

SAN BRUNO

Community Foundation

Board of Directors

Emily Roberts, *President* • Jim Ruane, *Vice President* • John P. McGlothlin, *Secretary* • Tim Ross, *Treasurer*
Raul Gomez • Nancy A. Kraus • Malissa Netane-Jones
Leslie Hatamiya, *Executive Director*

GOVERNOR'S EXECUTIVE ORDER N-25-20** CORONAVIRUS COVID-19**

On March 17, 2020, the Governor of California issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the CDC's social distancing guidelines which discourage large public gatherings, the Board of Directors of the San Bruno Community Foundation is now holding meetings via Zoom.

If you would like to make a Public Comment on an item not on the agenda, or comment on a particular agenda item, you may address the Council orally during the meeting, or you may email us at info@sbcf.org. The length of all emailed comments should be commensurate with the three minutes customarily allowed per speaker, which is approximately 300 words total. Emails received before the special or regular meeting start time will be forwarded to the Foundation Board of Directors, posted on the Foundation's website and will become part of the public record for that meeting. If emailed comments are received after the meeting start time, or after the meeting ends, they will be forwarded to the Foundation Board of Directors and filed with the agenda packet becoming part of the public record for that meeting.

Individuals who require special assistance of a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, agenda packet or other writings that may be distributed at the meeting, should contact Melissa Thurman, City Clerk 48 hours prior to the meeting at (650) 619-7070 or by email at mthurman@sanbruno.ca.gov. Notification in advance of the meeting will enable the San Bruno Community Foundation to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

June 2, 2021

7:00 p.m.

Zoom Meeting Details:

<https://us02web.zoom.us/j/82311706738?pwd=dE1ReEFUdU50bmd1RW5PbjZYaC9LZz09>

Webinar ID: 823 1170 6738

Passcode: 127340

Dial-in: (669) 900-6833

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1. Call to Order/Welcome

2. Roll Call

3. **Public Comment:** Individuals are allowed three minutes. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.

4. **Presentation:** Recognition of the 2021 Crestmoor Neighborhood Memorial Scholarship Recipients

5. **Approval of Minutes:** May 12, 2021, Special Board Meeting

6. Executive Director's Report

7. **Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.

a. Adopt Resolution Scheduling a Special Meeting of the Board of Directors on June 15, 2021

b. Adopt Resolution Adopting Revised Fiscal Policies and Procedures

c. Adopt Resolution Authorizing Closure of Wells Fargo Savings Account

d. Receive and Approve Treasurer's Report (April 2021 Financial Statements)

8. Conduct of Business

a. Receive Report from Ad Hoc Committee on Tanforan Memorial and Adopt Resolution Approving Strategic Grant Totaling \$150,000 to the Tanforan Assembly Center Memorial Committee Supporting the Construction of the Tanforan Memorial at the San Bruno BART Station

b. Receive Report on the Small Business Recovery and Assistance Program (COVID-19 Relief Grant) from Bay Area Entrepreneur Center Director Pcyeta Stroud

c. Receive Report on Other Programs (Community Grants Fund and Other Strategic Grants)

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- d. Receive Report from Investment Committee
- e. Adopt Resolution Approving Fiscal Year 2021-2022 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2021-2022, Approving Transfer from the Strategic Pool Investment Account to the Liquidity-Operating Subaccount for Fiscal Year 2021-2022, and Approving Transfer from the Liquidity-RAC Investment Subaccount to the Liquidity-Operating Subaccount for Fiscal Year 2021-2022

9. Board Member Comments

10. Adjourn: The next Regular Meeting of the Board of Directors is scheduled for 7:00 p.m. on Wednesday, July 7, 2021.

SAN BRUNO

Community Foundation

FOR IMMEDIATE RELEASE

CONTACT:

Leslie Hatamiya
Executive Director
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lhatamiya-sbcf@sanbruno.ca.gov

SAN BRUNO COMMUNITY FOUNDATION ANNOUNCES 2021 RECIPIENTS OF THE CRESTMOOR NEIGHBORHOOD MEMORIAL SCHOLARSHIP

SBCF Awards \$195,000 in College Scholarships to 13 Outstanding San Bruno Students for Their Service to the San Bruno Community

San Bruno, California, May 28, 2021 – The San Bruno Community Foundation today announced the 2021 recipients of the Crestmoor Neighborhood Memorial Scholarship. In its sixth year, the Crestmoor Scholarship provides multi-year college scholarship awards to outstanding San Bruno students who have demonstrated a strong commitment to the San Bruno community. The 2021 Crestmoor Scholars include Capuchino High School seniors Michael Eiserle, Jocelynn Franco, Carlos Gonzalez, Mia Ledesma, Rania Mili, Cassidy Anne Patron, Isabella Ramirez, and Estefany Vega and Skyline College students Alejandra Aguirre, Khaoula Aissaoui, Alyssa Gacos, Christopher Wardell, and Anthony Yu.

SBCF is funding the 2021 Crestmoor Scholarship with generous donations from the Joseph W Welch Jr Foundation, the San Mateo County Association of REALTORS® Foundation, and Allan and Mary Lou Johnson as well as investment proceeds from a portion of the restitution funds resulting from the City of San Bruno’s settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion that devastated San Bruno’s Crestmoor neighborhood.

The Foundation created the Crestmoor Scholarship in 2016 in honor of the community members most directly affected by the disaster, especially the eight San Bruno residents who lost their lives. The scholarship program ensures that the tragedy of September 9, 2010, is not forgotten and that the resiliency, teamwork, leadership, and commitment to community displayed throughout San Bruno in the aftermath of the explosion are honored in the annual recipients of the Scholarship. Since 2016, 59 deserving San Bruno students have received Crestmoor Scholarships totaling \$845,000.

“Resilience, passion, and commitment to the community are common characteristics of this year’s Crestmoor Scholars,” said Emily Roberts, President of the Foundation’s Board of Directors. “Despite the challenges they have faced as high school seniors and community college students in the midst of the COVID-19 pandemic, the 2021 Crestmoor Scholars have made their mark in San Bruno as campus leaders, club presidents, women’s health advocates, food distribution volunteers, peer tutors, swim coaches, musicians, and dancers. We are thrilled to support their pursuit of a college education with multi-year scholarships. They bring us tremendous hope for the future of our community and our world.”

This year the Foundation is awarding 13 scholarships totaling \$195,000. Headed to four-year colleges in the fall, Franco (who will attend UCLA), Gonzalez (UC Merced), Ledesma (San Francisco State University), Mili (Menlo College), Patron (UCLA), Ramirez (San Francisco State University), and Vega (California State University, East Bay) will each receive a \$20,000 scholarship (\$5,000 a year for four years). Eiserle (who will attend Woodland Community College) will receive a \$5,000 scholarship (\$2,500 a year for two years). As transfer students, Aguirre (San Jose State University), Aissaoui (Stanford University), Gacos (San Francisco State University), Wardell (Western Governors University), and Yu (UC Berkeley) will each receive \$10,000 in scholarship funding (\$5,000 a year for two years).

This year, the Foundation received 58 applications for the Crestmoor Scholarship. In selecting the 2021 recipients from a competitive applicant pool, the Foundation’s selection panel evaluated, first and foremost, applicants’ demonstrated engagement in the San Bruno community, as well as their financial need, academic record, extracurricular activities, and examples of leadership, teamwork, and collaboration – important qualities that were displayed throughout the San Bruno community in the aftermath of the 2010 explosion and fire. Brief biographies of the 2021 Crestmoor Scholars are attached as well as posted on the Foundation’s website at www.sbcf.org.

The Foundation will recognize the 2021 Crestmoor Scholars at its June 2, 2021, Board meeting which will be held at 7:00 p.m. via Zoom. Community members are welcome to attend:

Zoom Webinar:

<https://us02web.zoom.us/j/82311706738?pwd=dE1ReEFUdU50bmd1RW5PbjZYaC9LZz09>

Webinar ID: 823 1170 6738

Passcode: 127340

Dial-in: (669) 900-6833

The San Bruno Community Foundation is the nonprofit organization created by the City of San Bruno to administer the \$70 million in restitution funds received from PG&E after the devastating 2010 gas pipeline explosion in San Bruno’s Crestmoor neighborhood. The Foundation serves the San Bruno community by investing in projects, programs, services, and facilities that have significant and lasting benefits. Through making grants, leveraging partnerships, and taking advantage of other resources, SBCF assists and enables the community to maximize shared investments and realize their subsequent enhancements and benefits. For more information, visit www.sbcf.org.

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SAN BRUNO

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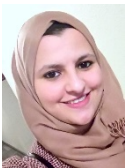
2021 CRESTMOOR NEIGHBORHOOD MEMORIAL SCHOLARSHIP RECIPIENTS

The San Bruno Community Foundation recognizes 13 San Bruno students who have demonstrated a strong commitment to the San Bruno community with multi-year college scholarships totaling \$195,000.

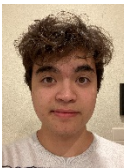
Thank you to the Joseph W Welch Jr Foundation, the SAMCAR Foundation, and Allan and Mary Lou Johnson for their support.



ALEJANDRA AGUIRRE: An internship in public service years ago along with caring for her autistic brother planted the seeds for Alejandra Aguirre's interest in sociology. At Capuchino High School, Alejandra supported the youth in the San Bruno Library's Homework Center. At Skyline College, she has been a mentor and club officer in TRiO Student Support Services. Her ultimate goal, after transferring this fall to San Jose State University, is to be a pediatric social worker in chronic illness care.



KHAOULA AISSAOUI: Khaoula Aissaoui took full advantage of Skyline College's support and, in return, has shared her strengths as a student resources leader in ESL classes, a peer mentor to over 30 students, an English tutor in the Learning Center, and a volunteer with the ESL registration process, where she has related her immigrant story to other students. This fall Khaoula's journey of hard work leads her to Stanford University, where she will major in sociology.



MICHAEL EISERLE: With a passion for performing music for the San Bruno community, Michael Eiserle has been a leader and team member in Capuchino's High School marching, symphonic, and concert bands all four years, while maintaining strong academics. His inner strength to maneuver life's challenges has influenced Michael's goal to pursue the field of psychology and share his empathy. This fall Michael plans to start the journey to achieve this dream at Woodland Community College.



JOCELYNN FRANCO: Jocelynn Franco thrives on supporting her community, including more than 250 hours of participation in Capuchino's Interact Club and peer tutoring. Jocelynn's most impactful service has been her leadership of the Homeless Outreach Project to create care packages for a local homeless shelter. With the goal of attending medical school and eventually participating in Doctors Without Borders, Jocelynn will begin her studies in biology at UCLA this fall.



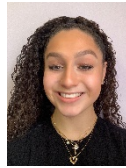
ALYSSA GACOS: Alyssa Gacos is an engaged member of the Skyline College community, funneling creativity and analytical skills into TRiO's Student Support Services as marketing officer and social media coordinator. As club president, she boosted student morale and improved workshop participation during the pandemic. When she transfers to San Francisco State University, she will continue on her creative path in business administration with a concentration in marketing.



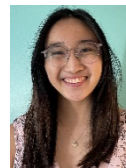
CARLOS GONZALEZ: Carlos Gonzalez has connected with the San Bruno community as a recreation center swim coach, a food preparer at the Catholic Worker Hospitality House, an Interact Club member at Capuchino High School, and founder of its Skateboarding Club. Carlos will head to University of California, Merced, this fall, with plans to study business.



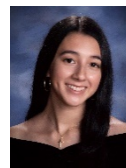
MIA LEDESMA: Despite the pandemic, Mia Ledesma has continued to positively impact those around her through a variety of activities, including leading a women's health drive for local shelters and committing six years of active engagement in the Leos Club. Her musical strings skills in the Capuchino Chamber Orchestra have been an extra gift to San Bruno. Mia plans to continue helping others through forensic science-related studies at San Francisco State University.



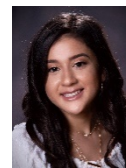
RANIA MILI: A scholar in Capuchino's International Baccalaureate Diploma program, Rania Mili has served San Bruno as a Police Explorer since 2017, participating in ride-alongs with police officers and attending community events in uniform. Her volunteer work also includes serving as a Junior Giants assistant coach, helping at Second Harvest food distributions, and contributing her social media skills to local city campaigns. With aspirations of becoming a Supreme Court Justice, Rania will attend Menlo College.



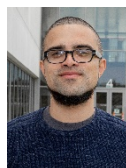
KASSIDY ANNE PATRON: Recipient of the Outstanding Interact Award and club president, Cassidy Patron has demonstrated her commitment to serving both Capuchino and the San Bruno community through a variety of different roles. Cassidy has successfully balanced the challenging International Baccalaureate Diploma program with her involvement at the San Bruno Senior Center, Music in the Park, school rallies, and more. She plans to begin her studies in the life sciences at UCLA this fall.



ISABELLA RAMIREZ: Isabella Ramirez has lit up the Capuchino High School stage and warmed the hearts of community members through her artistic cardmaking skills, ballet performances, dedication to the Leos Club, and service as an Outdoor Education cabin leader. With the concern of family members' health as inspiration, Isabella took action to make a difference by co-founding the women's health drive. She will focus her collegiate studies in biochemistry at San Francisco State University.



ESTEFANY VEGA: With a passion for sharing her Latino culture, Estefany Vega has served as co-chair and secretary of Latinos Unidos at Capuchino High School. She co-founded Grupo Folklorico to perform cultural dances at school and community events such as Día de los Niños. Despite the challenges of being the first in her family to attend college, Estefany is dedicated to helping others and plans to pursue a degree in pediatric nursing at California State University, East Bay.



CHRISTOPHER WARDELL: Skyline College has inspired Christopher Wardell to become a lifelong learner. In return, he has empowered fellow Skyline students as a peer mentor, supplemental instruction leader in algebra, teaching assistant for the JumpStart program, and student panelist on discussions about racism. He will transfer this fall to Western Governors University. Chris plans to become a licensed CPA with the goal of helping people from marginalized communities develop greater wealth.



ANTHONY YU: Anthony Yu's leadership roles at Skyline College as Phi Theta Kappa Honor Society president, co-president for the Kappa Beta Delta International Honor Society, and senator for the student government have taught him valuable skills in supporting others. Working as a student ambassador, he has connected academically and socially with Skyline's international students. Anthony will pursue business administration at UC Berkeley while continuing to serve his community.

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Board of Directors

May 12, 2021

6:30 p.m.

Meeting Conducted via Zoom

1. **Call to Order/Welcome:** President Roberts called the meeting to order at 6:31 p.m.
2. **Roll Call:** Board Members Roberts, Ruane, McGlothlin, Ross, Gomez, Kraus, and Netane-Jones, present.
3. **Public Comment:** None.
4. **Presentation:** Recognition of Former San Bruno Public Works Director Jimmy Tan for his service to the San Bruno community and his support of the San Bruno Community Foundation

On behalf of the Board, President Roberts honored recently departed San Bruno Public Works Director Jimmy Tan. She read a proclamation acknowledging Mr. Tan's contributions to the Foundation and the San Bruno community, a framed copy of which Mr. Tan received from the Foundation. Several other Board members also Mr. Tan's work for the City. Mr. Tan addressed the Board, thanking Board members for the recognition and the Foundation's work in the community.

5. **Approval of Minutes:** April 7, 2021, Regular Board Meeting: Board Member Kraus moved to approve the minutes of the April 7, 2021, Regular Board Meeting, seconded by Vice President Ruane, approved unanimously by roll call vote.

6. Consent Calendar

- a. Adopt Resolution Scheduling a Special Meeting of the Board of Directors on June 23, 2021
- b. Adopt Resolution Increasing Fiscal Year 2020-2021 Program Disbursement Allocation for the Crestmoor Neighborhood Memorial Scholarship to \$195,000

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c. Receive and Approve Treasurer's Report (March 2021 Financial Statements)

Board Member Kraus moved to accept the Consent Calendar as presented, seconded by Secretary McGlothlin, approved unanimously by roll call vote.

7. Study Session: Strategic Planning Process

Prior to introducing the two guest presenters, Executive Director Hatamiya provided a recap of the Foundation's origins, the Foundation's original 2015 Community Listening Campaign, and the program strategy and investment policies that resulted from that Listening Campaign. She reminded Board members that in the settlement with PG&E, the City of San Bruno was required to set up a tax-exempt, nonprofit entity to administer the restitution funds and that the City was prohibited from adding the restitution funds to the General Fund to pay for the regular ongoing operations of the City.

Ms. Hatamiya then explained how the community's desire to use a significant portion of the restitution funds led to the Foundation's decision to set up a multi-prong investment strategy, with \$55 million to be spent outright to fund one major community facilities project, other high-impact community initiatives reflective of what was identified in the Listening Campaign, and operating expenses over the mid-term. At the advice of the Foundation's investment management firm, Sand Hill Global Advisors, these funds were split into two accounts – most in the Strategic Pool, which is invested conservatively to preserve their value while potentially making modest investment gains, and funds needs in the next year or so in the Liquidity Pool, which is held in cash, cash equivalents, and very low-risk fixed income so that the funds are available for disbursement. The Board also designated \$15 million of the restitution funds as a quasi-endowment, following a traditional endowment strategy with a long-term time horizon. She noted that until the Strategic funds were used up, each year the Board would designate a quasi-endowment payout rate that would cover the cash needs to fund the Crestmoor Scholarship and Community Grants programs, while all other expenses would come out of the Strategic Pool, allowing the quasi-endowment to continue to grow. The initial \$15 million level for the quasi-endowment was set as the minimum corpus needed to maintain the Foundation over the long term, funding all program and operating expenses, with the assumption that staffing might need to be scaled back.

Ms. Hatamiya then provided a financial snapshot of the Foundation's investment portfolio and operating accounts, demonstrating a solid financial situation that has benefited from the mostly robust stock market over the past five years: starting assets of about \$71 million, investment gains of \$18 million, donations and other income of \$1 million, and total funds disbursed of \$12 million, resulting in a current balance of \$78 million.

Ms. Hatamiya reviewed the Foundation's Program Strategy Framework, including the guiding principles, funding criteria, and the three-bucket program approach. She summarized highlights of the Crestmoor Neighborhood Memorial Scholarship, the Community Grants Fund, and the broad array of strategic grant initiatives the Foundation has funded (San Bruno Recreation and Aquatic Center, Community Day,

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Pedestrian Safety Strategic Initiative, First Responder Effectiveness Strategic Initiative, Music Education Strategic Initiative, SBPSD school transformation grants, and series of COVID-19 relief grants supporting schools and small businesses).

a. Presentation of Community Listening Campaign 2.0 Report by the Public Dialogue Consortium

Public Dialogue Consortium (PDC) President and Senior Consultant Shawn Spano, Ph.D., presented PDC's report documenting the community input received throughout the Foundation's Community Listening Campaign 2.0. He first summarized the outreach and engagement methods utilized, the engagement questions, and participant demographics. A total of about 550 community members participated in the survey, focus groups, and virtual town hall meetings. He noted that community members were more eager to participate in 2015, when the Foundation was brand new, and that the pandemic created many obstacles to outreach and participation; he also complimented efforts by SBCF staff and Board members to encourage participation.

He then presented summary of results from the Listening Campaign, including appreciations for SBCF, process recommendations, and input on current community needs, investment strategies, and program strategies. He also summarized the town hall webinar reactions to the results, noting that there were some differences in emphasis and levels of importance regarding the community needs identified by the survey/focus group participants among the town hall attendees.

Among the findings, he reported that community needs identified included downtown San Bruno revitalization and beautification; students, schools, education, and scholarships; community and social services; community events and activities; library upgrades and programming; infrastructure upgrades and maintenance; more and better parks, safe places for youth and all ages to gather; youth sports, soccer, and sports fields and facilities; seniors; small businesses; security and public safety; and municipal internet, free access to all San Bruno residents. In terms of investment strategies, most participants believe SBCF should invest the remaining funds while also continuing to support the immediate needs of the San Bruno community. They also voiced support for continued investment in all three program areas: Crestmoor Scholarship, Community Grants Fund, and strategic grants.

