opened and submitted for transfer, which typically takes 5-7 business days.

\*ACT Advisor Conversion Services Dashboard Metrics: January 2005 – December 2019.

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>January 28, 2021</b>
<b>Subject: Endowment Trailing Quarters Funding</b>	

### **BACKGROUND**

At the Finance Committee meeting held on October 7, 2020, the committee discussed changing the Foundation's annual one-year snapshot policy in determining endowment funding for scholarships and programs to trailing quarters. The Finance Committee requested staff provide an analysis of 12-rolling quarters and 4-rolling quarters for review. The analysis was prepared and shared at the January 13, 2021, Finance Committee meeting.

Staff researched other colleges/universities and evaluated the negatives/positives of implementing endowment trailing quarters funding. The following "frequently asked questions" are adapted from the Marshall University Foundation.

- *How is the annual spending allocation for endowments calculated?*  
The annual allocation is a percentage of the average market value of the endowment for the previous 12-quarters (aka "three-year" or "trailing 12" rolling average). The rolling multi-year average helps smooth out market volatility and provides more predictable spending budgets year to year.
- *When is spending allocation for endowments calculated?*  
The annual spending allocation for the rolling average is based on market values on September 30 (end of FYQ1).
- *How is appreciation/depreciation considered for trailing quarters?*  
Appreciation/depreciation is the difference between market value and the corpus of the endowment. Appreciation represents excess of investment returns over the withdrawals for spending and management fees. Depreciation represents a deficit where cumulative investment losses have reduced the market value below the corpus of the endowment. Appreciation is the customary funding source for endowment spending. There is no spending allocation if there is no appreciation.
- *When will new endowments have a spending allocation?*  
Endowments begin earning appreciation in the quarter in which the corpus reaches the minimum endowment level for funding. As long as the endowment has been invested during any part of the previous 12-quarters *and* there is positive appreciation, there will be spending allocation for the next fiscal year.
- *How can a new endowment award immediately while it is newly invested?*  
A new endowment may not fund for at least two annual scholarship cycles, depending on the growth of the endowment. In these cases, donors can provide an expendable gift to be awarded while the endowment is newly invested.

Further, the Finance Committee and Executive Committee discussed and approved changing the present endowment funding from a one-year snapshot review date of November 30 to a trailing 12-quarter with a review date of September 30, effective fiscal year 2021-2022. The Foundation's minimum scholarship award is \$500. The endowment spending allocation should include being invested during any part of the previous 12-quarters and has realized a minimum appreciation of \$500, where spending may be allocated from that fund.

#### **RECOMMENDATION**

The Finance Committee recommends the board of directors approves changing the Foundation's annual one-year snapshot policy in determining endowment funding to trailing 12-quarters, effective fiscal year 2021-2022.

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>January 28, 2021</b>
<b>Subject: Review and Approval of Investment Policy Statement</b>	

**BACKGROUND**

The Allan Hancock College Foundation is a non-profit corporation dedicated to 1) soliciting and raising money to award scholarships to AHC students or to students who are preparing to leave AHC to continue their studies at a university; 2) supporting the educational programs of AHC; and 3) assisting AHC in funding capital needs.

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 will sign and date this policy to certify that they have reviewed the document and updated it where appropriate. The document is included on the following pages for to the board's review and approval.

Please note revisions to the policy are in bold and italics.

**RECOMMENDATION**

The Finance Committee recommends the Board of Directors approve the Allan Hancock College Foundation Investment Policy Statement as submitted.



**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. Members of the Finance Committee will sign and date this policy to certify that they have reviewed the document and updated it where appropriate. The document will be approved by the full Board of Directors at its regularly scheduled meeting just prior to the start of the college's fiscal year.

***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, administrative services ***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.
- 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.
- 4.2.4. Convertible bonds. Provided that the issuer is rated at least "A" by Moodys, Standard & Poors and/or Fitch's rating service.
- 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 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 or R.E.I.T.'s.
- 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, 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.

<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%

\*These targets relate to non restricted long term funds under management such as the endowment funds which support scholarship activity. 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. ENDOWMENT FUNDING GUIDELINES

*The endowment funding guidelines are outlined in detail in the Allan Hancock College Foundation Endowment Funding Policy.*

### 7.1. Regular Endowment Funds (Permanent Endowment)

It shall be the policy of the Foundation to annually fund its endowment commitment at a rate based on the following table:

Endowment Value at Review Date	Endowment Commitment
Endowment Value < Corpus Value	Zero
Endowment Value is between 100% and 129% of Corpus Value	3–5% of the endowment value reduced, if necessary, so that endowment value after funding does not fall below corpus value.
Endowment Value is above 129% of Corpus Value	An amount, to be determined by the Foundation board, which can exceed 5%, but will in no event cause the endowment value after funding to fall below 124% of the corpus value.

