

FY 2017/18 Strategic Resource Planning Committee Auxiliary and Other Funds Budget Discussion

Entity Name: California State University Channel Islands Foundation

Entity Type: Auxiliary Organization

1. Please give a brief description of the purpose of the entity listed above.

The California State University Channel Islands Foundation (Foundation), a non-profit 501©(3), was established for the purpose of encouraging and accepting private gifts to the University. The Foundation is the catalyst and conduit through which gifts and endowment income flow to provide immediate and long-term support of the University.

The original structure of the Foundation Board of Directors (Board) is as follows:

- Volunteers from the Community plus one faculty, a student, and the University President (maximum 34 members)
- Supported with staff from both University Advancement and Business & Financial Affairs
- Primary role of the Board is fundraising
- The Board does make decisions on the Foundation Budget as well as investments
- The Board uses Beacon Point to help manage the investment portfolio

2. Please explain how the entity is funded, include restrictions and cite executive orders or [Education Code](#), if necessary.

Funding is generated by:

- Philanthropic Gifts
- Grants
- Sponsorships
- Membership Dues
- Event Ticket Sales
- Investment Earnings
- Gift Fees

Funding restrictions include:

- Donor / Sponsorship / Grant Agreements
- Fund Criteria
- Executive Orders
- Proposition 209
- CSUCI and System Policies
- Investment Rules / Regulations

3. Please describe how the entity fits into the larger University budget scenario.

The Foundation provides philanthropic support of University initiatives and can offer flexibility to move priorities forward via its resources.

The Foundation maintains an endowment of \$13.5M as of 3/31/17. The current spending rate is 3% and is restricted by donor agreements. The investment policy is likely to be changed soon to include a spending rate of no more than 5%.

Investments are managed by Beacon Point, who has been hired as an advisor to support the Finance & Investment Committee of the Board. The Committee is staffed by Business & Financial Affairs in partnership with University Advancement. The Foundation's position in the areas of Environmental, Social and Governance (ESG) and Socially Responsible Investing (SRI) as they apply to the investment portfolio of the Foundation is that, as long as returns to the endowment are not detrimentally impacted, the Foundation prefers to invest with fund managers who have incorporated ESG and SRI principles in their investment processes.

4. How does this entity align with the University's strategic priorities? How are those alignments used when creating budget priorities for the entity?

The Foundation exists to support the strategic priorities of the University. The Foundation Board will be developing its own strategic plan based on the priorities and the initiatives identified by the campus. The Foundation strategic plan will focus on how philanthropy can support the campus plan.