Several Board members thanked PDC for its work and the summary of its findings. They also found the results to be valuable for the City, as not all of the identified community needs necessarily fall under the Foundation's purview.

b. Presentation of Quasi-Endowment Scenarios by Sand Hill Global Advisors, LLC

Kristin Sun, Senior Wealth Manager at Sand Hill Global Advisors, LLC, the Foundation's investment management firm, provided a primer on quasi-endowments for the Board, particularly the strategy of treating a portion of the remaining restitution funds as a quasi-endowment to leverage the funds and reap their long-term investment potential, thereby supporting the Foundation in perpetuity. Her presentation covered the reasons why the Foundation might want to set aside funds as a quasi-

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endowment, the potential trade-offs between putting funds in a quasi-endowment and designating funds for near-term one-time expenditures, key principles in understanding endowments, the assumptions built into the quasi-endowment scenario model, sample quasi-endowment payout scenarios, and the benefits of a smoothing formula. She noted that under the model, the Foundation could spend 4.2% of the quasi-endowment balance and maintain the purchasing power of the initial corpus. Under those assumptions, the projected long-term sustainable annual quasi-endowment payout would be \$1.45 million for an original corpus of \$35 million, \$1.25 million for a \$30 million corpus, \$1 million for a \$25 million corpus, \$800,000 for a \$20 million corpus, and \$625,000 for a \$15 million corpus.

8. Board Member Comments: Vice President Ruane remarked that the presentations were very informative, particularly Ms. Sun's quasi-endowment presentation. Secretary McGlothlin echoed Vice President Ruane's comments and noted that operating fully under an endowment model will require more discipline for the Foundation.

9. Adjourn: Vice President Ruane moved to adjourn the meeting at 8:20 p.m., seconded by Board Member Kraus, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 2, 2021, by Secretary John McGlothlin and President Emily Roberts.

John McGlothlin, Secretary

Emily Roberts, President

SAN BRUNO

Community Foundation

Memorandum

DATE: May 28, 2021

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

Since the March 3, 2021, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship programs, monitoring and attending to various strategic grant initiatives, supporting the Investment Committee, and developing the fiscal year 2021-2022 budget, all of which will be covered during the business portion of the June 2, 2021, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

1. Insurance Policy Renewals

Renewals of the Foundation's workers compensation, directors and officers liability, and commercial general liability, cyber liability, property, and non-owned hired auto liability insurance policies became effective on March 21, 2021.

In addition, the second year of the Foundation's crime insurance policy with Travelers Casualty and Surety Company of America started on May 27, 2021, and will expire on May 27, 2022. The Foundation paid this year's premium, totaling \$2,794, in late April.

2. Auditor

At the March 3 Board meeting, the Board approved Novogradac & Company LLP to conduct the Foundation's fiscal year 2020-2021 audit and authorized President Emily Roberts to execute a professional services agreement with the firm for audit and tax preparation services. We executed the professional services agreement with Novogradac on March 4, 2021.

3. Social Media, Email Newsletter, and Website Hits

Since the March 3 Board meeting, I have sent out nine email blasts to the Foundation's email distribution list. Four primarily focused on encouraging community members to participate in the Foundation's Community Listening Campaign 2.0 through the online survey or virtual town

SAN BRUNO

Community Foundation

Memorandum

hall meetings, while others announced and reported on the April and May Board meetings. Of the approximately 730-750 emails sent each time, 30%-40% of the recipients opened the email.

According to Google Analytics, between March 3 and May 25, 2,144 users engaged in 2,707 sessions on the Foundation website, for a total of 4,780 page views. The most visited pages were the home page and Community Listening Campaign survey page.

Program Manager Stephanie Rutgers and I continue to increase use of social media – Facebook, Twitter, and now Instagram, which we added in March – to communicate with the community and to share news from partner organizations. In particular, we utilized social media to get the word out about the Community Listening Campaign survey and virtual town hall meetings. If you are not already following the Foundation, please do so at [@sanbrunocommunityfoundation](#) on Facebook and Instagram and [@SanBrunoCF](#) on Twitter, and be sure to like or retweet our posts.

SAN BRUNO

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Memorandum

DATE: May 28, 2021

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the June 2, 2021, Regular Board Meeting

For the June 2, 2021, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes four items related to administrative functions of the Foundation:

1. Adopt Resolution Scheduling a Special Meeting of the Board of Directors on June 15, 2021

We would like to schedule a special meeting on Tuesday, June 15, 2021, at 6:00 p.m., via Zoom. This meeting would include consideration of the eighth and final strategic grant related to the Recreation and Aquatic Center for the construction phase of the project.

I recommend that the Board approve the attached resolution scheduling a special meeting on June 15 as part of the Consent Calendar.

2. Adopt Resolution Adopting Revised Fiscal Policies and Procedures

In March 2015, the Board approved the Foundation's initial Fiscal Policies and Procedures. Consistent with nonprofit financial management best practices and California State ethics standards for local agencies, the Fiscal Policies and Procedures are designed to:

- Protect the Foundation's assets;
- Ensure the maintenance of accurate records of the Foundation's financial activities;
- Provide a framework for the Foundation's financial decision-making;
- Establish operating standards and behavioral expectations;
- Serve as a training resource for staff; and
- Ensure compliance with federal, state, and local legal and reporting requirements.

In January 2016, the Board approved the first set of revisions to the Fiscal Policies and Procedures, which incorporated recommendations arising out of discussions with the Foundation's auditor pursuant to the 2015 audit; strengthened internal controls, including outlining a larger oversight role for the Treasurer, in a way that is practical given the small size

SAN BRUNO

Community Foundation

Memorandum

of the Foundation's staff; included changes to more accurately reflect the Foundation's current finance operations; and improved the document stylistically.

In May 2016, the Board approved a second set of revisions in anticipation of taking possession of the PG&E restitution funds from the City of San Bruno. The amendments set forth the procedures for handling the investment accounts, consistent with the Investment Policy Statement, the Investment Operating Plan, and the portions of the Fiscal Policies and Procedures regarding the Foundation's operating bank accounts, and outlined the process for making changes to the Foundation's internal financial reports to adjust to changes in the Foundation's operations, such as the establishment of investment accounts, giving the Foundation flexibility in tweaking the reports as appropriate without having to amend the Fiscal Policies and Procedures document each time.

In June 2019, the Board approved a third set of revisions that allow for ACH/electronic payment of bills where the amounts are predetermined and already approved, such as the monthly rent payment.

I am now proposing a fourth set of revisions, which would serve two purposes. One revision would eliminate the requirement that the Foundation have checking, payroll, and operating accounts. When the Fiscal Policies and Procedures were first established, the Foundation had not yet taken possession of the restitution funds and therefore had operating bank accounts with Wells Fargo and no investment accounts with Fidelity. We set up three bank accounts: the main business checking account, a second checking account for payroll transactions only (which simplifies record-keeping of payroll-related transactions and only gives our payroll vendor access to a more limited account), and a savings account. Given how low interest rates are, the savings account has been averaging less than \$1.00 per month in interest. That amount does not cover the consulting fees for our accounting consultant to monitor the account and reconcile the monthly statements. Moreover, now that the Foundation has the Fidelity investment accounts, the Liquidity Account effectively serves as a savings account for the Foundation. Treasurer Tim Ross, Accounting Consultant Frank Bittner, and I agree that the Wells Fargo savings account no longer serves any useful purpose and that we should close account to streamline and simplify management of our operating bank accounts. The revision to section VI.A. enables the closure of the savings account. The funds currently in the savings account would be transferred to the checking account.

The second set of revisions now before the Board for approval – to section V.E. – make permanent some check approval changes that were instituted last spring in light of the COVID-19 pandemic and resulting shelter-in-place restrictions. We have three signatories for our bank accounts – the President, Treasurer, and Executive Director – and most checks for amounts up to \$2,500 require one signature (which is usually the Executive Director). Currently, checks for

SAN BRUNO

Community Foundation

Memorandum

amounts greater than \$2,500 require a second signature and checks to pay our credit card bill require a signature from the President or Treasurer, but in April 2020, after the County of San Mateo and the State of California instituted shelter-at-home and social-distancing requirements, we temporarily adjusted, with the approval of our CPA auditor, our check signing procedures as follows:

- The Executive Director signs all checks.
- For checks that would normally require either a second signer and the credit card check, the Executive Director emails both the President and the Treasurer a copy of the check as well as all of the documentation backing up the check.
- Either the President or Treasurer sends me an email response expressing his/her approval of the check and instructing that his/her email approval will take the place of that officer's signature on the check. That approval email, which the Executive Director saves as part of the check's documentation, suffices as the officer's signature.

This process has served us well, and as the Governor intends to reopen the economy and remove or loosen social distancing requirements, President Roberts, Treasurer Ross, and I would like to make this alternative process a permanent option. The email approval option is administratively more efficient, especially when the Treasurer and/or President is traveling or has a busy schedule. Providing the documentation electronically allows both the President and Treasurer to review the payment and allows them to thoroughly read through the documentation. Wells Fargo does not require two signatures on checks; only one is required. The revisions would retain the second signature option but also allow for the written approval option as an alternative. This alternative would also apply to checks for payments on the credit card, so that the Executive Director can sign such credit card checks with the written approval of the President or Treasurer. These revisions would not change the prohibition against a signatory signing a check to themselves.

In addition to the resolution approving the revised document, attached are a clean version of the amended Fiscal Policies and Procedures and a redlined version showing the changes made to section V.E. and VI.A.

I recommend that the Board adopt the attached resolution adopting the revised Fiscal Policies and Procedures as part of the Consent Calendar.

SAN BRUNO

Community Foundation

Memorandum

3. Adopt Resolution Authorizing the Closure of Wells Fargo Savings Account

As explained above in the explanation of revisions to the Fiscal Policies and Procedures document, Treasurer Tim Ross, Accounting Consultant Frank Bittner, and I recommend that we close the Foundation's Wells Fargo savings account to streamline and simplify management of our operating bank accounts. The attached resolution, which I recommend that the Board adopt as part of the Consent Calendar, would authorize the current signatories to close the savings account.

4. Receive and Approve Treasurer's Report (April 2021 Financial Statements)

The April 2021 financial statements consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The Budget Reports include the budget figures approved at the June 3, 2020, Board meeting.

I recommend that the Board approve the Treasurer's Report as part of the Consent Calendar.

Attachments:

1. Resolution Scheduling a Special Meeting of the Board of Directors on June 15, 2021
2. Resolution Adopting Revised Fiscal Policies and Procedures
3. Resolution Authorizing Closure of Wells Fargo Savings Account
4. April 2021 Financial Statements

RESOLUTION NO. 2021-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
SCHEDULING A SPECIAL MEETING OF THE BOARD OF DIRECTORS ON JUNE 15, 2021**

WHEREAS, the Board of Directors of the San Bruno Community Foundation seeks to hold a special meeting to consider a strategic grant request from the City of San Bruno regarding the construction phase of the Recreation and Aquatic Center project on June 15, 2021.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors schedules a Special Board Meeting at 6:00 p.m. on Tuesday, June 15, 2021, via Zoom.

Dated: June 2, 2021

ATTEST:

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2021-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 2nd day of June, 2021, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2021-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
ADOPTING REVISED FISCAL POLICIES AND PROCEDURES**

WHEREAS, on March 19, 2015, the San Bruno Community Foundation Board of Directors approved adopted the San Bruno Community Foundation Fiscal Policies and Procedures, establishing the Foundation's internal financial controls and ensuring compliance with applicable regulatory standards;

WHEREAS, on January 6, 2016, the Board approved revisions to the Fiscal Policies and Procedures that incorporated recommendations arising out of discussions with the Foundation's auditor pursuant to the 2015 audit, strengthened internal controls, included changes to more accurately reflect the Foundation's current finance operations, and improved the document stylistically;

WHEREAS, on May 4, 2016, in anticipation of taking, from the City of San Bruno, possession of the restitution funds resulting from City's settlement with Pacific Gas & Electric Company following the tragic 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, the Board approved additional revisions to the Fiscal Policies and Procedures that set forth procedures for handling investment accounts, consistent with the Foundation's Investment Policy Statement, Investment Operating Plan, and the portions of the Fiscal Policies and Procedures regarding the Foundation's operating bank accounts, and outlined the process for making changes to the Foundation's internal financial reports to adjust to changes in the Foundation's operations;

WHEREAS, on June 5, 2019, the Board approved a third set of revisions that allow for ACH/electronic payment of bills where the amounts are predetermined and already approved, such as the monthly rent payment;

WHEREAS, the Foundation's Executive Director, Treasurer, and Accounting Consultant, who regularly look for ways to increase efficiency and reduce administrative costs, recommend the closure of the Foundation's savings bank account and therefore recommend that the Fiscal Policies and Procedures be amended to remove the requirement that the Foundation hold checking, payroll, and savings bank accounts; and

WHEREAS, the Foundation's Executive Director, Treasurer, and Accounting Consultant also recommend that the Board permanently adopt the option, temporarily put in place in the spring of 2020 as a result of COVID-19 pandemic shelter-in-place and social-distancing requirements, for the Executive Director to obtain written approval including email communications from another signatory as an alternative to obtaining a second signature on checks for amounts greater than \$2,500 and for payments of credit card bills.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors adopts the revised version of the San Bruno Community Foundation Fiscal Policies and Procedures attached as Exhibit A.

Dated: June 2, 2021

ATTEST:

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2021-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 2nd day of June, 2021, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

EXHIBIT A



Fiscal Policies & Procedures

Approved as Amended by the Board of Directors, June __, 2021

Table of Contents

I. Accounting Procedures.....1

A. Basis of Accounting1

B. Journal Entries.....1

C. Bank Reconciliations1

D. Monthly Close.....1

E. Recordkeeping2

II. Internal Controls2

A. Lines of Authority.....2

B. Conflict of Interest.....2

C. Segregation of Duties.....3

D. Physical Security3

E. Insurance3

III. Financial Planning & Reporting.....3

A. Budgeting Process3

B. Internal Financial Reports4

C. Audit4

D. Tax Compliance (Exempt Organization Returns)4

IV. Cash Receipts4

A. Deposits.....5

V. Expense & Accounts Payable5

A. Payroll.....5

 1. Time Sheet Preparation & Approval5

 2. Payroll Additions, Deletions, and Changes5

 3. Pay Upon Termination.....6

B. Purchases & Procurement6

C. Independent Contractors.....6

D. Invoice Approval & Processing6

E. Cash Disbursements6

 1. Check Payments7

 2. Eletronic or ACH Payments7

F. Credit Cards.....7

G. Employee Travel & Expense Reimbursements7

VI. Asset Management8

A. Cash Management and Investments.....8

B. Capital Equipment8

I. Accounting Procedures

This section covers basic accounting procedures for the Foundation. The accounting procedures used by the Foundation shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards. Per the Bylaws, the Foundation's fiscal year begins on July 1 and ends on June 30.

A. Basis of Accounting

Policy: The Foundation uses the accrual basis of accounting. The accrual basis identifies (records) revenue and expenses with specific periods of time, such as a month or year, which are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash (also known as the cash basis of accounting).

Procedures:

- Throughout the fiscal year, expenses are accrued in the month in which they are incurred. The books are closed no later than the 15th day after the close of each month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued in the prior fiscal year are so accrued, in order to ensure year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 45 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it is first earned (received or invoiced) or committed (pledged, ordered, or contracted for).

B. Journal Entries

Policy: Journal entries to record payroll expenses, cash receipts, interest earned, investment gains or losses, prepaid expenses, depreciation, other accruals and adjustments will be posted to the General Ledger on a monthly basis. Vacation liability is recorded and adjusted annually at the end of the fiscal year.

Procedure:

- Journal entries for each month will be posted prior to monthly closing, by the 15th day after the end of the month.

C. Bank Reconciliations

Policy: All bank statements will be opened and reviewed in a timely manner. Bank reconciliations will be completed by the 15th day after the close of each month, and approval will be documented within 30 days of the close of the month.

Procedures:

- All bank and investment statements will be opened, reviewed, and initialed by the Executive Director upon receipt. Review will include inspection of checks paid during the month.
- To expedite reconciliation, the Accounting Consultant will obtain monthly bank statements from the bank's website. Bank reconciliations will be completed prior to monthly closing and completing monthly financial statements.
- The Executive Director and Treasurer will review and approve reconciliation reports by signing and dating.

D. Monthly Close

Policy: Books will be closed monthly by the 15th day following the end of each month. At fiscal year-end the books will be closed by the 45th day (August 15) after June 30.

Procedures:

- The Accounting Consultant will record cash receipts, payroll expenses, prepaid insurance, depreciation, interest earned, and on a monthly basis.
- The Accounting Consultant will reconcile bank and investment accounts to General Ledger prior to monthly closing.

E. Recordkeeping

Policy: Financial documents and records will be retained in accordance with the Foundation's document retention policy.

Procedures:

- The Foundation will maintain copies of all financial records including accounts payable, cash receipts, payroll documents, and bank statements.
- The Accounting Consultant will maintain a copy of invoices paid for each fiscal year.
- After monthly closing, the Accounting Consultant will send a copy of the fiscal year-to-date General Ledger to the Executive Director and Treasurer along with monthly financial statements as specified by the Executive Director and Treasurer.
- Documents in electronic form including payroll reports, General Ledger, audit schedules, audited and monthly financial statements, and federal and state tax returns will be stored electronically in a form that will allow for remote access by the Accounting Consultant, Executive Director, and Treasurer. For records stored in this manner, back-ups to a device such as a USB drive, DVD or other external drive will be kept and updated at least monthly.
- Upon the Foundation's dissolution, the Foundation's financial records and documents will be maintained by the City of San Bruno and in accordance with the City's document retention policy

II. Internal Controls

The Foundation employs several safeguards to ensure financial transactions are properly authorized, appropriated, executed, and recorded.

A. Lines of Authority

Policy: The Board of Directors will create, maintain, and update fiscal policies and will approve a budget before the start of each fiscal year. The Board of Directors will also approve significant budget variances.

Procedures:

- The Executive Director will prepare the annual budget for each fiscal year and present it to the Board of Directors for approval. After Board approval, the budget will be submitted to the San Bruno City Council for approval.
- The Audit Committee will review internal controls with the Executive Director, Accounting Consultant, and CPA Auditor as necessary.
- The Accounting Consultant will directly contact the Treasurer in the event of any concerns regarding the Executive Director's financial management decisions or actions.
- The Treasurer may independently contact the Accounting Consultant directly for information.

B. Conflict of Interest

Policy: In accordance with the Conflict of Interest Policy, all employees and members of the Board of Directors are expected to use good judgment, adhere to high ethical standards, and act in such a manner as to avoid any actual, perceived, or potential conflict of interest.

Procedures:

- The Foundation will monitor compliance with the Conflict of Interest Policy through the use of the annual conflicts questionnaire completed by all Board of Directors members.

- Foundation Board members and the Executive Director annually complete and submit California Fair Political Practices Commission Form 700, Statement of Economic Interests, to the San Bruno City Clerk's Office.

C. Segregation of Duties

Policy: The Foundation's financial duties are distributed, to the extent possible, among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the Foundation's assets while also considering efficiency of operations. When, due to the small size of the Foundation staff, the Foundation is unable to achieve sufficient segregation of duties, additional oversight from the Board and/or the City of San Bruno staff may be implemented.

Procedures:

- The Accounting Consultant will not be an authorized agent or signer on any SBCF accounts.
- Only invoices and other payment vouchers approved by the Executive Director will be processed for payment.

D. Physical Security

Policy: The Foundation maintains physical security of its assets to ensure only people who are authorized have physical or indirect access to money, securities, real estate, and other valuable property.

Procedures:

- The Accounting Consultant will secure blank checks.
- The Executive Director will secure the credit card.

E. Insurance

Policy: The Foundation will maintain an insurance policy protecting against loss by theft, embezzlement, or other crimes committed by employees and the Accounting Consultant.

Procedures: The Executive Director will purchase, keep in force, and maintain a crime insurance policy for the Foundation to cover losses up to at least \$1,000,000,

III. Financial Planning & Reporting

The Foundation's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). Presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Foundations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation are classified as unrestricted, temporarily restricted, and permanently restricted.

A. Budgeting Process

Policy: The Foundation's annual budget is prepared and approved before the start of each fiscal year. The Executive Director prepares the budget with input from the Board of Directors. The budget must be approved by the Board of Directors prior to the start of each fiscal year. The budget must be transmitted to the San Bruno City Council prior to the beginning of the new fiscal year for approval as required by Foundation's Bylaws. The budget is revised during the year only as approved by the Board of Directors.