Examples of the above:

Endowment Value = 103% of Corpus Value → Endowment Commitment would be 3%.

Endowment Value = 110% of Corpus Value → Endowment Commitment would be 5%.

Endowment Value = 135% of Corpus Value → Endowment Commitment could be between 5% and 11% as set at the discretion of the Foundation board.

It is recognized that the endowment value may be below corpus value and donations may need to be secured to fund endowment activities outside of the endowment until market conditions improve to a point that the endowment value once again exceeds corpus value.

### 7.2. Title III Endowment Funds (Term Endowment)

The policy on these funds shall be identical to the above regular endowment funds with the additional caveat that the endowment commitment (expressed as a percentage of the endowment fund) can not exceed fifty percent (50%) of the aggregate Title III endowment fund income as determined during that fiscal year. This term endowment restriction expires twenty years (2019) after inception of original investment date.

### 7.3. Quasi Endowment Funds

Quasi funds are held for a specific purpose and for which the Foundation has been instructed by the donor to use all of the income and principal when the need is evident to fulfill that purpose. These funds will be invested like permanent and term endowments but expenditures will not be limited by this policy.

~~7.4. Exceptions to Endowment Funding Guidelines~~

~~7.4.1. Providing funding for endowment activities which exceed the above guidelines shall only be made in response to unusual circumstances and requires a 2/3 majority vote of the Foundation’s board of directors.~~

~~7.4.2. The Foundation reserves the right to fund any portion or all of the annual endowment commitment from unrestricted funds at their discretion should the endowment value fall below corpus value. Further, the Foundation shall normally pay back those unrestricted fund accounts for advances made on behalf of an endowment fund’s future earnings.~~

**8. 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 certify that at a meeting of the Finance Committee on January 13, 2021, have reviewed and updated this Investment Policy Statement as appropriate.

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

Approved/updated:  
Approved/updated: 7/10/2019  
Approved/updated: 3/28/2018  
Approved/updated: 9/22/2016

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>January 28, 2021</b>
<b>Subject: Review and Approval of Endowment Funding Policy</b>	

**BACKGROUND**

The board will review the attached AHCF Endowment Funding Policy included on the following pages. The policy is utilized when determining the annual endowment value for scholarship and program funding each year starting in fiscal year 2021-2022.

Please note revisions to the policy are in bold and italics.

**RECOMMENDATION**

The Finance Committee recommends the board of directors approve the Endowment Funding Policy for funding beginning fiscal year 2021-2022 as presented.

**Allan Hancock College Foundation  
Endowment Funding Policy**

**Regular Endowment Funds (Permanent Endowment)**

It shall be the policy of the Foundation to annually fund its endowment commitment ~~at a rate based on the following table:~~ **based on the rate of each individual fund in the total endowment:**

Endowment Value at Review Date	Endowment Commitment
Endowment Fund Value < Corpus Value	Zero
Endowment Value is between 100% and 129% of Corpus Value	3 - 5% of the endowment value reduced, if necessary, so that endowment value after funding does not fall below corpus value.
Endowment Fund Value is above 129% of Corpus Value	An amount, to be determined by the Foundation board, which can exceed 5%, but will in no event cause the endowment value after funding to fall below 124% of the corpus value.

Examples of the above:

Endowment Fund Value = 103% of Corpus Value = → Endowment Commitment would be 3%.

Endowment Fund Value = 110% of Corpus Value = → Endowment Commitment would be 5%.

Endowment Fund Value = 135% of Corpus Value = → Endowment Commitment could be between 5% and 11% as set at the discretion of the Foundation board.

It is recognized that the endowment value may be below corpus value and donations may need to be secured to fund endowment activities outside of the endowment until market conditions improve to a point that the endowment value once again exceeds corpus value.

**~~Title III Endowment Funds (Term Endowment)~~**

~~The policy on these funds shall be identical to the above regular endowment funds with the additional caveat that the endowment commitment (expressed as a percentage of the endowment fund) can not exceed fifty percent (50%) of the aggregate Title III endowment fund income as determined during that fiscal year. This term endowment restriction expires twenty years after inception of original investment date.~~

***Title V Hispanic Serving Institution - Hancock Promise Endowment***

***Allan Hancock College was awarded the Title V, Developing Hispanic Serving Institutions Grant in October 2020. The grant includes endowment matches up to \$50,000 per year for 5 years designated for Hancock Promise. The policy of the grant shall be identical to regular endowment funds with the exception that the endowment proceeds cannot exceed fifty percent of the aggregate Title V Endowment fund during the 20-year grant according to the federal grant guidelines. The term endowment restriction twenty years (2040) after the inception of the original grant.***

## Quasi Endowment Funds

Quasi funds are held for a specific purpose and for which the Foundation has been instructed by the donor to use all of the income and principal when the need is evident to fulfill that purpose. These funds will be invested like permanent and term endowments but expenditures will not be limited by this policy.

### **Policy Exceptions**

1. Providing funding for endowment activities which exceed the above guidelines shall only be made in response to unusual circumstances and requires a 2/3 majority vote of the Foundation's board of directors.
2. The Foundation reserves the right to fund any portion or all of the annual endowment commitment from non-endowment funds at their discretion should the endowment value fall below corpus value.

### **Key Terminology**

The following are key terms which relate to this endowment policy:

Corpus Value:	The principal amount of funding contributed by foundation donors to the endowment.
Endowment Fund Value:	The current market value of the principals and proceeds endowment as of the review date, reduced by the 1.5% management fee paid to the foundation.
Review Date:	The review date shall mean as of <del>November 30</del> <b>September 30</b> of the year in which endowment funding is to be awarded.
Endowment Commitment:	The dollar amount of funding to be provided from the endowment portfolio based on this policy.
<del>Title III Funds:</del>	<del>The foundation was designated in January 1999, by Allan Hancock College, as the recipient of the proceeds of a successful Endowment Challenge Grant under the Endowment Challenge Grant Program authorized by Title III of the Higher Education Act of 1965. All proceeds of this grant (\$500,000), local match of \$250,000, and income are subject to a twenty year term restriction during which no part of the fund corpus can be withdrawn and/or spent, and not more than fifty percent (50%) of the aggregate endowment fund income can be withdrawn or expended.</del>
<b>Title V Funds:</b>	<b><i>The endowment is invested and held by the Foundation. Proceeds of the endowment are subject to a twenty-year term restriction during which time the corpus cannot be withdrawn, and not more than fifty percent of the aggregate endowment fund income can be withdrawn or expended.</i></b>
Permanent Endowment:	Funds where the principal remains intact and in perpetuity, with only a portion of the proceeds from investment of the principal being available for expenditure, with the option of reinvesting it into the principal.
Term Endowment:	Funds which donors or the foundation/college have stipulated shall be released from endowment status, or from specified restrictions, upon the occurrence of a specific event or time, (i.e. a building fund, Title III Endowment Challenge Grant).

Quasi Endowment: Funds specified by donor for specific purpose, allowing use of the funds up to the full amount of the gift. The intention is to invest and manage like a permanent and term endowments with the ability to use all of the income and principal when the need is evident.

Revised: 01/07/2021

Approved by AHCF Board of Directors: 01/11/2017

Approved by AHCF Board of Directors: 11/02/2016

Approved by AHCF Board of Directors: 03/24/2015

<b>To: Board of Directors</b>	<b>ACTION</b>
<b>From: Glenn Owen, Chair Finance Committee</b>	<b>January 28, 2021</b>
<b>Subject: 2020-2021 Endowment Scholarship and Program Funding</b>	

**BACKGROUND**

According to the Foundation's Endowment Funding Policy, Foundation staff determines the endowment funding with the review date of November 30. That process begins with a review of each endowment value and application of the approved funding policy formula.

In keeping with the endowment funding policy, the Finance Committee reviewed the scholarship and program endowments funding report at their meeting on January 13, 2021, and forwarded their recommendation to fund endowments at 5% to the Executive Committee. The Executive Committee has approved this funding recommendation and it is now being submitted for the board's review and approval. At 5% funding, the total is \$555,300 for scholarships and programs, with \$321,010 designated specifically for scholarship funding (rollover included).

**RECOMMENDATION**

The Finance Committee recommends the board of directors approve the 2020-2021 endowment scholarship and program funding at 5%.

<b>To: Board of Directors</b>	<b>Information</b>
<b>From: Mike Gibson, Chair Advancement Committee</b>	<b>January 28, 2021</b>
<b>Subject: Foundation Giving Report</b>	

**BACKGROUND**

The quarterly Foundation Giving Report provides a snapshot of Foundation fundraising in 2019 and 2020 calendar years. The first line, *Total Revenue Committed*, represents revenue from all one-time gifts and pledges made in that year whereas *Total Revenue Received* reflects all one-time gifts and payments made on pledges. Note that received revenue in 2019 is more than committed revenue because pledge payments were received on pledges that were committed in 2018 (outside of the report window).

Foundation revenue is further broken out by campaign category illustrating the designation for revenue received in each calendar year.