Procedures:

- The Executive Director will work with the Accounting Consultant to ensure the annual budget is a reasonably accurate estimate of programmatic and infrastructure goals for the coming fiscal year.
- The Executive Director will ensure the budget is developed using the Foundation's standard revenue recognition and cost allocation procedures.

- The Executive Director will present a draft budget to the Board by its May meeting.
- The Board may approve the budget as presented in May or table final approval until the June meeting.
- A Board approved budget must be submitted to the San Bruno City Council so that it can be approved no later than June 30 of each year.

B. Internal Financial Reports

Policy: The Foundation prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month. The Executive Director and Treasurer will request and approve changes to financial report detail and format as necessary.

Procedures:

- The Accounting Consultant is responsible for producing the following year-to-date reports within 30 days of the end of each month: Statement of Financial Position (also known as Balance Sheet) and Budget vs Actual Statement of Activities (also known as Income Statement or Profit & Loss Statement).
- The Executive Director and Treasurer review financial reports each month, and the Treasurer reports to the full Board of Directors at the regular monthly meeting.
- On a monthly basis the Accounting Consultant prepares a narrative report that summarizes the Foundation's current financial position (as of the last closed month) and includes explanations for budget variance.
- As changes in operations warrant or as otherwise deemed appropriate, the Executive Director or Treasurer will request changes to financial statement detail and/or format from the Accounting Consultant. The Accounting Consultant will prepare a pro forma (draft) version for review by the Executive Director and Treasurer. The Executive Director will approve any changes prior to implementation.

C. Audit

Policy: The Foundation will have its financial statements audited on an annual basis by an independent CPA. A Request for Proposals (RFP) for audit services will be issued at least every five years.

Procedures:

- The Board's Audit Committee, working with the Executive Director, will be responsible for creating the RFP, reviewing audit proposals, and recommending the CPA to the full Board for approval; meeting with the CPA; and ensuring any audit issues identified are reported to the full Board.
- The Executive Director will oversee the audit process and ensure that audited financial statements are published not later than 120 days (October 31) after the end of each fiscal year.

D. Tax Compliance (Exempt Organization Returns)

Policy: IRS 990, CA 199, and CA Attorney General RRF-1 forms will be filed by November 15 each year.

Procedures:

- The CPA prepares the forms using audited financial information. The Accounting Consultant and Executive Director review the first draft and request edits and corrections by the CPA.
- Prior to the submission deadline, the final draft of the forms is presented to the full Board for review.
- The President signs the forms on behalf of the Foundation.

IV. Cash Receipts

Policy: The Executive Director or designee will log in checks received on cash receipts log and secure the checks and log.

Procedures:

- Checks will be immediately endorsed “for deposit only.”
- Checks will be logged on a daily basis. The log will include date received, payer name, purpose, and amount of check.

A. Deposits

Policy: The Executive Director or designee will make deposits.

Procedures:

- Deposits will be made immediately when \$10,000 or more has been logged. Deposits of any amounts will be made by the last day of each month.
- The deposit slip amount must equal the total on the cash receipts log. Copies of all checks and any other documents that were received with checks will be attached to a copy of the deposit slip and the original log. This deposit package will be given to the Accounting Consultant for recording to the General Ledger and be maintained in the Cash Receipts file.
- Receipt of currency should be discouraged. When currency is received, it should be deposited as soon as reasonably possible.

V. Expense & Accounts Payable**A. Payroll**

Policy: Payroll will be processed on a semi-monthly basis with paydays on the 15th and last day of each month.

Procedures:

- A separate, dedicated bank account will be maintained for the purpose of processing payroll transactions only.
- The Accounting Consultant will process payroll at least two business days prior to each payday.
- For employees choosing direct deposit payment, the Accounting Consultant will obtain paystubs from the payroll service website and distribute them to employees electronically. For employees requesting checks, paychecks/paystubs will be delivered to the Executive Director, who will distribute paychecks/paystubs to employees.
- The Accounting Consultant, for purposes of recording payroll expenses and liabilities, will obtain the payroll register and other payroll reports from the payroll service website.

1. Time Sheet Preparation & Approval

Policy: Time Sheets, including time in and time out, documenting daily hours worked must be signed by the employee and the Executive Director and are required for all non-exempt employees. The Executive Director will maintain an Attendance Log to track all employees’ paid time off (PTO) accruals, usage, and balance.

Procedures:

- The Executive Director will provide the Attendance Log to the Accounting Consultant at least three days prior to each payday when at least one employee has taken PTO during that pay period. Employees will receive monthly reports of their PTO balances.

2. Payroll Additions, Deletions, Changes, and Voluntary Deductions

Policy: New employee additions, terminations, and pay rate changes will only be made based on authorization of the Executive Director or, for the Executive Director, on authorization of the President.

Procedures:

- All new employee additions, terminations, and pay rate changes will be submitted to the Accounting Consultant in writing at least three days prior to payday or last day of work.
- Voluntary payroll deduction requests, such as employee retirement contributions, will be initiated based on signed documentation submitted to the Accounting Consultant at least three days prior to payday.

3. Pay Upon Termination

Policy: Final payment of wages and vacation balance will be made to the employee on his/her last day of work.

Procedures:

- If an employee terminates without giving advance notice, payment will be made within 72 hours of termination.

B. Purchases & Procurement

Policy: The Executive Director is authorized to approve expenditures not in excess of \$25,000 per transaction. The Board of Directors must approve any expenditure in excess of \$25,000 per transaction. Expenditures may not be split into multiple purchases to evade this requirement.

Procedures:

- The reasonable person standard will apply in purchase and procurement decisions. Multiple bids should be solicited when practical and when sufficient competition warrants.

C. Independent Contractors

Policy: The Board of Directors must approve any contract with a total value in excess of \$25,000. The President, Treasurer, or Executive Director may enter into contracts not to exceed \$25,000 on behalf of the Foundation.

Procedures:

- With Board approval as needed, the Executive Director will execute contracts. The contract will include a Description of Items and/or Services (Exhibit A) and Compensation (Exhibit B).
- Contractors will complete and submit an IRS W-9 and must submit invoices for services, which include a description of services provided.

D. Invoice Approval & Processing

Policy: The Executive Director must approve all invoices. Approved invoices will be paid within 30 days of receipt or according to contract terms when those terms specify a different payment schedule.

Procedures:

- Invoices and bills will be opened and reviewed by the Executive Director or designee.
- Invoices are approved by the Executive Director and submitted to the Accounting Consultant for payment.
- The Accounting Consultant will file copies of all invoices paid.

E. Cash Disbursements

Policy: Any single check or other transfer of funds in excess of \$2,500 requires the signature of one of the authorized signatories (Executive Director, Treasurer, and President) and either the signature or written approval of a second authorized signatory. Invoices, bills, or expense reimbursement claims may not be split in order to evade the two-approval requirement. No authorized signatory may sign checks payable to him/herself. The President or Treasurer will sign credit card payments; the Executive Director

may sign credit card payments only with the written approval of one of the other two signatories. Written approval for these approval purposes may include an email communication.

1. Check Payments

Procedures:

- The Accounting Consultant, will prepare and deliver checks to the Executive Director.
- The Executive Director will sign checks after verifying the payment amount and obtaining a second signature or approval from a second signatory as necessary. One check stub will be retained and attached to the invoice as proof of payment along with a photocopy of the signed check. Checks will be distributed by the Executive Director, and the invoice and check stub will be maintained in the vendor files.

2. Electronic or ACH Payments

Procedures:

- In certain cases, such as an office lease, where payment amounts have been predetermined and agreement to terms is documented and authorized consistent with policies detailed above, the Executive Director may provide the vendor with the checking account number and authorize recurring automatic payments to be taken directly from the checking account.
- The Executive Director will inform the Accounting Consultant immediately upon establishing any recurring electronic and/or ACH payments and provide a schedule of the payments to be made in this manner.

F. Credit Cards

Policy: A business credit card will be obtained for and secured by the Executive Director. Charges not exceeding \$2,500 may be made without secondary approval. For transactions exceeding \$2,500 and within the Executive Director's expenditure and contract authority, written approval (including email) from either the Treasurer or President are required prior to the purchase.

Procedures:

- The business credit card will be used for SBCF business purposes only.
- Documentation of purchases made will be attached to the monthly statement when submitted to the Accounting Consultant for payment.
- Credit card payments will be submitted, with corresponding statement and supporting documentation, to either the President or Treasurer for signature.

G. Travel & Expense Reimbursements

Policy: The Foundation will reimburse employees for reasonable out-of-pocket business travel- and other business-related expenses. The Foundation may also reimburse Board members and other volunteers for reasonable out-of-pocket travel and Foundation-related expenses. The Foundation will not cover reimbursement for travel to/from meetings and events in San Bruno.

The Foundation's standard travel and expense report will be used for all reimbursements. Mileage will be reimbursed at the business rate published annually by the IRS.

Foundation travelers are urged to minimize travel costs by, for example, booking airline tickets in advance, flying in economy class, and using the most economical mode of transportation (for example, airport bus rather than taxi or car rental). However, in the application of this general rule, extenuating circumstances such as the best economic use of the traveler's time should be taken into consideration.

Reimbursements for alcoholic beverages or any moving vehicle or parking citations are prohibited.

Procedures:

- Employees, Board members, and other volunteers must obtain Executive Director approval prior to incurring out-of-pocket expenses for which reimbursement will be sought. The Executive Director must obtain prior approval by the President for reimbursable expenses exceeding \$500.
- Travel and expense reports require Executive Director approval and signature. Executive Director travel and expense reports require President approval and signature.
- Original receipts must be attached to travel and expense reports.
- Accounting Consultant will verify expense reimbursements.
- Travel and expense reports must be submitted no later than 60 days after the expense was incurred.

VI. Asset Management

A. Cash Management and Investments

Policy: Cash balances in operating bank accounts should be maintained within FDIC insurance limits.

Investments will be made consistent with the Investment Policy Statement and the Investment Operating Plan. No payments will be made directly from investment accounts. Invested funds will be accessed only by wire or electronic funds transfers from the Investment Liquidity Pool to an operating account. The check-writing feature is to be disabled on all investment accounts.

The President, Treasurer, and Executive Director are the authorized signatories on all bank and investment accounts.

Procedures:

- Total balance for operating demand accounts at a single bank should not exceed \$250,000, unless otherwise approved by the Board. In unexpected, short-term instances where a balance greater than \$250,000 cannot be avoided, the Executive Director will notify the Treasurer, who will determine whether Board ratification is warranted.
- Payout and withdrawals from the investment accounts will be carried out in accordance with the Investment Operating Plan. In particular, payout from the Quasi-Endowment Pool to the Liquidity Pool will follow a regular schedule set forth in the Investment Operating Plan.
- Non-regular transfers between investment accounts require advance written (including email) approval from one authorized signatory.
- Wire transfers from the Investment Liquidity Pool account to an operating account in excess of \$2,500 require advance written (including email) approval from two authorized signatories.
- For unplanned withdrawals from any investment account, five (5) business days' notice must be given to allow time for trade execution, trade settlement and fund transfer through the Liquidity Pool (if necessary) and out to an operating account.

B. Capital Equipment

Policy: Equipment, furnishings, leasehold improvements and real property will be capitalized when the item has a useful life greater than one year and initial cost greater than \$5,000.

Procedures:

- Items capitalized will be depreciated on a straight-line basis, unless the IRS requires a different depreciation method, over their useful life. Land is not subject to depreciation.
- Useful life for technology equipment will be three years, furniture and other equipment will be five years, leasehold improvements will match lease term, and buildings will be 30 years.

REDLINE EDITS



Fiscal Policies & Procedures

Approved as Amended by the Board of Directors, June __, 2021

Table of Contents

I. Accounting Procedures.....1

A. Basis of Accounting1

B. Journal Entries.....1

C. Bank Reconciliations1

D. Monthly Close.....1

E. Recordkeeping2

II. Internal Controls2

A. Lines of Authority.....2

B. Conflict of Interest.....2

C. Segregation of Duties.....3

D. Physical Security3

E. Insurance3

III. Financial Planning & Reporting.....3

A. Budgeting Process3

B. Internal Financial Reports4

C. Audit4

D. Tax Compliance (Exempt Organization Returns)4

IV. Cash Receipts4

A. Deposits.....5

V. Expense & Accounts Payable5

A. Payroll.....5

 1. Time Sheet Preparation & Approval5

 2. Payroll Additions, Deletions, and Changes5

 3. Pay Upon Termination.....6

B. Purchases & Procurement6

C. Independent Contractors.....6

D. Invoice Approval & Processing6

E. Cash Disbursements6

 1. Check Payments7

 2. Eletronic or ACH Payments7

F. Credit Cards.....7

G. Employee Travel & Expense Reimbursements7

VI. Asset Management8

A. Cash Management and Investments.....8

B. Capital Equipment8

I. Accounting Procedures

This section covers basic accounting procedures for the Foundation. The accounting procedures used by the Foundation shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards. Per the Bylaws, the Foundation's fiscal year begins on July 1 and ends on June 30.

A. Basis of Accounting

Policy: The Foundation uses the accrual basis of accounting. The accrual basis identifies (records) revenue and expenses with specific periods of time, such as a month or year, which are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash (also known as the cash basis of accounting).

Procedures:

- Throughout the fiscal year, expenses are accrued in the month in which they are incurred. The books are closed no later than the 15th day after the close of each month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued in the prior fiscal year are so accrued, in order to ensure year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 45 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it is first earned (received or invoiced) or committed (pledged, ordered, or contracted for).

B. Journal Entries

Policy: Journal entries to record payroll expenses, cash receipts, interest earned, investment gains or losses, prepaid expenses, depreciation, other accruals and adjustments will be posted to the General Ledger on a monthly basis. Vacation liability is recorded and adjusted annually at the end of the fiscal year.

Procedure:

- Journal entries for each month will be posted prior to monthly closing, by the 15th day after the end of the month.

C. Bank Reconciliations

Policy: All bank statements will be opened and reviewed in a timely manner. Bank reconciliations will be completed by the 15th day after the close of each month, and approval will be documented within 30 days of the close of the month.

Procedures:

- All bank and investment statements will be opened, reviewed, and initialed by the Executive Director upon receipt. Review will include inspection of checks paid during the month.
- To expedite reconciliation, the Accounting Consultant will obtain monthly bank statements from the bank's website. Bank reconciliations will be completed prior to monthly closing and completing monthly financial statements.
- The Executive Director and Treasurer will review and approve reconciliation reports by signing and dating.

D. Monthly Close

Policy: Books will be closed monthly by the 15th day following the end of each month. At fiscal year-end the books will be closed by the 45th day (August 15) after June 30.

Procedures:

- The Accounting Consultant will record cash receipts, payroll expenses, prepaid insurance, depreciation, interest earned, and on a monthly basis.
- The Accounting Consultant will reconcile bank and investment accounts to General Ledger prior to monthly closing.

E. Recordkeeping

Policy: Financial documents and records will be retained in accordance with the Foundation's document retention policy.

Procedures:

- The Foundation will maintain copies of all financial records including accounts payable, cash receipts, payroll documents, and bank statements.
- The Accounting Consultant will maintain a copy of invoices paid for each fiscal year.
- After monthly closing, the Accounting Consultant will send a copy of the fiscal year-to-date General Ledger to the Executive Director and Treasurer along with monthly financial statements as specified by the Executive Director and Treasurer.
- Documents in electronic form including payroll reports, General Ledger, audit schedules, audited and monthly financial statements, and federal and state tax returns will be stored electronically in a form that will allow for remote access by the Accounting Consultant, Executive Director, and Treasurer. For records stored in this manner, back-ups to a device such as a USB drive, DVD or other external drive will be kept and updated at least monthly.
- Upon the Foundation's dissolution, the Foundation's financial records and documents will be maintained by the City of San Bruno and in accordance with the City's document retention policy

II. Internal Controls

The Foundation employs several safeguards to ensure financial transactions are properly authorized, appropriated, executed, and recorded.

A. Lines of Authority

Policy: The Board of Directors will create, maintain, and update fiscal policies and will approve a budget before the start of each fiscal year. The Board of Directors will also approve significant budget variances.

Procedures:

- The Executive Director will prepare the annual budget for each fiscal year and present it to the Board of Directors for approval. After Board approval, the budget will be submitted to the San Bruno City Council for approval.
- The Audit Committee will review internal controls with the Executive Director, Accounting Consultant, and CPA Auditor as necessary.
- The Accounting Consultant will directly contact the Treasurer in the event of any concerns regarding the Executive Director's financial management decisions or actions.
- The Treasurer may independently contact the Accounting Consultant directly for information.

B. Conflict of Interest

Policy: In accordance with the Conflict of Interest Policy, all employees and members of the Board of Directors are expected to use good judgment, adhere to high ethical standards, and act in such a manner as to avoid any actual, perceived, or potential conflict of interest.

Procedures:

- The Foundation will monitor compliance with the Conflict of Interest Policy through the use of the annual conflicts questionnaire completed by all Board of Directors members.

- Foundation Board members and the Executive Director annually complete and submit California Fair Political Practices Commission Form 700, Statement of Economic Interests, to the San Bruno City Clerk's Office.

C. Segregation of Duties

Policy: The Foundation's financial duties are distributed, to the extent possible, among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the Foundation's assets while also considering efficiency of operations. When, due to the small size of the Foundation staff, the Foundation is unable to achieve sufficient segregation of duties, additional oversight from the Board and/or the City of San Bruno staff may be implemented.

Procedures:

- The Accounting Consultant will not be an authorized agent or signer on any SBCF accounts.
- Only invoices and other payment vouchers approved by the Executive Director will be processed for payment.

D. Physical Security

Policy: The Foundation maintains physical security of its assets to ensure only people who are authorized have physical or indirect access to money, securities, real estate, and other valuable property.

Procedures:

- The Accounting Consultant will secure blank checks.
- The Executive Director will secure the credit card.

E. Insurance

Policy: The Foundation will maintain an insurance policy protecting against loss by theft, embezzlement, or other crimes committed by employees and the Accounting Consultant.

Procedures: The Executive Director will purchase, keep in force, and maintain a crime insurance policy for the Foundation to cover losses up to at least \$1,000,000,

III. Financial Planning & Reporting

The Foundation's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). Presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Foundations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation are classified as unrestricted, temporarily restricted, and permanently restricted.

A. Budgeting Process

Policy: The Foundation's annual budget is prepared and approved before the start of each fiscal year. The Executive Director prepares the budget with input from the Board of Directors. The budget must be approved by the Board of Directors prior to the start of each fiscal year. The budget must be transmitted to the San Bruno City Council prior to the beginning of the new fiscal year for approval as required by Foundation's Bylaws. The budget is revised during the year only as approved by the Board of Directors.

Procedures:

- The Executive Director will work with the Accounting Consultant to ensure the annual budget is a reasonably accurate estimate of programmatic and infrastructure goals for the coming fiscal year.
- The Executive Director will ensure the budget is developed using the Foundation's standard revenue recognition and cost allocation procedures.

- The Executive Director will present a draft budget to the Board by its May meeting.
- The Board may approve the budget as presented in May or table final approval until the June meeting.
- A Board approved budget must be submitted to the San Bruno City Council so that it can be approved no later than June 30 of each year.

B. Internal Financial Reports

Policy: The Foundation prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month. The Executive Director and Treasurer will request and approve changes to financial report detail and format as necessary.

Procedures:

- The Accounting Consultant is responsible for producing the following year-to-date reports within 30 days of the end of each month: Statement of Financial Position (also known as Balance Sheet) and Budget vs Actual Statement of Activities (also known as Income Statement or Profit & Loss Statement).
- The Executive Director and Treasurer review financial reports each month, and the Treasurer reports to the full Board of Directors at the regular monthly meeting.
- On a monthly basis the Accounting Consultant prepares a narrative report that summarizes the Foundation's current financial position (as of the last closed month) and includes explanations for budget variance.
- As changes in operations warrant or as otherwise deemed appropriate, the Executive Director or Treasurer will request changes to financial statement detail and/or format from the Accounting Consultant. The Accounting Consultant will prepare a pro forma (draft) version for review by the Executive Director and Treasurer. The Executive Director will approve any changes prior to implementation.

C. Audit

Policy: The Foundation will have its financial statements audited on an annual basis by an independent CPA. A Request for Proposals (RFP) for audit services will be issued at least every five years.

Procedures:

- The Board's Audit Committee, working with the Executive Director, will be responsible for creating the RFP, reviewing audit proposals, and recommending the CPA to the full Board for approval; meeting with the CPA; and ensuring any audit issues identified are reported to the full Board.
- The Executive Director will oversee the audit process and ensure that audited financial statements are published not later than 120 days (October 31) after the end of each fiscal year.

D. Tax Compliance (Exempt Organization Returns)

Policy: IRS 990, CA 199, and CA Attorney General RRF-1 forms will be filed by November 15 each year.

Procedures:

- The CPA prepares the forms using audited financial information. The Accounting Consultant and Executive Director review the first draft and request edits and corrections by the CPA.
- Prior to the submission deadline, the final draft of the forms is presented to the full Board for review.
- The President signs the forms on behalf of the Foundation.

IV. Cash Receipts

Policy: The Executive Director or designee will log in checks received on cash receipts log and secure the checks and log.

Procedures:

- Checks will be immediately endorsed “for deposit only.”
- Checks will be logged on a daily basis. The log will include date received, payer name, purpose, and amount of check.

A. Deposits

Policy: The Executive Director or designee will make deposits.

Procedures:

- Deposits will be made immediately when \$10,000 or more has been logged. Deposits of any amounts will be made by the last day of each month.
- The deposit slip amount must equal the total on the cash receipts log. Copies of all checks and any other documents that were received with checks will be attached to a copy of the deposit slip and the original log. This deposit package will be given to the Accounting Consultant for recording to the General Ledger and be maintained in the Cash Receipts file.
- Receipt of currency should be discouraged. When currency is received, it should be deposited as soon as reasonably possible.

V. Expense & Accounts Payable**A. Payroll**

Policy: Payroll will be processed on a semi-monthly basis with paydays on the 15th and last day of each month.

Procedures:

- A separate, dedicated bank account will be maintained for the purpose of processing payroll transactions only.
- The Accounting Consultant will process payroll at least two business days prior to each payday.
- For employees choosing direct deposit payment, the Accounting Consultant will obtain paystubs from the payroll service website and distribute them to employees electronically. For employees requesting checks, paychecks/paystubs will be delivered to the Executive Director, who will distribute paychecks/paystubs to employees.
- The Accounting Consultant, for purposes of recording payroll expenses and liabilities, will obtain the payroll register and other payroll reports from the payroll service website.

1. Time Sheet Preparation & Approval

Policy: Time Sheets, including time in and time out, documenting daily hours worked must be signed by the employee and the Executive Director and are required for all non-exempt employees. The Executive Director will maintain an Attendance Log to track all employees’ paid time off (PTO) accruals, usage, and balance.

Procedures:

- The Executive Director will provide the Attendance Log to the Accounting Consultant at least three days prior to each payday when at least one employee has taken PTO during that pay period. Employees will receive monthly reports of their PTO balances.

2. Payroll Additions, Deletions, Changes, and Voluntary Deductions

Policy: New employee additions, terminations, and pay rate changes will only be made based on authorization of the Executive Director or, for the Executive Director, on authorization of the President.

Procedures:

- All new employee additions, terminations, and pay rate changes will be submitted to the Accounting Consultant in writing at least three days prior to payday or last day of work.
- Voluntary payroll deduction requests, such as employee retirement contributions, will be initiated based on signed documentation submitted to the Accounting Consultant at least three days prior to payday.

3. Pay Upon Termination

Policy: Final payment of wages and vacation balance will be made to the employee on his/her last day of work.

Procedures:

- If an employee terminates without giving advance notice, payment will be made within 72 hours of termination.

B. Purchases & Procurement

Policy: The Executive Director is authorized to approve expenditures not in excess of \$25,000 per transaction. The Board of Directors must approve any expenditure in excess of \$25,000 per transaction. Expenditures may not be split into multiple purchases to evade this requirement.

Procedures:

- The reasonable person standard will apply in purchase and procurement decisions. Multiple bids should be solicited when practical and when sufficient competition warrants.

C. Independent Contractors

Policy: The Board of Directors must approve any contract with a total value in excess of \$25,000. The President, Treasurer, or Executive Director may enter into contracts not to exceed \$25,000 on behalf of the Foundation.

Procedures:

- With Board approval as needed, the Executive Director will execute contracts. The contract will include a Description of Items and/or Services (Exhibit A) and Compensation (Exhibit B).
- Contractors will complete and submit an IRS W-9 and must submit invoices for services, which include a description of services provided.

D. Invoice Approval & Processing

Policy: The Executive Director must approve all invoices. Approved invoices will be paid within 30 days of receipt or according to contract terms when those terms specify a different payment schedule.

Procedures:

- Invoices and bills will be opened and reviewed by the Executive Director or designee.
- Invoices are approved by the Executive Director and submitted to the Accounting Consultant for payment.
- The Accounting Consultant will file copies of all invoices paid.

E. Cash Disbursements

Policy: Any single check or other transfer of funds in excess of \$2,500 requires the signature of onetwo of the authorized signatories (Executive Director, Treasurer, and President) and either the signature or written approval of a second authorized signatory. Invoices, bills, or expense reimbursement claims may not be split in order to evade the two-approvalsignature requirement. No authorized signatory may sign checks payable to him/herself. The President or Treasurer will sign credit card payments; the Executive

Director may sign credit card payments only with the written approval of one of the other two signatories. Written approval for these approval purposes may include an email communication.-

1. Check Payments

Procedures:

- The Accounting Consultant, will prepare and deliver checks to the Executive Director.
- The Executive Director will sign checks after verifying the payment amount and obtaining a second signature or approval from a second signatory as necessary. One check stub will be retained and attached to the invoice as proof of payment along with a photocopy of the signed check. Checks will be distributed by the Executive Director, and the invoice and check stub will be maintained in the vendor files.

2. Electronic or ACH Payments

Procedures:

- In certain cases, such as an office lease, where payment amounts have been predetermined and agreement to terms is documented and authorized consistent with policies detailed above, the Executive Director may provide the vendor with the checking account number and authorize recurring automatic payments to be taken directly from the checking account.
- The Executive Director will inform the Accounting Consultant immediately upon establishing any recurring electronic and/or ACH payments and provide a schedule of the payments to be made in this manner.

F. Credit Cards

Policy: A business credit card will be obtained for and secured by the Executive Director. Charges not exceeding \$2,500 may be made without secondary approval. For transactions exceeding \$2,500 and within the Executive Director's expenditure and contract authority, written approval (including email) from either the Treasurer or President are required prior to the purchase.

Procedures:

- The business credit card will be used for SBCF business purposes only.
- Documentation of purchases made will be attached to the monthly statement when submitted to the Accounting Consultant for payment.
- Credit card payments will be submitted, with corresponding statement and supporting documentation, to either the President or Treasurer for signature.

G. Travel & Expense Reimbursements

Policy: The Foundation will reimburse employees for reasonable out-of-pocket business travel- and other business-related expenses. The Foundation may also reimburse Board members and other volunteers for reasonable out-of-pocket travel and Foundation-related expenses. The Foundation will not cover reimbursement for travel to/from meetings and events in San Bruno.

The Foundation's standard travel and expense report will be used for all reimbursements. Mileage will be reimbursed at the business rate published annually by the IRS.

Foundation travelers are urged to minimize travel costs by, for example, booking airline tickets in advance, flying in economy class, and using the most economical mode of transportation (for example, airport bus rather than taxi or car rental). However, in the application of this general rule, extenuating circumstances such as the best economic use of the traveler's time should be taken into consideration.

Reimbursements for alcoholic beverages or any moving vehicle or parking citations are prohibited.

Procedures:

- Employees, Board members, and other volunteers must obtain Executive Director approval prior to incurring out-of-pocket expenses for which reimbursement will be sought. The Executive Director must obtain prior approval by the President for reimbursable expenses exceeding \$500.
- Travel and expense reports require Executive Director approval and signature. Executive Director travel and expense reports require President approval and signature.
- Original receipts must be attached to travel and expense reports.
- Accounting Consultant will verify expense reimbursements.
- Travel and expense reports must be submitted no later than 60 days after the expense was incurred.

VI. Asset Management

A. Cash Management and Investments

Policy: Cash balances in operating bank accounts should be maintained within FDIC insurance limits.

~~Bank accounts for payroll, general checking, and savings will be maintained.~~

Investments will be made consistent with the Investment Policy Statement and the Investment Operating Plan. No payments will be made directly from investment accounts. Invested funds will be accessed only by wire or electronic funds transfers from the Investment Liquidity Pool to ~~an operating~~~~the general~~~~checking~~ account. The check-writing feature is to be disabled on all investment accounts.

The President, Treasurer, and Executive Director are the authorized signatories on all bank and investment accounts.

Procedures:

- Total balance for operating demand accounts at a single bank should not exceed \$250,000, unless otherwise approved by the Board. In unexpected, short-term instances where a balance greater than \$250,000 cannot be avoided, the Executive Director will notify the Treasurer, who will determine whether Board ratification is warranted.
- Payout and withdrawals from the investment accounts will be carried out in accordance with the Investment Operating Plan. In particular, payout from the Quasi-Endowment Pool to the Liquidity Pool will follow a regular schedule set forth in the Investment Operating Plan.
- Non-regular transfers between investment accounts require advance written (including email) approval from one authorized signatory.
- Wire transfers from the Investment Liquidity Pool account to ~~an operating~~~~the general~~~~checking~~ account in excess of \$2,500 require advance written (including email) approval from two authorized signatories.
- For unplanned withdrawals from any investment account, five (5) business days' notice must be given to allow time for trade execution, trade settlement and fund transfer through the Liquidity Pool (if necessary) and out to ~~an operating~~~~the general~~~~checking~~ account.

B. Capital Equipment

Policy: Equipment, furnishings, leasehold improvements and real property will be capitalized when the item has a useful life greater than one year and initial cost greater than \$5,000.

Procedures:

- Items capitalized will be depreciated on a straight-line basis, unless the IRS requires a different depreciation method, over their useful life. Land is not subject to depreciation.
- Useful life for technology equipment will be three years, furniture and other equipment will be five years, leasehold improvements will match lease term, and buildings will be 30 years.

RESOLUTION NO. 2021-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
AUTHORIZING CLOSURE OF WELLS FARGO SAVINGS ACCOUNT**

WHEREAS, Article IX, Section 4, of the SBCF Bylaws states that “The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the board may designate.”

WHEREAS, on February 19, 2015, Foundation Board delegated to the Treasurer the authority to establish and open business checking and savings bank accounts and designated the Treasurer, President, and Executive Director as signatories on such accounts;

WHEREAS, with that authority, the Treasurer, in concert with the President and Executive Director, opened checking, payroll, and savings accounts at Wells Fargo Bank in February 2015; and

WHEREAS, the Treasurer, Executive Director, and Accounting Consultant now recommend closure of the Wells Fargo savings account to streamline and simplify management of the Foundation’s operating bank accounts.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes the three signatories – Treasurer, President, and Executive Director – to close the Foundation’s Wells Fargo savings account.

Dated: June 2, 2021

ATTEST:

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2021-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 2nd day of June, 2021, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

April 2021

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First ten months equal 83.3% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – First transfer of the year, \$144,990, is 49% of budget.

Line 2 Transfers from Strategic Pool – First transfer of the year, \$15,250,000, is 96.1% of budget. There are no additional transfers expected this year. Year-end projection reduced by \$611,933.

Line 3 Transfers from Liquidity RAC – This budgeted transfer amount is no longer expected this year. Year-end projection reduced by \$340,000.

Line 4 Donations – Unbudgeted \$79,331 received includes: \$70,000 from Joseph W Welch Jr Foundation, \$7,349 from San Mateo County Realtors Foundation, and \$1,000 from Allan & Mary Johnson designated for scholarships; and \$982 in unrestricted gifts.

Line 5 Interest Income – \$69,723 is 267% of budget. Liquidity Pool – Operating balance is currently \$13,862,392. Final Projected Amount is triple the original budget – from \$26,115 to \$78,345.

EXPENSES

Line 8 Crestmoor Scholarships – Final projected amount increased \$35,000 to \$195,000 as approved by Board.

Line 9 Community Grants – \$300,000 is 100% of budget.

Line 10 Strategic Grants – \$792,000 used for: \$375,000 RAC 5 – Temporary Facilities grant; Covid-19 relief grants of \$357,000 (small business recovery - \$257,000; and childcare - \$100,000); and \$60,000 RAC 6 – Business Plan grant. The total represents 1.9% of the budget. Additional \$1,123,438 recorded in May for RAC 7. Final projected amount reduced \$40,377,454 compared to budget.

Line 11 Other Grants – \$10,000 is 100% of budget and was used for 10th Anniversary Public Engagement Kiosk.

Line 13 Salaries & Wages – Expense is 85.3% of budget. Second employee came on payroll in October and corresponding hours worked are variable and depend on program demands. Final projected amount increased \$5,318 based on projected May & June expenses.

Line 14 Payroll Taxes & Benefits – Expense (\$20,010) is 79.2% of budget. Social Security/Medicare (\$10,676) and retirement (\$8,247) are the largest costs. Other costs include workers' compensation (\$873) and life (\$214) insurance.

Line 16 Occupancy – Only cost is office lease (\$12,480). Amount is 82.9% of budget.

Line 17 Insurance – Total (\$18,680) is 81.5% of budget and includes Directors & Officers (\$15,071), crime (\$2,620), and commercial liability (\$989) policies.

Line 18 Telecommunications – Cost (\$2,082) is 83.3% of budget and includes cell phone (\$929), internet (\$858), and land line (\$295) services.

Line 19 Postage & Shipping – Cost (\$4,161) is 208.1% of budget. 89% of the total (\$3,709) has been for Community Listening Campaign postcards (\$2,257) and Annual Report (\$1,452) postage. Final projected amount increased \$2,341 as Listening Campaign expense was not anticipated in the budget.

Line 20 Marketing & Communications - \$10,884 expense is 79.4% of budget. 66% of the total (\$7,208) is for Annual Report design & printing. Amounts also incurred for: communications software/applications (\$1,346); Community Listening postcard design and printing (\$1,141); and 2021 scholarships flyers and posters (\$905).

Line 21 Office Supplies & Equipment – Total of \$2,823 is 53.9% of budget. 66% of the total (\$1,873) has been used for new employee computer. Final projected amount decreased \$2,192 based on projected May and June expenses.

Line 22 Legal Fees – \$32,692 expense is 78.4% of budget. \$14,019 incurred for three quarters City Attorney cost; \$11,025 for review of employee handbook and employment issues; \$5,628 related to Strategic Grants; \$1,350 for Community Grants; and \$510 related to Scholarships.

Line 23 Accounting & Payroll Fees – Total (\$27,296) is 79% of budget with \$16,416 for Accounting Consultant, \$9,500 for auditor, \$950 for payroll service fees, and \$430 for accounting software. Final projected costs reduced \$3,500 based on projected May and June expenses.

Line 24 Other Consultants - Cost (\$58,836) is 118.6% of budget and is for Community Listening consultant (\$29,702), DEI training (\$15,000), Program Support (\$7,123), Technology consultant (\$3,896) and retirement plan modifications (\$3,115). Final projected amount increased \$16,241 because of unbudgeted Community Listening costs.

Line 25 Travel, Meetings & Conferences – \$358 expense is 8.5% of budget and includes \$325 for Zoom online meeting application. Final projected amount decreased \$3,152 based on projected May and June expenses.

Line 26 Miscellaneous – Cost (\$1,379) equals 52.4% of budget. 75% of the total (\$1,040) is for organizational memberships.

SUMMARY

Excluding Scholarships & Grants, total expenses are at 86.3% of budget, which is more than the 83.3% benchmark for the first ten months of the year. In terms of dollars, the \$379,647 in year-to-date expense is \$13,146 more than the first ten months budget allocation. This is explained by \$33,100 in unbudgeted Community Listening expenses.

The Fidelity Liquidity Pool – RAC, was created with a \$10 million July 2018 transfer. The balance as of April 30, 2021 is \$10,631,501, including market value increase of \$5,861 in April.

Total April Investment net gain or increase in value is \$1,287,030. This came from Strategic Pool (\$560,025), Liquidity Pool – RAC (\$5,861), and Quasi Endowment (\$721,143). Year-to-date net investment gain is \$6,900,819.

Overall organization year-to-date net income or increase in net assets is \$5,568,333.

Total Net Assets, as of April 30, 2021 are \$75,452,004 with \$22,619,955 in Quasi Endowment; \$52,752,500 in general Unrestricted funds; and \$79,549 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

April 2021 2020-2021 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 144,990	\$ 295,681	49.0%	\$ 295,681	\$ -
2 Transfers from Strategic Pool	15,250,000	15,861,933	96.1%	15,250,000	(611,933)
3 Transfers from Liquidity RAC	-	340,000	0.0%	-	(340,000)
4 Donations	79,331	-	-	79,331	79,331
5 Interest Income	69,723	26,115	267.0%	78,345	52,230
6 Miscellaneous Income	106	-	-	106	106
7 Total Available for Operations	15,544,150	16,523,729	94.1%	15,703,463	(820,266)
EXPENSES					
8 Crestmoor Scholarships	-	160,000	0.0%	190,000	30,000
9 Community Grants	300,000	300,000	100.0%	300,000	-
10 Strategic Grants	792,000	42,292,892	1.9%	1,915,438	(40,377,454)
11 Other Grants	10,000	10,000	100.0%	10,000	-
12 Subtotal Direct Program Expenses	1,102,000	42,762,892	2.6%	2,415,438	(40,347,454)
13 Salaries & Wages	187,976	220,420	85.3%	225,738	5,318
14 Payroll Taxes & Benefits	20,010	25,257	79.2%	24,744	(513)
15 Subtotal Personnel Expenses	207,986	245,677	84.7%	250,482	4,805
16 Occupancy	12,480	15,063	82.9%	14,987	(76)
17 Insurance	18,680	22,930	81.5%	22,613	(317)
18 Telecommunications	2,082	2,500	83.3%	2,538	38
19 Postage & Shipping	4,161	2,000	208.1%	4,341	2,341
20 Marketing & Communications	10,884	13,700	79.4%	13,700	-
21 Office Supplies & Equipment	2,823	5,240	53.9%	3,048	(2,192)
22 Legal Fees	32,682	41,693	78.4%	40,855	(838)
23 Accounting & Payroll Fees	27,296	34,560	79.0%	31,060	(3,500)
24 Other Consultants	58,836	49,595	118.6%	64,134	14,539
25 Travel, Meetings & Conferences	358	4,210	8.5%	367	(3,843)
26 Miscellaneous	1,379	2,633	52.4%	1,383	(1,250)
27 Subtotal Non-Personnel	171,661	194,124	88.4%	199,026	4,902
28 Total Expenses	1,481,647	43,202,693	3.4%	2,864,946	(40,337,747)
29 Net Surplus/(Loss)	\$ 14,062,503	\$ (26,678,964)		\$ 12,838,517	\$ 39,517,481

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Community Foundation

Statement of Financial Position as of April 30, 2021

ASSETS

Cash, Wells Fargo General	\$ 147,769.62	
Cash, Wells Fargo Payroll	38,173.12	
Cash, Wells Fargo Savings	40,100.36	
Cash, Fidelity Liquidity Pool - Operating	13,862,391.66	
Total Cash		14,088,434.76
Investments, Fidelity Liquidity Pool - RAC	10,631,501.07	
Investments, Fidelity Strategic Pool	31,503,162.52	
Investments, Fidelity Quasi-Endowment	22,619,954.96	
Total Investments		64,754,618.55
Prepaid Rent	1,291.48	
Prepaid Insurance	22,858.00	
Total Other Current Assets		24,149.48
Deposits	909.45	
Total Other Assets		909.45
TOTAL ASSETS		<u>\$ 78,868,112.24</u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	39,829.41	
Accrued Grants Payable	3,158,211.70	
Accrued Scholarships Payable	205,000.00	
Accrued Employee PTO	13,067.27	
Total Liabilities		3,416,108.38

NET ASSETS

Unrestricted, Non-QE 7/1/2020 Balance	51,436,041.24	
Transfer from Quasi-Endowment	144,990.00	
Year to Date Net Income from Operations	(1,310,835.67)	
Year to Date Strategic Investment Income	2,482,304.33	
Total Non-QE Unrestricted Net Assets	52,752,499.90	
Quasi-Endowment 7/1/2020 Balance	18,346,430.11	
Transfer to Liquidity for Operations	(144,990.00)	
Year-to-date QE Investment Income	4,418,514.85	
Total QE Unrestricted Net Assets	22,619,954.96	
Total Unrestricted Net Assets		75,372,454.86
Donor Restricted Net Assets 7/1/2020 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(21,651.00)	
Total Donor Restricted Net Assets		79,549.00
Total Net Assets		<u>75,452,003.86</u>
TOTAL LIABILITIES & NET ASSETS		<u>\$ 78,868,112.24</u>

SAN BRUNO

Community Foundation

Memorandum

DATE: May 28, 2021

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Ad Hoc Committee on Tanforan Memorial and Resolution Approving Strategic Grant Totaling \$150,000 to the Tanforan Assembly Center Memorial Committee Supporting the Construction of the Tanforan Memorial at the San Bruno BART Station

At the June 2, 2021, Board meeting, the Board will receive a report from the Ad Hoc Committee on Tanforan Memorial and consider a resolution approving a \$150,000 grant for the Tanforan Memorial. The Ad Hoc Committee, which the Board created in September 2020, consists of Chair Malissa Netane-Jones and Members John McGlothlin and Jim Ruane and is charged with researching and making a recommendation to the Board regarding support for the Tanforan Memorial being built at the San Bruno BART station.