<b><u>Foundation 2019-2020 Comparison</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Total Revenue Committed	\$1,956,419	\$3,597,815
<b>Total Revenue Received</b>	<b>\$2,010,052</b>	<b>\$3,821,913</b>
<b>Received Revenue by Campaign</b>		
Hancock Promise	\$439,346	\$2,485,982 <sup>1</sup>
Annual Scholarships	\$446,983	\$404,706 <sup>2</sup>
Endowed Scholarships	\$445,221 <sup>3</sup>	\$184,341
Endowments (Other) <sup>4</sup>	\$12,354	\$296,580
President's Circle	\$44,081	\$48,414
Student Emergency Fund	\$3,802	\$50,399 <sup>5</sup>
Unrestricted Operations	\$78,427	\$63,585 <sup>6</sup>
Other Restricted (Depts, programs, grants, etc.)	\$539,838	\$287,906 <sup>7</sup>
	<b>\$2,010,052</b>	<b>\$3,821,913</b>

<sup>1</sup> The increase in Hancock Promise revenue is due to receiving the Mary and Wayne Leutloff bequest in 2020.

<sup>2</sup> Timing of annual gifts, a deceased donor, and one lost participant (CoastHills) accounts for the decrease in Annual Scholarship revenue.

<sup>3</sup> A \$381,000 bequest was received in 2019 to start a new scholarship endowment.

<sup>4</sup> The *Endowments (Other)* category contains all gifts to non-scholarship endowments that support Hancock programs or the Foundation. In 2019 the Foundation received one gift from the Baker Family Trust and one gift from the Margaret Sjovold trust in 2020.

<sup>5</sup> The Foundation launched an emergency campaign in March 2020 and subsequently raised nearly \$50,000 for the Allan Hancock College Student Emergency Fund. The President's Circle was the first contributor with \$10,000 designated for the Student Emergency Fund, though that figure is not listed here as it was not revenue received by the Foundation in 2020.

<sup>6</sup> The decrease in *Unrestricted Operations* is due in part to not receiving a \$12,500 grant from the Hutton Parker Foundation in 2020, which shifted its giving to pandemic response. The Foundation also received a \$12,000 bequest from the Martin Family Trust in 2019.

<sup>7</sup> The decrease in *Other Restricted* funds is due to a decrease in revenue to the Hancock Promise Working Fund from the AHC Bookstore (Auxiliary Corporation). The funds received each year is a percentage of bookstore sales which has drastically decreased since the start of the pandemic in March 2020. Another major contributor to this decrease is the decreased grant revenue in 2020, as many private foundations shifted priorities to funding basic needs during the pandemic. Included below is detail of grants received in both 2019 and 2020.

<b>Grants Received in 2019</b>	<b>Date</b>	<b>Amt</b>	<b>Designation</b>
Pacific Premier Bank	1/25/2019	\$10,000	Hancock Promise Working Fund
Cryogenic Experts Education Foundation	2/26/2019	\$30,500	AHC Industrial and Machine Tech Program
Arthur N. Rupe Foundation	5/1/2019	\$40,000	Arthur Rupe Foundation Scholarship
Pillips 66 Company	6/24/2020	\$25,000	STEM Discovery Event
Exxon Mobil Production Company	8/14/2019	\$7,000	Allan Hancock College's MESA Program
Santa Barbara Foundation	9/24/2019	\$250	AHC Career Fair
P.G. & E. Corporation	10/1/2019	\$5,000	Hancock Promise Fund
Union Bank Foundation	10/3/2019	\$5,000	Hancock Promise Fund
Wells Fargo Foundation	10/3/2019	\$10,000	AIM Fund Scholarship
Gene Haas Foundation	10/31/2019	\$25,000	AHC Machine Tech. Scholarship
State of California	11/6/2019	\$115,672	Adult Re-Entry Warm Handoff
McCune Foundation	11/18/2019	\$2,500	Hancock Promise Fund
Santa Barbara Foundation	11/18/2019	\$28,000	Vocation ESL Program
Hutton Parker Foundation	11/26/2019	\$2,200	Hancock Promise Fund
Hutton Parker Foundation	12/17/2019	\$12,500	Foundation General Operations
Roy and Ida Eagle Foundation	12/17/2019	\$25,000	Hancock Promise Fund
		<b><u>\$343,622</u></b>	

<b>Grants Received in 2020</b>	<b>Date</b>	<b>Amt</b>	<b>Designation</b>
Santa Barbara Foundation	1/17/2020	\$25,000	Bulldog Bound
Santa Barbara Foundation	4/13/2020	\$20,000	Student Emergency Fund
Foundation for California Community Colleges	4/29/2020	\$4,545	Student Healthcare Support
The Community Foundation SLO County	6/22/2020	\$5,000	Aspire Program
The Fund for Santa Barbara, Inc.	6/22/2020	\$10,000	BIGE Club
Henry W. Bull Foundation	6/30/2020	\$5,000	Hancock Promise Fund
Exxon Mobil Corporation	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	\$3,908	SkillsUSA
The Fund for Santa Barbara, Inc.	10/6/2020	\$10,000	BIGE Club
		<b>\$126,753</b>	