1. Historical Background

From 1899 to 1964, the site of the current Shops at Tanforan in San Bruno was the location of the Tanforan Racetrack, a thoroughbred horse racing facility most famously known for housing Seabiscuit.

Immediately prior to the 1941 bombing of Pearl Harbor, a portion of the property was used by the U.S. Navy as a special advance personnel depot for the Western Division Naval Facilities Engineering Command. After Pearl Harbor, the U.S. Army took control of the site and, in the spring of 1941, converted the 118-acre Tanforan Racetrack into one of 17 temporary detention camps established to hold Japanese Americans forcibly removed from the West Coast until more permanent internment camps could be constructed during World War II. The Tanforan Assembly Center included 180 barracks, with about half of them built in the racetrack in-field. Out of the 180, 26 were converted horse stalls. From April 28 to October 13, 1942, the Tanforan Assembly Center held nearly 8,000 Bay Area Japanese Americans, most of whom were U.S. citizens, until they were shipped to more permanent internment camps, the majority being sent to Topaz in Utah. This was done without charges being filed and without the due process guaranteed under the U.S. Constitution. The bulk of the population of the Tanforan Assembly Center came from the San Francisco Bay Area, including Alameda, Contra Costa, San Mateo, San Francisco, and Santa Clara counties.

SAN BRUNO

Community Foundation

Memorandum

2. Tanforan Memorial Project

The Tanforan Assembly Center Memorial Committee (TACMC) has spearheaded two projects located at the Bay Area Rapid Transit (BART) train station in San Bruno. The first project is a photographic exhibition of the works of Dorothea Lange and Paul Kitagaki, Jr., displayed inside the BART station. The photos include ones taken by Lange in 1942 of families destined for the Tanforan Assembly Center and, eventually, the Topaz internment camp, and others taken 60 years later by Kitagaki, whose parents and grandparents were subjects of some of the original Lange photos, of many of the same people documented in the wartime Lange photos. The photos have been on display since April 2012 inside the San Bruno BART station.

TACMC's second project is the creation and installation of a permanent memorial outside the San Bruno BART station ("Tanforan Memorial"). Key features of the memorial will include a bronze statue of two young girls (the Mochida sisters) modeled after a Lange photo of a family headed off to be interned, a replica horse stall (similar to what the internees lived in), and signs listing the names of the 8,000 people interned there. The location of the memorial is outside the pay gates on the west side of the BART station, just south of the path to the food court at the Shops at Tanforan and next to the Target parking structure (behind the San Bruno police station).

The project budget is approximately \$1 million for construction and another \$50,000 for a maintenance fund. Thus far, TACMC has raised about \$800,000 for the project, a significant portion from a National Park Service grant that will expire this summer. TACMC is currently looking to raise an additional \$250,000 in the next couple of months to cover the construction costs and seed the maintenance fund. TACMC has requested a strategic grant from SBCF to support the Tanforan Memorial, which commemorates an important part of San Bruno – and American – history.

The Committee and I have been in contact with TACMC over the past nine months and most recently met with them earlier this month. TACMC has faced many challenges over the past year, many COVID-related, including an improper revocation of its 501(c)(3) status by the IRS, which significantly hampered its ability to raise funds for the project. Fortunately, the tax status issue has been resolved, and the IRS has fully reinstated TACMC's 501(c)(3) public charity status. Moreover, its discussions with BART regarding the memorial's design, maintenance plan, and security concerns are coming to a close after a lengthy path through BART's bureaucracy, and TACMC anticipates receiving its final construction permit from BART in the near future. TACMC will be responsible for maintenance of the memorial, and the San Bruno Lions Club and the local Boy Scout troops have both agreed to participate in regular clean-up of the site. TACMC also recently received a 30-day extension on the grant it received from the

SAN BRUNO

Community Foundation

Memorandum

National Park Service, which was set to expire on June 30, which should give it enough time to expense the remaining grant funds as construction of the memorial begins.

3. Committee Recommendation

The Committee is recommending that the Board adopt the attached resolution approving a \$150,000 strategic grant to TACMC to support the Tanforan Memorial project. The Committee feels strongly that this is an important part of San Bruno and American history that should not be forgotten and that a significant grant to the project is appropriate. The Committee also feels that such a grant is particularly important in the context of the racial justice awakening that the country is experiencing and in light of the recent rash of violent acts against Asian and Pacific Islander Americans that have been happening in the Bay Area and other parts of the country. Such a grant would be consistent with the DEI principles the Board discussed earlier this year. While the Board is in the middle of the strategic planning process, the Committee and I do not think it's inappropriate to move forward with this grant because (a) the Board expressed an interest in pursuing such a grant nine months ago and the proposal would have been brought to the Board months last year had TACMC's IRS issue not arisen, (b) it is a relatively small grant in the context of the Board's discussion of how much to set aside for a quasi-endowment, (c) there is an urgency to TACMC's request, as it is trying to meet its budget as it begins construction in the next 1-2 months, and (d) the grant would have meaningful historical and cultural significance in today's context.

On June 2, the Committee will present its recommendation to the Board. Doug Yamamoto, Steve Okamoto, and David Fielder – TACMC Chair, Vice Chair, and Project Manager, respectively – will give a presentation on TACMC and the Tanforan Memorial project.

Attachments:

1. Resolution Approving Strategic Grant Totaling \$150,000 to the Tanforan Assembly Center Memorial Committee Supporting the Construction of the Tanforan Memorial at the San Bruno BART Station
2. Rendering of the Tanforan Memorial Design
3. Project Background from TACMC

RESOLUTION NO. 2021-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING STRATEGIC GRANT TOTALING \$150,000 TO THE TANFORAN ASSEMBLY CENTER
MEMORIAL COMMITTEE SUPPORTING THE CONSTRUCTION OF THE TANFORAN MEMORIAL
AT THE SAN BRUNO BART STATION**

WHEREAS, the San Bruno Community Foundation's Program Strategy Framework establishes strategic grantmaking as one of the Foundation's core program activities;

WHEREAS, the Board identified education and community-building as strategic grantmaking priorities;

WHEREAS, the Board recognizes that the Tanforan Assembly Center, which during World War II served as one of 17 temporary detention camps established by the U.S. Army to hold Japanese Americans forcibly removed from the West Coast, without due process of law, until more permanent internment camps could be constructed, is a notable part of San Bruno's history;

WHEREAS, the Tanforan Assembly Center Memorial Committee (TACMC) is spearheading the creation and installation of a permanent memorial and plaza outside the San Bruno BART station to honor the memory of those Japanese Americans who were incarcerated at Tanforan and to educate community members about this infamous chapter in San Bruno and American history; and

WHEREAS, the Board seeks to support efforts to remember this part of San Bruno history, particularly in light of an increase in violence against Asian Pacific Americans in the Bay Area, and to embrace diversity, equity, and inclusion in the San Bruno community.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves a strategic grant totaling \$150,000 to the Tanforan Assembly Center Memorial Committee to support the construction of the Tanforan Memorial at the San Bruno BART Station recognizing the 8,000 Americans of Japanese ancestry who were interned at the Tanforan Assembly Center during World War II.

BE IT RESOLVED FURTHER that the Board hereby authorizes Executive Director Leslie Hatamiya to finalize, and execute on behalf of this corporation, a Grant Agreement setting forth the specific terms and conditions, including the specific grant purposes, for such a grant to the Tanforan Assembly Center Memorial Committee in an amount totaling \$150,000.

Dated: June 2, 2021

ATTEST:

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2021-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 2nd day of June, 2021, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:





TANFORAN MEMORIAL
Assembly Center Committee
P.O. Box 5285
Richmond, CA 94805

BRIEF BACKGROUND ON THE TANFORAN MEMORIAL FOR SAN BRUNO COMMUNITY FOUNDATION
PRESENTATION JUNE 2, 2021

After more than eight years of effort, the Tanforan committee is on the cusp of the construction phase of building the Tanforan Memorial just outside the San Bruno BART station. The committee is very excited about entering this final phase and is grateful that the San Bruno Community Foundation is seriously considering funding this project.

Given that next year 2022 will mark the 80th commemoration of the opening of the Tanforan detention center in April 1942 and that during the past eight years of attempting to build this memorial many of the original Tanforan incarcerated have since passed away, this passage of time has added a level of urgency for us to build and complete the project. It is partly to honor their experiences and endurance demonstrated at Tanforan that served as an inspiration for this project from the beginning.

Continuing to educate the public about the history of WWII events and Tanforan's place in those events will be a role that the memorial can play. There are still and there will be more people who do not know about the incarceration of Japanese Americans during WWII, let alone that there was a racetrack turned detention camp at Tanforan. Because the site is not located a day's or two day's drive to a remote, desert location where the ten concentration camps that housed Japanese Americans were located, the memorial is easily accessed on public transportation and situated in the metropolitan San Francisco Bay Area. This level of easy public and continuing public access will help to serve one of the memorial's purposes – to educate the general public. We envision it to be a destination for school field trips as part of a historical curriculum even through the college level.

In light of the national racial awakening that has started to transform the United States since the deaths of George Floyd and Breonna Taylor, and others that have unfortunately followed, and in light of the spike in anti-Asian violence around the country and in the Bay Area, this memorial has become even more meaningful.

There is little difference between a picture of Japanese American families behind barbed wire and gun towers in 1942 and contemporary pictures of Latin American families enclosed behind cyclone fences and armed guards in detention camps at the border. The past is really not the past.

Finally, we would like to mention the bronze statue of the two Mochida children, based on a Dorothea Lange WWII photograph when their family was on their way from Hayward to Tanforan. We believe that this statue will convey an emotional depth of the story that mere words and facts cannot convey. One of the two girls is still alive and is a strong supporter of this project. We hope she and her family can join us at the grand opening ceremony.

We ask for your contribution and participation to help us build this project now. Thank you for your time and consideration.



TANFORAN MEMORIAL
Assembly Center Committee
P.O. Box 5285
Richmond, CA 94805

SAN BRUNO COMMUNITY FOUNDATION JUNE 2, 2021

TANFORAN ASSEMBLY CENTER MEMORIAL COMMITTEE

PROGRAM DESCRIPTION AND IMPLEMENTATION PLAN:

The Tanforan Memorial project grew out the Tanforan Assembly Center Memorial Committee's (TACMC) photographic exhibit of Dorothea Lange's and Paul Kitagaki Jr.'s works to commemorate the 70th anniversary of the opening of the Tanforan detention center on April 28, 2012. The BART Board of Directors approved and supported this exhibition held inside the San Bruno BART train station, which at the time, was approved to be in place only temporarily. It remains in place to this day over nine years later.

Out of this initial effort, the committee saw a need for a more permanent memorial marking the story and events of Tanforan centered around a bronze statue, wall of names and memorial plaza, similar to other memorials marking the unjust incarceration of 120,000 people of Japanese descent, mostly citizens, during World War II. With the full support of the BART Board of Directors and staff, the committee began working with the idea of creating a bronze sculpture based on a Dorothea Lange photograph of two young Mochida sisters in 1942 waiting with their family for the bus that would take them to Tanforan. We also believed it was important to recognize the names of the 8,000 people incarcerated there during April – September 1942,

Early on in the chronicles of this memorial project, the San Bruno City Council endorsed our efforts and wrote a letter to the National Park Service in support of our grant application and a willingness to work with us in the future. Other endorsees included Congresswoman Jackie Speier, State Senator Jerry Hill, Assembly members Kevin Mullin and Rich Gordon, and San Mateo County Supervisor Dave Pine. These letters are included.

Working with an all-volunteer committee over the past nine years, the TACMC has made significant progress towards making the memorial a reality. After securing foundational grants from the National Park Service Japanese American Confinement Sites Program and the County of San Mateo, along with other institutional, organizational, business, family and individual donors, the committee is set to begin construction this summer, with a completion date of Fall 2021.

One of the more recent milestones the committee has achieved is the selection of a sculptor and foundry to design and cast the bronze sculpture which will be a centerpiece of the memorial. Through the solicitation process, the committee chose American Fine Arts Foundry of Burbank and artist Sandra Shaw to create the sculpture. Over a period of years, including numerous site visits to Burbank, the statue was completed and shipped to San Bruno last year. The committee is very pleased with the



TANFORAN MEMORIAL
Assembly Center Committee
P.O. Box 5285
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finished statue, and it is presently stored in a secure location at The Shops at Tanforan awaiting final installation.

VALUE PROPOSITION/COMMUNITY IMPACT

From April to September 1942, 8,000 people of Japanese descent, of whom the majority were citizens born in the United States, were imprisoned without cause or charges at the former Tanforan racetrack. No physical structures from that period remain on the site, now housing The Shops at Tanforan and the San Bruno BART station. The committee is seeking to honor the 8,000 individuals who lived there in 1942 as well as to establish a permanent memorial as a reminder to the public and future generations that the freedoms guaranteed in the US Constitution must be protected especially when those freedoms are at their most vulnerable – during times of war, crisis and easily manipulated hysteria.

The past year has been a year of a national and international racial awakening marked by the murder of George Floyd and the deaths of Brionna Taylor and many others. The protests that have followed have shaken the nation and the world. Recently sparked by blatant racial hysteria about COVID-19 instigated by a scapegoating seeking political leadership, there has been an extreme spike in anti-Asian violence across the nation and in the San Francisco Bay Area. Given these two interlocking and ongoing events, the memorial's significance and the role that it can play to continue to educate and remind rises in scope and importance.

Several people who were at Tanforan in 1942 are key members of this committee and strongly believe that the story of Tanforan should be told to present and future generations, and that this telling will contribute to a better educated public with a reinforced sense of the need to maintain our democracy. It will call out to the idea that the past is not really the past and does not remain in the past. Looking at WWII photographs of Japanese American families behind barbed wire and guard towers it is difficult to tell the differences between those photos and contemporary photos of Latin American families detained behind cyclone fences and guard towers at the border.

There is a sense of urgency for the committee to finish this project while a few of the original 8,000 incarcerated are still alive, as most are in their 80's and 90's. Building it in their lifetimes might provide some small amount of redemption for that mass injustice seventy-nine years ago.

Unlike the sites of the US concentration camps in 1942, located in remote desert locations far away from population center and difficult to get to, the Tanforan site is in the middle of the San Francisco Bay Area. It is not possible to jump on public transportation and visit Manzanar or Tule Lake or Minidoka or Topaz and get there in less than an hour. Visiting these sites requires two or three days minimum travel plus expenses. Located at the San Bruno BART station, the memorial will be readily accessed through public transportation or freeways to the millions of SF Bay residents and visitors.



TANFORAN MEMORIAL
Assembly Center Committee
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Having already led tours of interested out of town organizations, college classes and a seniors' field trip of the photo exhibition, we expect the permanent memorial to be a focus of any study of WWII Bay Area history, from the college to high school and junior high levels. Any student reading works of the author Yoshiko Uchida about life during those days would find a natural connection to a visit to Tanforan. We will be seeking to expand connections to schools in the Bay Area to include a visit to the Tanforan Memorial as part of a historical curriculum.

A significant portion of the thousands of people who pass through the San Bruno station, and of the millions who use the BART system Bay Area wide, are unaware of the history of the Japanese American incarceration during WWII, and, that a temporary detention camp existed on this very site. The memorial can thus serve as an educational reminder of the historical events and the particulars of the Tanforan experience. With its bronze statue, replica horse stall, cherry tree and wall of 8,000 names we believe the Tanforan memorial will serve as a reminder to the present and coming generations of the events that took place here during WWII and their relevance today.

The committee is fortunate to have Royston, Hanamoto, Alley and Abbey (RHAA) as our memorial architects. They are a nationally recognized landscape architectural firm from the Bay Area and have generously committed all their design services pro bono during the past six years in honor of three of their Japanese American founders. Mar Structural Design, Sherwood Design Engineers and Blach Construction will also be our partners in construction. Mar Structural is also donating their structural engineering services to the project. Sherwood is charging us a reduced rate for their civil engineering services. Blach Construction normally does not take on a project the size of ours focusing on larger projects but is making an exception in this case as it recognizes the project's historical and social significance.

TIMELINE

We are waiting for final approval for the project from BART of our submitted plans and the BART construction permit. Plans have been submitted to BART and we expect their final approval soon, with construction to follow soon after. Blach Construction is gathering bids and has just completed a job walk at site for prospective sub-contractors. Final bid awards will happen very soon. We are looking for a Fall 2021 finish date for the project.

BUDGET

The present construction budget is \$1,028,000. This is based on the Blach Construction bid of \$886,000 and Landscape Forms' bid of \$142,000 for the fabrication of the replica horse stall, wall of 8,000 names



TANFORAN MEMORIAL
Assembly Center Committee
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and wooden structures and coverings. This budget does not include all needed elements of the finished memorial. Signage/storyboards/settings and their design/fabrication/installation are not included in this price. The committee is developing the content and scope of the message/information/education we believe the memorial should contain. That will drive the form of the signage/boards. For example we need to have something explaining the history behind the statue, what the replica horse stall represents, who are people listed in the wall of 8,000 names, acknowledgments, history and meaning of Tanforan, etc. For this we have included a ballpark figure of \$22,000.

Construction Costs (minimum)

Blach Construction	\$886,000
Landscape Forms	\$142,000
Signage/ Storyboards	\$22,000

Total \$1,050,000

Total in hand including National Park Service funds

\$775,000

Shortfall \$275,000

WHY SBCF FUNDS ARE NEEDED?

We are looking to raise an additional \$275,000 for immanent construction costs and an additional \$50,000 to fund long-term maintenance for a total of \$325,000. The immediate need is \$275,000 for the construction budget. Besides a contribution from the SBCF, Supervisor David Canepa has indicated an interest in supporting an additional contribution for the project. We have asked him to match whatever the contribution from SBCF but we are waiting for a definite commitment from him. We have the bronze maquette of the statue and will utilize it in a new fundraising campaign. This will be the final chance for families to place an inscribed paver stone withing the memorial with the names of their family and loved ones. In addition, we are also embarking on a GoFundMe campaign to tap online support as a complement to our website.

COLLABORATION/SUPPORTERS

Our current financial supporters include National Park Service, Japanese American Confinement Sites



TANFORAN MEMORIAL
Assembly Center Committee
P.O. Box 5285
Richmond, CA 94805

Program; County of San Mateo; Japanese American Community Foundation; Mr. and Mrs. Robert Raburn, BART Board of Directors; RHAA; Ninomiya Family Trust; numerous families and individuals; San Mateo Building & Construction Trades Council with donations from Electricians #617, Plumbers & Pipefitters #467, Laborers #261, Teamsters #853, Operating Engineers #3 and Glaziers #718.