Other Metrics

The below table tracks total number of donors, number of new donors, and LYBUNTS for the 2019 and 2020 calendar years. (LYBUNTS is an acronym for *Last Year But Unfortunately Not This.*) For each year listed, LYBUNTS represent the number of donors who gave the prior calendar year, but not in the one listed i.e. gave in 2018 but not 2019, and gave in 2019 but not 2020.

	<u>2019</u>	<u>2020</u>
Number of donors	420	482
New donors	131	167
LYBUNTS	197	192

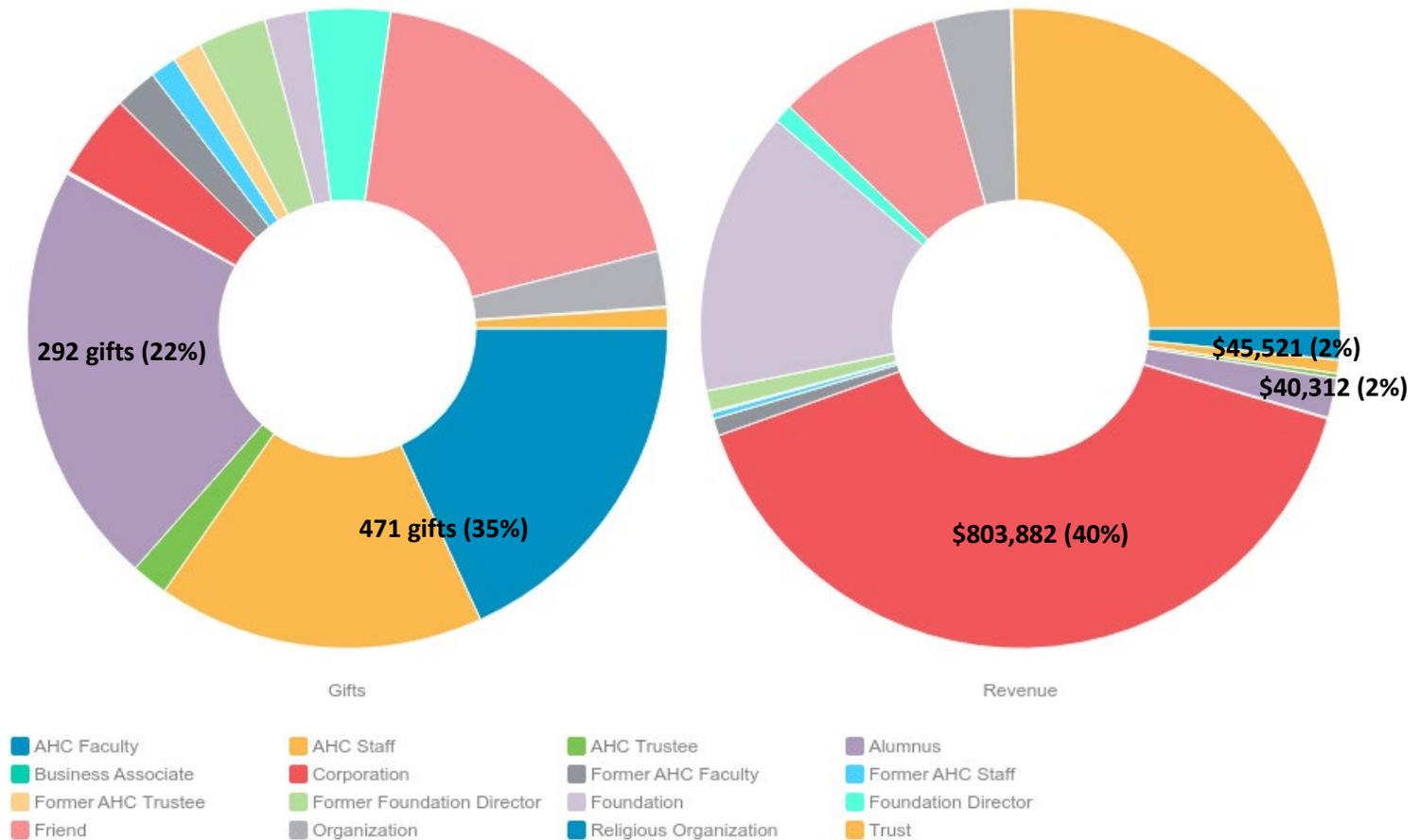
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Donor Composition

The below graphics illustrate the constituency breakdown by both number of gifts and total revenue for each calendar year giving an idea of Foundation donor demographics. Please note that some of the colors in these graphs generated by the Foundation’s donor database are very similar.

**2019**

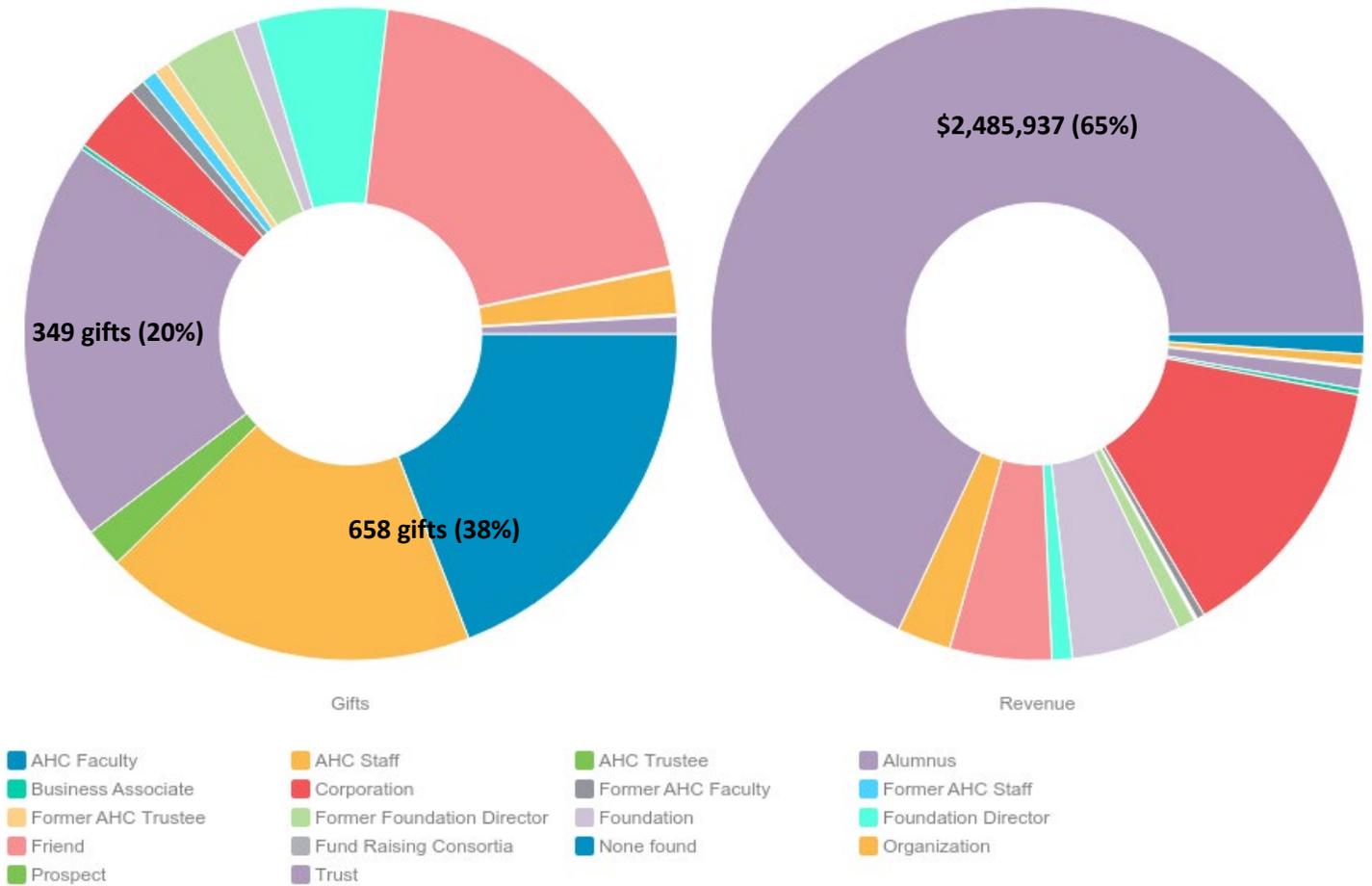
Gifts by constituent code



- AHC faculty and staff (dark blue and lower yellow section) represent the highest number of gifts – 471 (35%) – while accounting for \$45,521 (2%) of revenue.
- The next highest number of gifts comes from AHC alumni (dark purple) – 292 (22%) – while accounting for \$40,312 (2%) of revenue.
- The highest percentage of revenue – \$803,882 (40%) – comes from corporations (dark red).