The San Bruno Lions Club and Boy Scout Troops 72 and 4172 of San Bruno are local partners in this project. They both have volunteered to participate in a regular maintenance program for the memorial. We are grateful for their support.

Some of the key activities necessary for project completion are the reconfiguration of the public plaza at the rear of the San Bruno BART station. This would include concrete demolition and removal, a new concrete pour consistent with ADA requirements, and installation of the bronze statue, erection of the horse stall, planting of the cherry tree, installation of the wall of 8,000 names and signage explaining the meaning of the memorial and its continuing importance for not only the people of San Bruno and the local Japanese American community but the broader communities of this country.

SUSTAINABILITY

Once construction is paid for and completed, the committee's next financial goal is to raise an endowment fund for maintenance on the project. Our projected goal is \$50,000.

Working with BART, the Lions Club, San Bruno Boy Scouts and the possible participation of the City of San Bruno and the continuing participation of TACMC we will be developing a long range, sustainable plan for maintenance. For the immediate future TACMC will remain the first point of contact for any material damage, graffiti, etc. and be financially responsible to cover those costs.

We anticipate the memorial will live on well past the lifetimes of the present committee members. Its importance and enduring lessons will remain as guideposts for a healthy society to oppose injustice and stand strong for basic democratic principles, especially when those principles are under threat.

To paraphrase Reverend Dr. Martin Luther King: "The ultimate measure of a human being is not where they stand in moments of comfort and convenience, but where they stand at times of challenge and controversy."

Thank you for the opportunity to make this presentation.



CITY OF SAN BRUNO
OFFICE OF THE MAYOR

Jim Ruane
Mayor

November 5, 2015

Kara Miyagishima, Program Manager
Japanese American Confinement Sites Grant Program
National Park Service
12795 W Alameda Parkway
Lakewood, CO 89228

Dear Ms. Miyagishima:

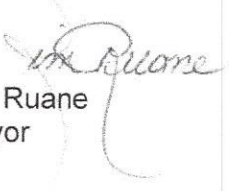
On behalf of the City Council of the City of San Bruno, I am writing to confirm the City's interest and support for the proposed Tanforan Assembly Center Memorial honoring all those who were incarcerated at the Tanforan Assembly Center in San Bruno during World War II.

The Tanforan Assembly Center remained opened from April 1942 through October 1942 and housed 8,000 persons of Japanese ancestry who were U.S. citizens removed from their homes during World War II in the San Francisco Bay Area. Tanforan operated as a temporary detention center for Japanese Americans until they were transported to permanent concentration camps.

The Tanforan Assembly Center Memorial Committee (TACMC) has been instrumental in working with several partners to support two projects in San Bruno: the photographic exhibit of Japanese Americans fated for the temporary detention center at the Tanforan Racetrack in San Bruno, and the proposed project of a bronze memorial statue and historical plaza dedicated to those who were incarcerated during World War II. Going forward, the City of San Bruno anticipates coordinating with TACMC to evaluate the on-going maintenance needs for the proposed memorial and what role the City might play to assure that the memorial remains in good condition.

The City of San Bruno is excited to work with TACMC and other partners to have this significant memorial project, a second project, in our City as a historical memorial to tell the story of this important event in American history.

Sincerely,


Jim Ruane
Mayor

JACKIE SPEIER
14TH DISTRICT, CALIFORNIA

211 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0514
(202) 225-3531
FAX: (202) 226-4183
155 BOVET ROAD, SUITE 780
SAN MATEO, CA 94402
(650) 342-0300
FAX: (650) 375-8270
WWW.SPEIER.HOUSE.GOV

Congress of the United States
House of Representatives
Washington, DC 20515-0514

COMMITTEE ON ARMED SERVICES
SUBCOMMITTEES:
READINESS
OVERSIGHT AND INVESTIGATION
COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM
SUBCOMMITTEES:
RANKING MEMBER, ENERGY POLICY, HEALTH CARE,
AND ENTITLEMENTS
NATIONAL SECURITY
GUN VIOLENCE PREVENTION
TASK FORCE
Vice Chair

November 5, 2015

Kara Miyagishima
National Park Service
Japanese American Confinement Sites Grant Program
12795 West Alameda Parkway
Lakewood, CO 80228-2838

RE: SUPPORT FOR TANFORAN ASSEMBLY CENTER MEMORIAL

Dear Ms. Miyagishima,

I am writing to offer my support for the application of the Tanforan Assembly Center Memorial Committee (TACMC) application for purposes of funding a memorial related to the Tanforan Assembly Area. My support is based upon the understanding that the application will be reviewed consistent with all applicable laws and regulations.

The Tanforan site is outstanding for several reasons:

1. As far as I am aware, most of the current memorial sites are in distant locations and this reduces the opportunity for those sites to serve their educational purpose. In contrast, the Tanforan memorial is proposed to be located at a major mass transit station (Bay Area Rapid Transit – BART) that has 4,000 riders per day, and it would be on the property of a major shopping center that has millions of visitors per year. BART riders will stream by the site while walking from the main parking lot to the station, and shoppers will also walk from the parking lot to the shopping center through this memorial site. The Tanforan memorial offers an unprecedented opportunity to educate tens of thousands each year without visitors having to make a special trip to a distant location.
2. This past weekend, I participated in a ceremony to support this memorial. I heard from second and third generation Japanese Americans who live in Northern California, and who can trace part of their family history through Tanforan. A Tanforan memorial would help to educate thousands of Bay Area families about an important chapter in their personal histories, but it would also remind all Bay Area residents that there was a time in this country when 7,800 of their neighbors and friends were taken from their homes and

locked up for no better reason than wartime hysteria and a failure of political leadership. This memorial, unlike others around this nation, could become an urban conscience zone where school children can easily arrive by mass transit or bus during field trips. When civil rights need to be defended or ethnic stereotyping arises, the Tanforan Assembly Area memorial could become a regional rallying site where television could carry the lesson and image to millions throughout Northern California.

3. Third, the Tanforan site is directly linked by history to an existing national park property: The Golden Gate National Recreation Area (GGNRA). The order to incarcerate Japanese Americans was issued at the Army facility (Ft. Mason) that later became part of the GGNRA. It is important for interpretive reasons that the Tanforan site—which was the intermediate stop toward the long-term camps—be memorialized or an entire part of the nation's shameful legacy will not be understood. The GGNRA is prepared to offer technical assistance and interpretation.
4. BART has already sponsored a photo exhibit of the incarceration within the walls of the station showing internees then and now. The proposed memorial site is far too large to be accommodated within a mass transit station, given such basic station needs as safe fire exiting, police access and other safety considerations. However, the powerful photo exhibit in the station offers additional interpretive resources, including insights into Tanforan as it was during the early days of the war in stark contrast to how it is today. The photos will work well with the overall memorial located just a few feet away and adjacent to the station.
5. The City of San Bruno is supporting the construction of a memorial at this site. The city is also seriously considering assuming maintenance responsibilities.
6. The County of San Mateo has committed to fund this site in the amount of \$250,000.

Tanforan offers taxpayers tremendous bang for the buck. Thank you for fairly and completely evaluating the application of the Tanforan Assembly Center Memorial committee. I am hopeful that, upon a full and fair evaluation, the application will be deemed worthy of funding so that we may begin to erect an urban reminder—easily accessible to tens of thousands throughout the year--- of a national injustice against our fellow citizens.

All the best,



Jackie Speier

KJS/bp

California State Senate

SENATOR
JERRY HILL

THIRTEENTH SENATE DISTRICT



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STATE CAPITOL
SACRAMENTO, CA 95814
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COMMITTEES
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ENERGY, UTILITIES &
COMMUNICATIONS
ENVIRONMENTAL QUALITY
GOVERNMENTAL ORGANIZATION

November 6, 2015

Ms. Kara Miyagishima
National Park Service
Japanese American Confinement Sites Grant Program
12795 West Alameda Parkway
Lakewood, CO 80228-2838

RE: Support for the Tanforan Assembly Center Memorial Sculpture Project

Dear Ms. Miyagishima,

We write to you in strong support of the project by the Tanforan Assembly Center Memorial Committee to create and install a sculpture honoring the nearly 8,000 women, children and men of Japanese descent who were incarcerated at the center in San Bruno, Calif., 73 years ago during World War II.

A police station, a rapid transit train station and a popular shopping mall now occupy the site, where families once were crowded into the filthy horse stalls of a racetrack that was used as a way station in the network of Japanese American confinement sites. The memories of that time and that place are still vivid for former internees, but they are little known to the thousands who traverse the area today.

The Tanforan Assembly Center Memorial Committee seeks to honor the memories, experiences and sacrifices of the internees by placing a sculpture in the plaza of San Bruno Bay Area Rapid Transit Train Station. With such a visible memento, the committee seeks to ensure that we – and the generations who follow us – do not forget this tragic lesson of the past and do not repeat this terrible transgression in the future.

Letter in Support of the Grant Application by the Tanforan Assembly Center Memorial Committee, Page 2

On behalf of the residents of our districts, we ask for your consideration of the application by the Tanforan Assembly Center Memorial Committee to the National Park Service Japanese American Confinement Sites Grant Program for funds that will help make the Tanforan Assembly Center Memorial sculpture a reality.

Sincerely,



Jerry Hill
California State Senator, 13th District



Kevin Mullin
California State Assemblymember, 22nd District



Rich Gordon
California State Assemblymember, 24th District

CC:

Doug Yamamoto, President, Tanforan Assembly Center Memorial Committee
Steve Okamoto, Board Member, Tanforan Assembly Center Memorial Committee and Tanforan
Internee

HALL OF JUSTICE AND RECORDS
400 COUNTY CENTER
REDWOOD CITY, CA 94063



TEL: (650) 363-4571
FAX: (650) 368-3012
E-MAIL: dpine@smcgov.org

DAVE PINE
SUPERVISOR, FIRST DISTRICT
SAN MATEO COUNTY

November 6, 2015

Kara Miyagishima
National Park Service
Japanese American Confinement Sites Grant Program
12795 West Alameda Parkway
Lakewood, CO 80228-2838

Re: Support for Grant Funding for the Tanforan Assembly Center Memorial

Dear Ms. Miyagishima:

I am writing in support of the application submitted by the Tanforan Assembly Center Memorial Committee for grant funding through the Japanese American Confinement Sites Grant Program. The Committee is seeking a capital grant to fund construction of a bronze memorial and plaza which will include a wall of names listing the nearly 8,000 individuals who were incarcerated at the Tanforan Assembly Center in San Bruno, California.

This project is of critical importance to our community as nothing remains of the former temporary detention center at Tanforan where a shopping mall, a San Francisco Bay Area Rapid Transit (BART) train station, and a San Bruno police station now stand. The memorial project will address the lack of awareness by the general public of the grave injustices endured by Japanese Americans during WWII, specifically the forced detention at the Tanforan Assembly Center.

As the events at Tanforan Assembly Center recede further into time, and the remaining survivors of that incarceration pass away, it becomes even more imperative that a memorial be established so that these historical events remain in the public consciousness. The proposed bronze memorial, wall of names, and associated educational storyboards will both honor those who were detained, and help ensure that incarceration without cause in the name of national security never happens again.

The County of San Mateo will commit to provide up to \$250,000 to this important project. The balance of the required \$312,962 non-Federal cost match will be raised from private sources as detailed in the grant application.

Thank you for your consideration of the grant application submitted by the Tanforan Assembly Center Memorial Committee. If I can provide any additional information please contact my office at 650-363-4126 or via email at dpine@smcgov.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Pine', with a long horizontal flourish extending to the right.

Dave Pine
San Mateo County Supervisor. District 1

cc: Doug Yamamoto

SAN BRUNO

Community Foundation

Memorandum

DATE: May 28, 2021

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on Small Business Recovery and Assistance Program (COVID-19 Relief Grant)

At the June 2, 2021, regular Board meeting, the Board will receive a report on one of the Foundation's COVID-19 relief grants – the Small Business Recovery and Assistance Program – from Pcyeta Stroud, Director of the Bay Area Entrepreneur Center of Skyline College.

As you will recall, in March the Board approved a second grant to the San Mateo County Community College District in the amount of \$157,000 to enable the Bay Area Entrepreneur Center of Skyline College (BAEC) to continue the San Bruno Small Business Recovery and Assistance Program. The BAEC launched the program in 2020 with an initial \$100,000 COVID-19 relief grant from SBCF. The program offers no-cost financial advising, business consulting, tax preparation support, translation services, valuable business tools, and a host of virtual workshops, as well as a micro grants component, to assist small businesses with navigating funding programs, pivoting areas of their business, managing their new financial picture and with exploring and understanding their options going forward in the face of COVID-19 impacts. The BAEC provided \$4,000 micro grants to a first cohort of 16 San Bruno small businesses. Our second grant is enabling the BAEC to continue offering its workshops and coaching opportunities to a broad range of San Bruno small businesses, support a second cohort of 15 businesses with micro grants, and provide supplementary micro grants to the 16 businesses in the first cohort.

On June 2, Ms. Stroud will provide an update on the program, particularly in light of the May 31 application deadline for the second round of small business micro grants.

SAN BRUNO

Community Foundation

Memorandum

DATE: May 28, 2021

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on Other Programs (Community Grants Fund and Other Strategic Grants)

At the June 2, 2021, Board meeting, Program Manager Stephanie Rutgers and I will give an update on the Community Grants Fund and the Foundation's other strategic grants.

1. Community Grants Fund

a. 2020-2021 Grant Cycle

In December 2020, the Board approved 23 grants totaling \$300,000 (of which \$100,000 was donated by YouTube/Google.org). We executed all 23 grant agreements by the middle of January and completed delivery of all grant checks in February.

The Capuchino High School Alumni Association received a \$24,451 grant to fund professional development training for Capuchino High School faculty to participate in an Equity Summit, which will include implicit bias reflection and identification, training on anti-racist practices, and establishing equity goals. The original plan was to hold the Equity Summit in August 2021 right before school begins for the new school year. To be effective, the Capuchino leadership believes the training needs to be held in person and have as many faculty members participating as possible. To schedule the Summit in August, the school needed to confirm plans by early spring, and given that the continuing pandemic and uncertainty about in-person gatherings in August, Principal Jesse Boise informed the Foundation of his desire to postpone the Summit until the summer of 2022 (either right after school ends in June or right before the next school year begins in August) and requested an extension of the grant period. I have agreed to amend the grant agreement and extend the end of the grant period to September 30, 2022, and I will be working with nonprofit counsel to prepare the amendment.

b. 2021-2022 Grant Cycle

Following our usual schedule, we plan to launch the 2021-2022 cycle of the Community Grants Fund at the beginning of July. As the Board will be in the midst of its strategic planning process

SAN BRUNO

Community Foundation

Memorandum

during this year's planning stage, we do not anticipate making any significant changes to the program in 2021-2022. Any changes arising from the strategic planning process are most likely to be incorporated for the 2022-2023 program cycle.

We will continue to offer Grant Workshops over the summer to educate potential applicants on the program and the application process, and they will likely be held via Zoom. We are in the process of updating the marketing materials, as well as the online application and supporting documentation.

Key dates for the 2021-2022 grant cycle include:

- First week of July 2021: Program launches; application available online; begin distribution of marketing materials
- Dates in August and September TBD: Grant Workshops via Zoom
- September 22, 2021, 5:00 p.m.: Application deadline
- December 1, 2021: Board consideration of grant awards

The fiscal year 2020-2021 budget that the Board will consider at the June 2 meeting includes a \$300,000 program disbursement allocation for the Community Grants Fund, including a \$100,000 donation from a community partner.

2. Recreation and Aquatic Center

As you know, the Foundation is funding the San Bruno Recreation and Aquatic Center project through a series of grant agreements that cover specific portions of the project costs that will total up to \$50 million. On April 7, 2021, the Board approved RAC Grant #7, in an amount not to exceed \$1,123,438, for necessary renovations to the Tom Lara Field parking lot in San Bruno City Park. The City and I executed the grant agreement for this grant in May, and the City expects to begin the parking lot renovations this summer.

For RAC Grants #2 (architectural services), #3 (project and construction management services), #4 (City compliance review), #5 (temporary facilities), and now #7 (Tom Lara Field parking lot renovations), grant payments are being made on a quarterly basis, based on a progress report for each grant outlining incurred expenses submitted by the City after the end of each quarter. (RAC Grants #1 (conceptual design) and #6 (business plan) have been fully paid out.) At the end of April, the City submitted quarterly grant reports for the first quarter of 2021 for RAC Grants #2-#5, and the Foundation made grant payments in early May totaling \$273,850.27. In all, the Foundation has paid out grant payments on all RAC grants totaling \$5,839,582.05.

SAN BRUNO

Community Foundation

Memorandum

The City is still in the process of reviewing bids submitted by construction firms for the construction phase of the project. The City expects to award the construction contract to one of the bidding firms in June, after which it will make a formal request to the Foundation for the eighth and final RAC grant. Up to \$40,464,454.15 of the original \$50 million commitment remains for the construction grant.

3. Music Education Strategic Initiative

In May 2020, the Board approved a fourth year of funding for the Music Education Strategic Initiative, with the additional \$68,000 to be used in the 2020-2021 academic year (\$60,000 to the San Bruno Education Foundation (SBEF) and \$8,000 to the Capuchino High School Alumni Association (CHSAA)). Last fall, SBEF informed me that it may need to ask for an extension, as the continuation of distance learning led to a suspension of the SBPSD's elementary school music ed program, which the vendor was unable to successfully implement in the distance learning format. As I reported in March, SBEF formally requested a one-year extension for the use of the \$60,000, until June 30, 2022.

In addition, SBEF had previously asked to roll over about \$10,000 in program sustainability dollars from the 2019-2020 school year to 2020-2021, due to the pandemic-related cancellation of the 2020 Music in the Air concert and fundraiser. In the current school year, SBEF has used about \$4,300 for marketing design work and the production of a promotional video (which includes Board Member Gomez), and SBEF in March asked to roll over the remaining \$5,800 for use in 2021-2022, pandemic conditions continue to prevent the scheduling of a fundraiser/donor event this spring. SBEF is working on a Panther Pride Day in January 2022, to showcase music and STEM programs in San Bruno.

I approved both requests, and in April we amended the grant agreement with SBEF to extend the grant period through June 30, 2022.

CHSAA was able to use its \$8,000 in grant funds in the 2020-2021 academic year and in early May submitted its final grant report for the four-year Music Education strategic grant. This year's funds were spent on books, sheet music, and contract part-time music coaches. Over the four years of the grant, the Foundation invested \$124,110 in the Capuchino music program, funding new marching band uniforms, a trailer for transporting equipment to performances and competitions (which was later sold and the funds invested in other program needs), transportation to performances and competitions, equipment, music, and other needed supplies.

This year, the Capuchino music program faced many significant challenges due to the pandemic and distance learning format. As only virtual individual instruction was permitted, the

SAN BRUNO

Community Foundation

Memorandum

musicians were unable to participate in group practices or competitions. In his first year as the school's new music director, Jonathan Hsu made the best of the situation and managed to showcase the students through a virtual concert with all participants playing from home.

SAN BRUNO

Community Foundation

Memorandum

DATE: May 28, 2021

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Investment Committee

The June 2, 2020, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held via Zoom on May 19, 2021. Treasurer Tim Ross chairs the Committee, on which Secretary John McGlothlin and community members Tony Clifford, Mark Hayes, and Frank Hedley also serve.

On May 19, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Chief Executive Officer Brian Dombkowski, Senior Wealth Manager Kristin Sun, and Senior Portfolio Manager Meghan DeGroot – made its quarterly presentation to the Committee. The Committee also received a report from me on the Foundation's activities, discussed cash flow management in light of the Recreation and Aquatics Center project, adopted a resolution recommending to the Board the Quasi-Endowment payout rate for fiscal year 2021-2022, and conducted its annual review of the Investment Policy Statement and the Investment Operating Plan. The results of the Committee's deliberations will inform the discussion of another item on the June 2 agenda – namely, consideration of the resolution approving the fiscal year 2021-2022 budget, setting the fiscal year 2021-2022 Quasi-Endowment payout rate, and approving transfers from the Strategic Pool to the Liquidity Pool for fiscal year 2021-2022.

1. Quarterly Report from Sand Hill Global Advisors

Mr. Dombkowski gave an overview of the firm's investment outlook, particularly the impact of the COVID-19 pandemic and the significant governmental stimulus efforts in response to it. He noted that the leading economic indicators suggest that a recovery is underway.

Ms. DeGroot then reviewed the Foundation's Investment Dashboard for the first quarter of 2021, including March 31, 2021, balances of \$21,906,395 for the Quasi-Endowment, \$30,965,943 for the Strategic Pool, and \$24,739,788 for the Liquidity Pool (total of \$77,612,125 in all three accounts). She noted that both the Quasi-Endowment and Strategic Pool outperformed their benchmarks over the past 12 months. She also reported that SHGA

SAN BRUNO

Community Foundation

Memorandum

reduced the portfolio's exposure to traditional fixed income, in favor of emerging market bonds and absolute return.

2. Committee's Discussion and Direction Regarding Cash Flow Strategies Related to Funding of the Recreation and Aquatics Center

I had hoped to receive a revised overall cash flow timeline for the Recreation and Aquatic Center (RAC) project from the City of San Bruno by the beginning of May, to be incorporated into the FY2021-2022 budget, but an updated project cash flow timeline will depend on the contract the City signs with its selected construction firm. The City recently issued a notice of intent to award the construction contract and is expected to approve the selection in June.

At the Investment Committee meeting, I reported that the Foundation has thus far paid out \$5.8 million on the seven approved RAC Grants. The City intends to request the final RAC grant – for construction of the facility, totaling about \$40.5 million – once it approves the construction firm. I noted that given the construction timeline (20-24 months), all remaining RAC grant payments, which total nearly \$44.2 million, likely fall within the 12-24-month window for the Liquidity Pool. Based on the estimated cash flow timeline the City provided a year ago, as much as \$41 million might be needed in FY2021-2022. I also noted that \$13.4 million of the \$15.25 million transferred from the Strategic Pool to the Liquidity-Operating subaccount in July 2020, in anticipation of project construction beginning in the current fiscal year, remains available for RAC grant payments in the coming fiscal year and that the Liquidity-RAC subaccount (\$10 million moved over from Strategic in FY2018-2019, plus investment income since then) currently totals \$10.6 million and can be depleted in FY2021-2022 as needed for the RAC grant payments.

After much discussion, the Committee came to consensus to recommend that the FY2021-2022 budget should include the full amount of the remaining funds needed to meet all potential remaining RAC grant payment obligations (just under \$20.2 million) as part of the Strategic-to-Liquidity-Operating payout, so long as the Executive Director has the discretion to transfer less than the full amount if the full amount is not needed in FY2021-2022. The Committee also agreed that the Foundation should use the Liquidity-Operating carry-forward from FY2020-2021 and the balance of the Liquidity-RAC subaccount for RAC grant payments before transferring any additional funds from Strategic to Liquidity-Operating. The Committee's guidance has been incorporated into the FY2021-2022 budget that the Board will consider on June 2.

SAN BRUNO

Community Foundation

Memorandum

3. Committee's Recommendation to the Board for the Quasi-Endowment Payout Rate for Fiscal Year 2020-2021

Section VII of the Foundation's Investment Policy Statement sets forth the spending policy. Section VII.1. states:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals. In June 2017, upon recommendation from the Investment Committee, the Board amended the payout guidelines for the Quasi-Endowment Pool:

Payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

The City Attorney has advised that as amended, the Quasi-Endowment payout provision in the Investment Operating Plan does not need to be amended each year, and the Board – with guidance from the Investment Committee – can simply pass a resolution each year setting the next fiscal year's Quasi-Endowment payout rate.

For the past four years, the Committee decided to recommend – and the Board subsequently adopted – a Quasi-Endowment payout rate sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund in the upcoming fiscal year. The Board has approved the annual payout rate as follows:

SAN BRUNO

Community Foundation

Memorandum

Fiscal Year	QE Payout Rate	Average QE Balance of Past 12 Quarters	Approved QE Payout
FY2017-2018	2.25%	\$15,685,369	\$352,921
FY2018-2019	1.95%	\$16,409,212	\$319,980
FY2019-2020	1.90%	\$16,711,034	\$317,510
FY2020-2021	1.70%	\$17,392,997	\$295,681

Upon my recommendation, the Committee is recommending that the Board continue to follow this practice for FY 2021-2022, which is consistent with the original long-term vision for the Quasi-Endowment (to fund those two programs plus support costs on an ongoing basis) and allows for some continued growth of the Quasi-Endowment, especially while the Foundation still has the Strategic funds to help support operational expenses. Strategic funds would cover cash needs for all strategic grants plus all support costs. This option has been a reasonable compromise position – it draws from the Quasi-Endowment but at a low rate, and it taps into the Strategic Pool for all support costs but also leaves some amount for additional strategic grantmaking.

With the assistance of Accounting Consultant Frank Bittner, I have developed the fiscal year 2021-2022 budget. Cash flow needs for the Crestmoor Scholarships and Community Grants Fund are estimated at \$305,960.

For Quasi-Endowment payout calculation purposes, we use the quarter-ending balances on our Fidelity statements rather than those provided by SHGA (the two differ slightly based on different methods for recording transactions near the end of the quarter). The average of the latest 12 quarter-ending Quasi-Endowment values (Q2 2018 to Q1 2021) is \$18,407,790. A payout rate of 1.70% would result in a Quasi-Endowment payout of \$312,932.

As a result, the Investment Committee is recommending that the Board set the Quasi-Endowment payout rate for FY2021-2022 at 1.70%. The Board will consider a resolution taking such action as part of its consideration of the FY2021-2022 budget later in the June 2 Board meeting.

4. Annual Review of Investment Policy Statement and Investment Operating Plan

The Committee also conducted its annual review of the Foundation's Investment Policy Statement, which is the high-level policy document governing the Foundation's investment practices, and Investment Operating Plan, which is the more detailed operating agreement between the Foundation and SHGA, annually. Under the Investment Policy Statement, the Committee is tasked with reviewing both documents at least once a year and making any recommendations for amendments to the Board.

SAN BRUNO

Community Foundation

Memorandum

After a brief discussion, the Committee did not make any recommendations for amendments to either document and noted that the most likely time to consider changes to both documents is when the Strategic Pool has been depleted.

Finally, the two remaining Committee meetings in 2021 are scheduled for August 18 and November 17, both at 4:30 p.m. (either at City Hall or on Zoom, depending on future social distancing requirements).

Attachment:

1. Investment Committee Resolution No. IC 2021-11 Recommending to the SBCF Board of Directors the Quasi-Endowment Payout Rate for Fiscal Year 2021-2022

RESOLUTION NO. 2021-11

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION INVESTMENT COMMITTEE
RECOMMENDING TO THE SBCF BOARD OF DIRECTORS THE QUASI-ENDOWMENT PAYOUT
RATE FOR FISCAL YEAR 2021-2022**

WHEREAS, under Section II.2.a. of the Investment Policy Statement of the San Bruno Community Foundation, the Investment Committee is tasked to “review at least annually the Investment Policy Statement and Investment Operating Plan and monitor compliance with both documents”;

WHEREAS, Section VII.1 of the Investment Policy Statement sets forth the spending policy for the Quasi-Endowment as follows:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

WHEREAS, Section VI.1.d.i. of the Investment Operating Plan with its investment adviser, Sand Hill Global Advisors, as amended, states, with regard to the Quasi-Endowment payout:

Payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.70%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision, would result in a payout of \$312,932 and provide the necessary funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community

Grants Fund in fiscal year 2021-2022, consistent with the original long-term vision for the Quasi-Endowment; and

WHEREAS, the Foundation’s Board of Directors will consider the Foundation’s fiscal year 2021-2022 budget, including transfers from the Quasi-Endowment to the operating budget, at its June 2, 2021, meeting.

NOW, THEREFORE, BE IT RESOLVED that the Investment Committee recommends that the Board of Directors approve, for fiscal year 2021-2022, a Quasi-Endowment payout rate of 1.70%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision, resulting in a payout of \$312,932, to provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in fiscal year 2021-2022, consistent with the original long-term vision for the Quasi-Endowment.

Dated: May 19, 2021

ATTEST:

Tim Ross

Tim Ross, Investment Committee Chair

I, Tim Ross, Chair, do hereby certify that the foregoing Resolution No. 2021-11 was duly and regularly passed and adopted by the Investment Committee of the San Bruno Community Foundation on this 19th day of May, 2021, by the following vote:

AYES: Committee members: Ross, Clifford, Hayes, Hedley, McGlothlin

NOES: Committee members: None

ABSENT: Committee members: None

SAN BRUNO

Community Foundation

Memorandum

DATE: May 28, 2021

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: SBCF Budget and Transfers from the Quasi-Endowment, Strategic Pool, and Liquidity-RAC Subaccount to the Liquidity-Operating Subaccount for Fiscal Year 2021-2022

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. As we approach the end of the 2020-2021 fiscal year, I will present the 2021-2022 budget to the Board for approval at the June 2 Board meeting. If approved, the budget will be submitted to the City Council for consideration at a special meeting on June 9, 2021.

1. SBCF's Overall Financial Picture

Before I provide a detailed account of the FY2021-2022 budget, I think it is instructive to review the overall financial health of the organization. As I presented at the Board's May 12 special meeting, the following chart provides a complete picture of the Foundation's overall financial history and health and includes both the investment portfolio managed by Sand Hill Global Advisors, LLC, as well as other funds (including initial funds received from the restitution funds to support the Foundation's operations in 2015-2016 prior to establishing the investment accounts as well as donations received):

SBCF Financial Snapshot (rounded to millions of \$)	
Total Initial Assets	\$71 million
Investment Gains Through 3/31/21	+\$18 million
Donations and Other Income Through 3/31/21	+\$1 million
Total Funds Disbursed Through 3/31/21	-\$12 million
Portfolio Value as of 3/31/21	\$78 million

Total initial assets include the \$69.8 million that was transferred to our Fidelity investment accounts in 2016 as well as about \$700,000 in cash that the City had transferred to the Foundation prior to then to cover our expenses from inception through June 2016. Investment gains are those made by the investment portfolio (the funds managed by Sand Hill). Donations

SAN BRUNO

Community Foundation

Memorandum

and other income have flowed through our operating accounts but are not reflected in our investment portfolio.

In sum, the Foundation's overall financial health is quite strong. The Foundation has benefited from a robust stock market (even despite the turbulence created by the COVID-19 pandemic), prudent investment management by and guidance from our team at Sand Hill, and solid fiscal management practices and policies by our Board and staff. The FY2021-2022 budget should be reviewed in the context of this overall financial picture.

2. Budgeting Principles

In developing this budget, I am guided by the principles of transparency and economy. As prudent stewards of the restitution funds, we want to communicate our decisions and activities with the community and have accordingly provided ample budget to do so. At the same time, we will be cost-conscious in all categories of expenses.

As I remind the Board each year, ours is not a typical nonprofit budget, where the goal is for expenses to equal revenues. Most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, as a result of our ample investment portfolio, the Foundation's budget is expense-driven. Our budgeted "income" consists primarily of transfers from our assets (Quasi-Endowment, Strategic Pool, and Liquidity-RAC subaccount) to our operating budget to cover our cash needs during the fiscal year, along with a relatively small cohort of donations and interest income earned on our operating funds. We do not seek – and typically do not achieve – a "balanced budget," as our cash needs do not necessarily match our recorded expenses in a given year. This is because we record grant and scholarship commitments as expenses at the time agreements are executed and scholarships awarded, but grant and scholarship payments are often made in a later fiscal year. As a result, the fact that in the FY2021-2022 budget expenses (\$46,857,388) exceed funds available for operations (\$37,439,839) should not be a cause for concern. The calculations of our expenses and funds available for operations should be analyzed separately, as they are based on different factors and needs.

3. FY2021-2022 Expenses

We have three main categories of expenses: Direct Program Expenses (Crestmoor Scholarships, Community Grants Fund, Strategic Grants, and Other Grants), Personnel Expenses, and Non-Personnel Support Costs. As previously mentioned, grant and scholarship commitments are recorded as expenses at the time grant agreements are executed and scholarships are awarded (but not necessarily paid out). We are currently projecting expenses of \$46,857,388.

SAN BRUNO

Community Foundation

Memorandum

a. Direct Program Expenses

- Crestmoor Scholarships: This line is set at \$160,000, which is a \$40,000 increase from the amount awarded in 2017, 2018, and 2019. In 2020, we awarded \$190,000 in scholarships based on a \$70,000 restricted donation from the Joseph W Welch Jr Foundation, and in 2021, we awarded \$195,000 in scholarships based on another \$70,000 donation from the Welch Foundation, a \$7,349 donation from the San Mateo County Association of REALTORS® Foundation, and a \$1,000 donation from an individual donor. At this time, we do not anticipate any donations earmarked for the Crestmoor Scholarship in fiscal year 2021-2022. However, in November 2019 (prior to the first Welch donation), the Board approved an increase in scholarship awards to \$160,000 based on a recommendation from the Ad Hoc Committee on Crestmoor Scholarship, and this is the basis for the \$160,000 budgeted amount. At this level, the Foundation will likely award a total of 11 scholarships in 2022: six high school to four-year college, two high school to community college, and three community college to four-year college.
- Community Grants Fund: This line is set at \$300,000, reflecting \$200,000 of the Foundation's funds and a \$100,000 anticipated donation from a community partner. This level of funding is consistent with the total amount of grants awarded the past three years of the program, with donations from Google.org/YouTube.
- Strategic Grants: Of the \$45,964,454 budgeted for strategic grants, \$40,464,454 is expected to go toward the final RAC grant covering the construction contract, which we anticipate the City will request from the Foundation in June. (Even if the Board approves the grant in June, it is unlikely that the grant agreement – which is when the expense is recorded – would be executed until the new fiscal year.)

We have also added a \$5 million placeholder for a potential significant strategic grant arising out of Community Listening Campaign 2.0 and the current strategic planning process. The Board has yet to discuss its plans based on the community input received during the Listening Campaign, but the budget reflects the possibility of including at least one major (up to \$5 million) strategic initiative. Of course, the Board retains the ability to decide not to make such an investment in the coming year.

Finally, this budget line includes an additional \$500,000 for possible use for other, smaller strategic grants, such as continuation of support for Community Day (assuming the City is able to hold the event in 2022), additional COVID-relief grants, other strategic grants that the Foundation has been investigating (vocational

SAN BRUNO

Community Foundation

Memorandum

education, technology in schools), and smaller grants that could result from the Listening Campaign and strategic planning process.

Obviously, the most significant strategic grant the Foundation will likely make in FY2021-2022 is the RAC construction grant. At this time, while the Board is in the middle of its strategic planning process, it would be premature to specifically predict the other strategic grants that may be approved in the next fiscal year, but the additional \$5.5 million placeholder gives the Board the flexibility to respond to continuing community needs resulting from the pandemic, already identified community needs, and additional interests arising from the Listening Campaign. As a reminder, all strategic grants require specific Board approval, not just inclusion in the budget.

- Other Grants: Each year we budget \$10,000 for our Off-Cycle Small Grants process. This process is used to consider funding requests from organizations that: (a) seek funding for programs or projects that benefit the San Bruno community in a particularly meaningful and significant way and fall within one of the Foundation's focus areas; (b) do not exceed \$10,000; (c) cannot be reasonably considered during the next Community Grants Fund application schedule due to timing requirements; and (d) meet the organization and activity eligibility requirements of the Community Grants Fund.

b. Direct Personnel Expenses

- Salaries & Wages: This line reflects the Executive Director's current salary and the Program Manager's anticipated wages for the fiscal year. As I have informed the Board, Program Manager Stephanie Rutgers will be departing from the Foundation staff by mid-August, and over the summer I plan to hire her successor. The compensation package for the Program Manager position (0.3 FTE, non-exempt) has not been finalized, and, therefore, actual salary/wages may be slightly different than the budgeted amount.
- Payroll Taxes & Benefits: This line reflects payroll taxes, workers compensation insurance premiums, and benefits for the Executive Director and the Program Manager for the fiscal year. Benefits include retirement plan contributions, life insurance, and personal time off.

c. Non-Personnel Support Costs

- Occupancy: This line reflects the total rent for 2021-2022 under the current office lease, which runs through March 2025. Monthly rent will be \$1,291.48 from July

SAN BRUNO

Community Foundation

Memorandum

through December 2021, \$1,306.96 for January through March 2022, and \$1,344.96 for April through June 2022.

- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, cyber, and directors and officers liability insurance policies (\$20,454), which have an annual renewal date of March 21. It also includes the Foundation's crime insurance policy (\$2,794), which has a renewal date of May 27. I have added an extra \$1,000 in case we experience any premium increases upon renewal, as we experienced this past year.
- Telecommunications: This line includes continuation of the Executive Director's cell phone expenses (\$759), broadband Internet access for the office, and the office landline (\$1,056 for Internet and landline through San Bruno CityNet Services combined). This line also includes telecommunications expenses for the Program Manager, who will likely be working from home (\$600).
- Postage & Shipping: This line includes office postage (\$500) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses (\$1,500). Because the feedback received in the Listening Campaign included increasing outreach and education on spending decisions and program results, I have added an additional \$1,500 to this line to allow for one additional citywide mailing during the year.
- Marketing & Communications: This line covers the projected printing costs associated with the Annual Report (\$8,000) and one additional citywide mailing (\$4,500). It also includes funds for graphic design services (\$1,500), flyer/poster printing for the Community Grants Fund (\$700), flyer/poster printing for the Crestmoor Scholarships (\$800), website and e-newsletter costs (\$275), and costs associated with online grant and scholarship applications (\$1,225).
- Office Supplies and Equipment: This line includes \$200 monthly for office supplies and \$700 for computer backup and other software fees and miscellaneous office equipment expenses (such as repairing the printer, which has seen considerable wear and tear over the past six years). It also includes \$3,000 for a laptop and related software for the new Program Manager.
- Legal Fees: Based on 2020-2021 expenses for outside nonprofit counsel, \$833 per month has been budgeted. This line also includes reimbursement for 5% of the 2021-2022 City Attorney's compensation, which is projected at \$18,556 for the year. An additional \$13,000 has also been added for specialized legal advice that will likely

SAN BRUNO

Community Foundation

Memorandum

be needed in the development of the RAC construction grant agreement and that may be needed related to the hiring of a new Program Manager.

- Accounting & Payroll Fees: Payroll fees (\$1,092) are based on the current arrangement with our payroll vendor (Intuit QuickBooks). For audit and tax preparation services, \$9,750 is budgeted, per the Foundation's contract with Novogradac & Company. In addition to \$430 for QuickBooks accounting software, \$23,760 is included for the accounting consultant/full charge bookkeeper, per the terms of our professional services agreement with him.
- Other Consultants: This line includes \$12,870 for the IT consultant (per the terms of our professional services agreement), \$6,000 for the strategic planning consultant (amount remaining on contract), and \$2,000 for other consultants (such as for translation services or assistance we occasionally need from our retirement plan consultant). This line is substantially lower than in previous years since we converted the program consultant to a staff position.
- Travel, Meetings & Conferences: Not knowing at what point the Foundation will be able to resume in-person meetings and gatherings, this line includes expenses for both in-person and virtual meetings: \$2,430 for regular Board meeting room rental and audio recording expenses (budgeted for five meetings), \$700 for two Zoom Pro subscriptions and one Zoom webinar subscription, \$350 for meeting-related refreshments, \$240 for the Program Manager's mileage reimbursement, and \$500 for miscellaneous conference, training, and meeting expenses.
- Miscellaneous: This line includes various expenses that may arise and do not fit in any of the other cost categories. It typically covers professional organization membership fees (such as the San Bruno Chamber of Commerce, Thrive: Alliance of Nonprofits, and CalNonprofits), bank fees, online news subscriptions, Board and partner recognition, and government/agency taxes and fees.

For purposes of comparison, the revised budget and year-end projected actuals for the 2020-2021 fiscal year are provided. Of note:

- Support Costs are projected to **decrease** 6.5% (\$29,239) from the 2020-2021 year-end projection to the 2021-2022 budgeted amount.
- Personnel Expenses are budgeted to **decrease** 0.9% (\$2,246) from the projected level for 2020-2021 due to resetting the Program Manager's hourly rate with a transition in personnel.
- Non-Personnel Support Costs are budgeted to **decrease** 13.4% (\$26,993) from the 2020-2021 year-end projection.