**2020**

Gifts by constituent code



Though there was a similar donor composition for number of gifts received in 2020:

- 658 gifts (38%) from AHC staff and faculty, and
- 349 gifts (20%) from AHC alumni;

The majority of the revenue received in 2020 – \$2,485,937 (65%) – came from Trusts:

- Over \$2 million to Hancock Promise from the Mary and Wayne Leutloff bequest,
- Nearly \$300,000 to an unrestricted endowment from a bequest from Margaret Sjovold, and
- Almost \$45,000 to Hancock Promise from the George Ehmen Trust.

<b>To: Board of Directors</b>	<b>Information</b>
<b>From: Mike Gibson, Chair Advancement Committee</b>	<b>January 28, 2021</b>
<b>Subject: Promise Campaign Update</b>	

**BACKGROUND**

As of December 31, 2020, the Hancock Promise campaign has \$4,389,771 in gifts and pledges toward its \$10 million goal. This includes \$326,740 in “quiet funds” committed to the Centennial Circle over our public total of \$4,063,031.

<b>Hancock Promise Campaign</b>	<b>Goal: \$10 million</b>
Public Total	\$4,063,031
Centennial Circle*	\$326,740
<b>Campaign Total</b>	<b><u>\$4,389,771</u></b>

**Hancock Promise Gift Pyramid – Gifts Needed to Raise \$10 million**

Gift Level	# Gifts Needed	Gift Level Goal	# Gifts and Pledges Committed	\$ Gifts and Pledges Received	% of level goal	# gifts goal
\$2,000,000	1	\$2,000,000	1	\$2,138,387	107%	100%
\$750,000	1	\$750,000	1	\$1,000,000	133%	100%
\$500,000	3	\$1,500,000	0	\$0	0%	0%
\$250,000	6	\$1,500,000	1	\$250,000	17%	17%
\$100,000	10	\$1,000,000	1	\$100,000	10%	10%
\$50,000	20	\$1,000,000	1	\$50,000	5%	5%
\$25,000	20	\$500,000	8	\$249,550	50%	40%
\$10,000	50	\$500,000	24	\$314,740	63%	48%
\$5,000	150	\$750,000	15	\$79,000	11%	10%
<\$5,000	450+	\$500,000	703	\$208,094	43%	n/a
		<b>\$10,000,000</b>	<b>755</b>	<b>\$4,389,771</b>	<b>44%</b>	<b>n/a</b>

The campaign has seen a big improvement in the \$10,000 level reaching a total of 24 gifts and pledges. In addition to an increase in mid-level gifts, the Foundation received a \$250,000 matching gift pledge designated through the Title V grant in October, 2020. Staff plans to leverage this to launch a matching gift mini-campaign via email and social media to encourage gifts to the Promise.

**Centennial Circle\***

The Centennial Circle is a quiet campaign started in 2019 to add to the public total at the end of AHC’s centennial celebration in 2021. Initially staff planned a series of receptions with the goal of targeting gifts of \$10,000 or more. When the pandemic hit in March of 2020, receptions were put on hold and

\*Internal numbers only. Public campaign DOES NOT include Centennial funds.

individual asks commenced. Included as a handout with this packet is the current total of Centennial Circle contributors; we welcome your suggestions for additional prospects.

Centennial Circle prospects are individuals who can commit to:

- (1) making a \$10,000 gift/pledge, and,
- (2) helping to secure other \$10,000 gifts.

Staff plans to formally announce the Centennial Circle gift to the campaign at the culmination of Hancock's centennial year (spring 2021).

<b>To: Board of Directors</b>	<b>Information</b>
<b>From: Maggi Daane, Chair President’s Circle Subcommittee</b>	<b>January 28, 2021</b>
<b>Subject: President’s Circle Subcommittee Report</b>	

**BACKGROUND**

The President’s Circle (PC) portfolio has been returned to Natalie Rucobo, who previously oversaw the program. Jon Hooten and Erin Gardner will support her in cultivation and stewardship efforts. Our team has configured the Foundation’s new donor database to significantly improve tracking, solicitation, and other administrative tasks associated with the President’s Circle program.

**Membership Report**

July 1, 2019 – December 31, 2020

<b>Current</b>	<b>51</b>
Pending Renewal	22
Lapsed	4

An analysis of PC membership since July 2018 shows that 47 individuals/organization left the PC for a variety of reasons. Thirteen members (30%) shifted their giving to the Hancock Promise campaign; eight members (17%) left the college staff or Foundation board; and, three (6%) were memberships bundled with other one-time gifts. At the time of the snapshot, seven members (15%) were loyal donors likely to renew, leaving 14 members (32%) in the last two-and-an-half years that had truly lapsed. Our new tracking system and team-based approach to the PC will help better steward and cultivate the membership going forward.