SAN BRUNO

Community Foundation

Memorandum

The biggest changes in Non-Personnel Support Costs are: (a) a nearly \$45,000 **decrease** in Consultants fees; (b) a \$4,272 increase in Accounting & Payroll Fees (primarily because the Accounting Consultant's fees have been lower than budgeted this year); (c) a \$3,500 increase in Marketing & Communications (to enable an extra citywide mailer if desired); (d) a \$3,162 increase in Travel, Meetings & Conferences (assuming a return to in-person meetings); and (e) a \$3,052 increase in Office Supplies & Equipment (due to a computer purchase allowance for a new Program Manager). Many of the expense lines are generous estimates, and actual costs frequently turn out to be lower than the budget projections.

4. Funds Available for Operations

As mentioned above, this is not a balanced budget, where income equals expenses. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs for the fiscal year. Our assumption is that all Personnel Expenses and Non-Personnel Support Costs will be paid out during the fiscal year (\$421,383). Projected cash needs for Program Disbursements (total of \$50,446,463) are as follows:

Crestmoor Scholarship	
2019 Scholars	\$20,000
2020 Scholars	\$40,000
2021 Scholars	\$62,500
2022 Scholars	\$50,000
Total Crestmoor Scholarship	\$172,500
Community Grants Fund	
Grants to be awarded in December 2021	\$300,000
Total Community Grants Fund	\$300,000
Strategic Grants	
RAC Grants	\$44,160,418
First Responder Strategic Initiative – Mobile Command Vehicle	\$303,545
Possible major grant – to be determined	\$5,000,000
Other miscellaneous grants	\$500,000
Total Strategic Grants	\$49,963,963
Other Grants	
Out-of-Cycle Responsive Grants	\$10,000
Total Other Grants	\$10,000

SAN BRUNO

Community Foundation

Memorandum

Total cash needs for 2021-2022 are estimated at \$50,869,397. This figure, after adjustment for residual 2020-2021 cash balance, drives the Foundation's Funds Available for Operations in 2021-2022.

We have two categories of Funds Available for Operations: Operating Income and Transfers from Investments.

a. Operating Income

At this time, projected Operating Income is low (\$39,173):

- Interest Income: This line includes estimated investment income from the Operations portion of the Fidelity Liquidity Pool account and interest earned on the Wells Fargo bank accounts. This is a conservative estimate, based on 50% of the actual interest income anticipated for fiscal year 2020-2021. We decided to conservatively estimate Interest Income because interest rates remain low. In the context of the full budget, even if Interest Income is higher than budgeted, it will remain a small portion of the Funds Available for Operations.
- Restricted Donations: There are no firm commitments for donations earmarked to specific programs, but we may receive such restricted donations during the year.

b. Transfers from Investments

The Foundation's available funds come primarily from transfers from the Quasi-Endowment, the Strategic Pool, and the Liquidity Pool-RAC subaccount. The question in developing this budget is what portion of the needed funds comes from each pool. In answering this question, it is important to think back to the original purpose of each pool of funds. In responding to the results of the Community Listening Campaign, the Board decided to designate about \$55 million of the restitution funds to establish the Strategic Pool to be spent outright on strategic initiatives, including at least one major community facility project (which ultimately turned out to be the RAC).

The Liquidity Pool was created to serve as a holding account for expenditures planned in the subsequent 0-24 months. Its purpose is to mirror the Foundation's operating accounts, and it may be funded by both the Quasi-Endowment and the Strategic Pool. The investment goal for the Liquidity Pool is to preserve the principal balance of all funds directed into this pool, and as such, capital preservation and liquidity are the primary objectives. In 2018, the Board moved \$10 million from the Strategic Pool to the Liquidity Pool for use in the following fiscal year (and thus not part of the current fiscal year's operating budget) in order to reduce market volatility risk for a portion of the funds to be used to fund the RAC project. This led to the creation of

SAN BRUNO

Community Foundation

Memorandum

two subaccounts in the Liquidity Pool – Liquidity-Operating and Liquidity-RAC – which receive different treatment in the Foundation’s monthly financial statements, and each receives its share of interest income that the Pool accrues. In the balance sheet, funds in the Liquidity-RAC subaccount are shown as investment assets and not part of the operating budget. In contrast, the funds in the Liquidity Pool intended to support that fiscal year’s operating budget (Liquidity-Operating) are shown as cash assets.

The Board also created the Quasi-Endowment with \$15 million of the restitution funds. The idea behind the Quasi-Endowment has been to follow a long-term endowment investment strategy, so that only a portion of the investment income would be used for operations, and that once the Strategic Pool had been depleted, a scaled-back version of the Foundation could continue to operate – possibly in perpetuity – funding the Crestmoor Scholarships, the Community Grants Fund, and potentially some smaller strategic projects on an ongoing basis. In creating the Investment Operating Plan in 2016, the Board decided not to take any Quasi-Endowment payout in the first year of possessing the restitution funds (2016-2017) to enable the Quasi-Endowment to grow. Since then, the Board has approved the annual payout rate to cover the year’s cash needs for the Crestmoor Scholarship and Community Grants Fund, as follows:

Fiscal Year	QE Payout Rate	Average QE Balance of Past 12 Quarters	Approved QE Payout
FY2017-2018	2.25%	\$15,685,369	\$352,921
FY2018-2019	1.95%	\$16,409,212	\$319,980
FY2019-2020	1.90%	\$16,711,034	\$317,510
FY2020-2021	1.70%	\$17,392,997	\$295,681

Consistent with the vision behind the Quasi-Endowment, the approved payout rates have been well below the maximum of 7% set out in the Investment Operating Plan and have allowed the Quasi-Endowment to continue to grow while the Foundation still has funds in the Strategic Pool to cover other expenses.

Residual cash on hand as of June 30, 2021, is projected to be \$13,529,559. This figure is significantly high because, at the direction of the Board and Investment Committee as part of the FY2020-2021 budget, \$15,250,000 was transferred from the Strategic Pool to the Liquidity-Operating subaccount in anticipation of the needing the funds to begin payments on the RAC construction grant. Once it became clear that construction of the RAC would be delayed several months, I canceled all remaining Strategic-to-Liquidity-Operating transfers, and we used part of the \$15,250,000 to cover non-RAC cash needs for the year.

Of the residual cash on hand, \$166,540 is earmarked for Community Grants and Crestmoor Scholarships as a result of restricted donations received in fiscal year 2020-2021. As a result, of

SAN BRUNO

Community Foundation

Memorandum

the projected June 30 cash on hand, \$166,540 will be designated for Community Grants and Crestmoor Scholarship cash needs, and the balance (\$13,363,019) will be designated for Strategic Grants and operating expenses.

- **Quasi-Endowment Payout:** The cash flow needs of the Crestmoor Scholarships and Community Grants Fund are expected to be \$472,500 for fiscal year 2021-2022. As mentioned above, \$166,540 of the cash on hand at the end of fiscal year 2020-2021 will go toward meeting these cash needs, leaving a balance of \$305,960 to be funded by new Quasi-Endowment payout. At the June 2 meeting, the Board will consider a proposal from the Investment Committee to set the fiscal year 2021-2022 payout rate for the Quasi-Endowment at 1.70%, which would cover the balance of the cash flow needs of the Crestmoor Scholarships and Community Grants Fund. The payout amount is determined by multiplying the average of latest available 12 prior quarter-ending Quasi-Endowment values (\$18,407,790, covering Q2 2018 through Q1 2021). The 1.70% payout rate thus results in a payout of \$312,932.

The main driver behind the other transfers from the Strategic Pool and the Liquidity-RAC subaccount is the remaining set of RAC grant payments. Although the Board has made an overall \$50 million commitment to the City for the RAC, the Foundation is funding the project through a series of eight grants supporting different components of the project. Thus far we have awarded seven grants totaling \$9,535,545.85 and made grant payments totaling \$5,839,582.05. We anticipate that the City will ask the Board to approve the final RAC grant for construction of the facility in June for the remaining balance of the \$50 million commitment (\$40,464,454.15).

RAC Grant #	For	Total Grant Amount	Total Grant Payments as of 5/28/2021	Balance to Pay
1	Conceptual Design	\$416,108.85	\$416,108.85	\$0.00
2	Architectural Services	\$5,420,388.00	\$4,564,786.24	\$855,601.76
3	Project & Construction Management Services	\$1,079,000.00	\$371,137.48	\$707,862.52
4	City Compliance Review	\$1,061,611.00	\$405,358.36	\$656,252.64
5	Temporary Facilities	\$375,000.00	\$22,191.12	\$352,808.88
6	Business Plan	\$60,000.00	\$60,000.00	\$0.00
7	Tom Lara Field Parking Lot	\$1,123,438.00	\$0.00	\$1,123,438.00
	TOTAL	\$9,535,545.85	\$5,839,582.05	\$3,695,963.80
8	<i>Construction</i>	<i>\$40,464,454.15</i>	<i>\$0.00</i>	<i>\$40,464,454.15</i>
	PROSPECTIVE TOTAL	\$50,000,000.00	\$5,839,582.05	\$44,160,417.95

Given the expected construction timeline (20-24 months), all remaining RAC grant payments, which total \$44,160,417.95, will likely fall within the 0-24 month window for the Liquidity Pool

SAN BRUNO

Community Foundation

Memorandum

and, based on the estimated cash flow timeline the City provided a year ago, as much as \$41 million might be needed in FY2021-2022. As a result, the Investment Committee recommends that the FY2021-2022 budget include transfers covering the full amount of the remaining funds needed to meet all potential remaining RAC grant payment obligations.

To cover the \$44,160,417.95 in remaining RAC grant payments, I propose the following breakdown:

RAC Funding	
Strategic Payout Residual Carry Forward from FY 2020-2021	\$13,363,019
Liquidity-RAC Balance as of 4/30/2021 (close out this account)	\$10,631,501
Strategic Payout for FY 2021-2022	\$20,165,898
TOTAL	\$44,160,418

- Strategic Pool: The total transfer from the Strategic Pool is budgeted at \$26,456,233. Of this amount, as noted above, \$20,165,898 is for RAC grant payments. The remaining \$6,290,334 will cover all operating expenses and non-RAC strategic and other grant payments (not including Community Grants and Crestmoor Scholarship payments).
- Liquidity-RAC: Given that the Liquidity-RAC subaccount consists of funds specifically earmarked for the RAC and a goal is to include transfers from investments to cover all remaining RAC grant payments this year, the intent is to completely use up the Liquidity-RAC funds, transferring them to Liquidity-Operating and thereby closing the Liquidity-RAC subaccount. The budgeted transfer amount of \$10,631,501 is equal to the April 30, 2021, Liquidity-RAC subaccount balance. However, the budget resolution would give the discretion to transfer the entire subaccount balance at the time of transfer, so that the subaccount is completely depleted.

The Investment Committee recommends that Board give the Executive Director the discretion to manage all transfers from investment accounts, including the discretion to divide each category of transfers into smaller increments, set the timing of the incremental transfers based on the Foundation's cash flow needs, and transfer less than the approved transfer amounts as circumstances may warrant. Thus, once the City provides an updated RAC cash flow timeline based on the actual construction contract, the Executive Director has the ability to manage and adjust the transfers based on the new timeline. Similarly, the Executive Director can wait to transfer funds from the Strategic Pool to cover any non-RAC strategic grants until such grants are approved and grant payments are due. The Investment Committee also recommends that, to meet RAC grant payment obligations, the Executive Director first use the residual operating cash carry forward from FY2020-2021, followed by the transfer from the Liquidity-RAC

SAN BRUNO

Community Foundation

Memorandum

subaccount, and only after those two pools of funds are exhausted should the Executive Director transfer funds from the Strategic Pool.

Together, Operating Income and Transfers from Investments result in a total of \$37,439,839 in Funds Available for Operations. With residual cash from FY2020-2021 carried forward into FY2021-2022, this total will cover anticipated FY2021-2022 cash needs.

The attached resolution, which I recommend the Board adopt, authorizes four actions. It: (a) approves the FY2021-2022 budget; (b) sets the Quasi-Endowment payout rate for FY2021-2022; (c) approves a transfer from the Strategic Pool to the Liquidity-Operating subaccount to support the FY2021-2022 operating budget; and (d) approves a transfer from the Liquidity-RAC subaccount to the Liquidity-Operating subaccount and closure of the Liquidity-RAC subaccount to support the 2021-2022 operating budget.

Attachments:

1. Resolution Approving Fiscal Year 2021-2022 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2021-2022, Approving Transfer from the Strategic Pool Investment Account to the Liquidity-Operating Subaccount for Fiscal Year 2021-2022, and Approving Transfer from the Liquidity-RAC Investment Subaccount to the Liquidity-Operating Subaccount for Fiscal Year 2021-2022
2. Exhibit A: 2021-2022 Proposed Budget

RESOLUTION NO. 2021-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING FISCAL YEAR 2021-2022 BUDGET, SETTING THE QUASI-ENDOWMENT PAYOUT
RATE FOR FISCAL YEAR 2021-2022, APPROVING TRANSFER FROM THE STRATEGIC POOL
INVESTMENT ACCOUNT TO THE LIQUIDITY-OPERATING SUBACCOUNT FOR FISCAL YEAR 2021-
2022, AND APPROVING TRANSFER FROM THE LIQUIDITY-RAC INVESTMENT SUBACCOUNT TO
THE LIQUIDITY-OPERATING SUBACCOUNT FOR FISCAL YEAR 2021-2022**

WHEREAS, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2021, and prudent financial management of the Foundation's finances requires the creation of an annual budget prior to the start of the fiscal year;

WHEREAS, Article XVI(c) of the Foundation's Bylaws require that the Foundation's annual budget be approved by the San Bruno City Council;

WHEREAS, the proposed fiscal year 2021-2022 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made or may make;

WHEREAS, the Board of Directors, upon receipt from the City of San Bruno in May 2016 of the restitution funds resulting from the City's settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, established three Fidelity brokerage accounts to hold the Foundation's funds: Quasi-Endowment Pool account, Strategic Pool account, and Liquidity Pool account;

WHEREAS, Section VII.1 of the Foundation's Investment Policy Statement states:

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

WHEREAS, Section VI.1.d.i of the Foundation's Investment Operating Plan with investment adviser Sand Hill Global Advisors (SHGA), which provides pool-specific operating guidelines for payout or other withdrawals, states:

Payout amount [for the Quasi-Endowment Pool] will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.70% for fiscal year 2021-2022 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment the opportunity to continue to grow;

WHEREAS, the Investment Committee, on May 19, 2021, passed a resolution recommending that the Board of Directors set the Quasi-Endowment payout rate for fiscal year 2021-2022 at 1.70%, resulting in a payout of \$312,932;

WHEREAS, the Section VII.2 of the Foundation's Investment Policy Statement states:

The Strategic Pool has been earmarked by the Board to fund strategic projects, including but not limited to capital improvement projects of community facilities, that benefit the San Bruno community. As such, withdrawals will be determined by the timing of project expenditures, as well as guidance from the SBCF Board. The Investment Committee and SBCF staff will provide direction to the Investment Manager regarding liquidation of investments to fund the withdrawals. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, Section VI.1.d.ii of the Foundation's Investment Operating Plan states:

Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, transfers of up to \$26,454,682 from the Strategic Pool and the full balance from the Liquidity Pool-RAC subaccount (\$10,631,501 as of April 30, 2021) to the Liquidity Pool-Operating subaccount may be needed to cover the Foundation's operating expenses and strategic grant obligations for the 2021-2022 fiscal year; and

WHEREAS, the Investment Committee and Board recommend that the Executive Director have the discretion to manage the transfers from the Quasi-Endowment, Strategic Pool, and Liquidity-RAC subaccount to the Liquidity-Operating subaccount, including dividing

the transfers into smaller increments, setting the timing of the incremental transfers, and transferring less than the approved payout amount as circumstances may warrant, based on the Foundation's cash flow needs.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the fiscal year 2021-2022 Foundation budget attached as Exhibit A.

FURTHER BE IT RESOLVED that the Board of Directors sets the Quasi-Endowment payout rate for fiscal year 2021-2022 at 1.70%, resulting in a transfer from the Quasi-Endowment account to the Liquidity-Operating subaccount of \$312,932, to be used to meet the cash needs of the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in the 2021-2022 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation's cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity-Operating subaccount of \$26,454,682 to cover operating expenses and strategic grant obligations for the 2021-2022 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation's cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors approves a transfer from the Liquidity Pool-RAC subaccount to the Liquidity Pool-Operating subaccount of the full account balance at the time of transfer (\$10,631,501 as of April 30, 2021), and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, transfer less than the approved amount, and close the Liquidity-RAC subaccount, based on the Foundation's cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors directs the Executive Director to submit the fiscal year 2021-2022 budget to the San Bruno City Council for consideration and approval.

Dated: June 2, 2021

ATTEST:

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2021-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 2nd day of June, 2021, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

2021-2022 Proposed Budget

	<u>2020-21 Budget</u>	April 2021 <u>Actual</u>	May-Jun 21 <u>Projected</u>	Projected <u>2020-21</u>	<u>Proposed 2021-22 Budget</u>	Change vs. <u>2020-21 Actual</u>
INCOME						
1 Interest Income	\$ 26,115	\$ 69,723	\$ 8,622	\$ 78,345	\$ 39,173	\$ (39,173)
2 Donations	-	79,331	100,000	179,331	-	(179,331)
3 Miscellaneous Income	-	106	-	106	-	(106)
4 Subtotal Operating Income	26,115	149,160	108,622	257,782	39,173	(218,504)
5 Transfers from Quasi Endowment	295,681	144,990	150,691	295,681	312,932	17,251
6 Transfers from Strategic Pool	15,861,933	15,250,000	-	15,250,000	26,456,233	11,206,233
7 Transfers from Liquidity-RAC	340,000	-	-	-	10,631,501	-
8 Subtotal Transfers from Net Assets	16,497,614	15,394,990	150,691	15,545,681	37,400,666	11,223,484
9 FUNDS AVAILABLE FOR OPERATIONS	16,523,729	15,544,150	259,313	15,803,463	37,439,839	11,004,981
EXPENSES						
10 Crestmoor Scholarships	160,000	-	195,000	195,000	160,000	(35,000)
11 Community Grants Fund	300,000	300,000	-	300,000	300,000	-
12 Strategic Grants	42,292,892	792,000	1,273,438	2,065,438	45,964,454	43,899,016
13 Other Grants	10,000	10,000	-	10,000	10,000	-
14 Subtotal Direct Program Expenses	42,762,892	1,102,000	1,468,438	2,570,438	46,434,454	43,864,016
15 Salaries & Wages	220,420	187,976	37,762	225,738	223,600	(2,138)
16 Payroll Taxes & Benefits	25,257	20,010	4,734	24,744	24,636	(108)
17 Subtotal Direct Personnel Expenses	245,677	207,986	42,496	250,482	248,236	(2,246)
18 Occupancy	15,063	12,480	2,583	15,063	15,758	695
19 Insurance	22,930	18,680	3,933	22,613	24,248	1,635
20 Telecommunications	2,500	2,082	456	2,538	2,851	313
21 Postage & Shipping	2,000	4,161	180	4,341	3,500	(841)
22 Marketing & Communications	13,700	10,884	2,816	13,700	17,200	3,500
23 Office Supplies and Equipment	5,240	2,823	225	3,048	6,100	3,052
24 Legal Fees	41,693	32,682	8,173	40,855	41,556	701
25 Accounting & Payroll Fees	34,560	27,296	3,764	31,060	35,332	4,272
26 Other Consultants	49,595	58,836	7,000	65,836	20,870	(44,966)
27 Travel, Meetings & Conferences	4,210	358	700	1,058	4,220	3,162
28 Miscellaneous	2,633	1,379	200	1,579	3,063	1,484
29 Subtotal Non-Personnel Support Costs	194,124	171,661	30,030	201,691	174,698	(26,993)
30 TOTAL EXPENSES	43,202,693	1,481,647	1,540,964	3,022,611	46,857,388	43,834,777
31 NET SURPLUS	\$ (26,678,964)	\$ 14,062,503	\$ (1,281,651)	\$ 12,780,852	\$ (9,417,550)	\$ (32,829,797)