**Financial Report**

	January 1, 2020 – June 30, 2020	July 1, 2020 – December 31, 2020
<b>Opening Balance</b>	<b>\$69,811.00</b>	<b>\$52,388.00</b>
Revenue	\$15,107.00	\$42,378.00
<b>Subtotal</b>	<b>\$84,915.00</b>	<b>\$94,766.00</b>
Expenses	\$32,527.00	\$11,059.22
<b>Balance</b>	<b>\$52,388.00</b>	<b>\$83,706.78</b>

**President’s Circle Renewals**

In early December, President’s Circle renewal letters were sent. The Foundation received 16 positive responses by December 21 and will be following up in January with the remaining outstanding renewals.

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.

### Wine Tasting Stewardship Event

On November 14, 2020, the President's Circle and PCPA's Encore Circle hosted a guided wine tasting with Doug Braun at the AHC Winery. The event was held outdoors in the winery yard following CDC safety guidelines. The President's Circle and Foundation staff would like to thank the winery staff and students, PCPA, and the AHC facilities staff for their help making this event a success.

<b>To: Board of Directors</b>	<b>Information</b>
<b>From: Bob Manning, Chair Scholarship Subcommittee</b>	<b>January 28, 2021</b>
<b>Subject: Scholarship Subcommittee Report</b>	

**BACKGROUND**

The 2020-2021 scholarship season has been open since November 4, 2020. There have been over 600 applications started by students. A winter break reminder was sent out on December 21, 2020, encouraging students to submit their applications early. Reminders will be sent out weekly until applications close on February 10, 2021.

Recently, a faculty email was sent out encouraging faculty to remind their students to apply. The deadline to submit a complete scholarship application is February 10, 2021.

The scholarship working committee is preparing to begin reviewing scholarship applications on February 17, 2021.

<b>To: Board of Directors</b>	<b>Information</b>
<b>From: Mike Gibson, Chair Advancement Committee</b>	<b>January 28, 2021</b>
<b>Subject: Centennial Finale</b>	

**BACKGROUND**

Before the pandemic, the Foundation planned to host a large gala fundraising event to celebrate the college's centennial year. Planning has shifted to producing a largely (if not completely) virtual celebration that could include in-person components, if regulations allow later in the spring.

The centennial finale committee is meeting to discuss ways to safely celebrate the college's centennial year while generating net revenue to support the Hancock Promise. Staff plans to work with Terri Lee Coleman to help solicit event sponsorships as well as Big Red Marketing to plan the event, tentatively set for May 22, 2021.

The planning committee includes:

- Jim Bray
- Nichole Dechaine
- Chris McGuinness
- Terri Lee Coleman
- Shannon Elliott
- Tracy McKee
- Lee-Volker Cox
- Erin Gardner
- Lauren Milbourne
- Marlyn Cox
- Mike Gibson
- Tammy Paster
- Maggi Daane
- Jon Hooten
- Natalie Rucobo

A Centennial Leadership Committee is also being assembled.

### Upcoming Meetings and Events

Meeting or Event	Day	Date	Time	Location
AHC Foundation Scholarship Applications Close	W	2/10/2021	11:59 p.m.	Foundation Website
Finance Committee Meeting - Investment Advisor Review	W	3/31/2021	TBD	Zoom
Advancement Committee	W	3/31/2021	4-5 p.m.	Zoom
Governance and Nominations Committee	M	4/5/2021	11 a.m. - 12 p.m.	Zoom
Finance Committee	W	4/7/2021	2-3:30 p.m.	Zoom
Executive Committee	W	4/7/2021	4-5 p.m.	Zoom
<b>Board of Directors Quarterly Meeting</b>	Th	4/22/2021	4-6 p.m.	Zoom
Commencement - Drive Through	F	5/21/2021	TBD	Santa Maria Campus
Save the Date - Centennial Finale (tentative)	S	5/22/2021	TBD	TBD
Scholarship Virtual Event (specific date/s not confirmed)	TBD	June, 2021	TBD	TBD
Advancement Committee	W	6/30/2021	4-5 p.m.	TBD
Governance and Nominations Committee	M	7/5/2021	11 a.m. - 12 p.m.	TBD
Finance Committee	W	7/7/2021	2-3:30 p.m.	TBD
Executive Committee	W	7/7/2021	4-5 p.m.	TBD
<b>Board of Directors Annual Organizational Meeting</b>	Th	7/22/2021	4-6 p.m.	TBD

*Note: The 2021-2022 fiscal year calendar will be presented for approval at the April 2021 quarterly board meeting.*