

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

FOUNDATION

MINUTES
Grants Committee Meeting
October 19, 2016
At the Harbor Branch Oceanographic Institute Foundation

PRESENT: C. Amos Bussmann*; Joe Ferro*; Nancy Higgs**; Mike Toner, Chair

ALSO PRESENT, GOVERNANCE COMMITTEE INVITEES: Mike O'Reilly*; Marjorie Raines*; Bill Stewart

ALSO PRESENT, OTHER: Joe Duke*; Katha Kissman, President & CEO; Debbie Dutton, Director of Operations

*Participated virtually

**Participated virtually, had to leave early

Call to Order

The meeting was called to order by Chair Toner at 3:01 pm.

Discussion Items

Discretionary Grants

The Committee was provided Progress/Final Grant Reports on all active and closed grants as well as supplemental information for their review prior to the meeting. President & CEO Kissman walked the Committee through the status of each grant. Overall it was noted that \$46,657.85 in unspent grant funds from 5 separate grants will be returned to HBOIF.

It was noted that several of the multi-year grants now had projected end dates which will provide the Grants Committee with an opportunity to guide future granting. The Grants Committee asked the President & CEO to begin conversations with Dr. Anton Post, incoming Executive Director, about potential funding needs to best support the goals of a new strategic plan for FAU Harbor Branch when appropriate. In particular, it was agreed that there was an opportunity to discuss alternate opportunities with regard to the Rewarding Faculty Excellence (Incentives) Grant (due to conclude June 30, 2019) and the Ensuring Faculty Excellence – up to 20% Salary Support Grant (due to conclude around June 30, 2018) to fund a stronger mechanism to incentivize faculty to support overall institutional excellence and visibility, e.g., matching funds for major federal grants received.

After discussion, the following motions were unanimously approved:

- To recommend to the Board to close the Ensuring a Robust Development Strategy Grant for noncompliance (staff no longer employed by FAU Harbor Branch with an estimated \$472,000 unspent). Said funds will be added to the estimated remaining spendable for FY17 to be calculated and included in the mid-year budget revision. Potential alternate uses for those funds will be discussed by the Grants Committee after the President & CEO has an opportunity to discuss possible FY17 needs with Dr. Post.

- To recommend to the Board at the November 10, 2016 meeting to authorize the President & CEO and Legal Counsel to discuss the August 14, 2009 Development MOU with FAU pending future discussions with Dr. Post and the new FAU VP of Advancement to see what role, if any, HBOIF should play in FAU Harbor Branch development and determine whether or not to terminate the MOU. Said discussion would include the feasibility of a future HBOIF Capital Campaign either in concert with an FAU Capital Campaign or a standalone to coincide with Harbor Branch's 50th Anniversary (year 2021)

Specialty License Plate Program

The FY16 Auditors recommended to the Audit Committee at its October 11, 2016 presentation of the FY Audit that HBOIF management and Board discuss the advisability of the practice of providing SLP funds in advance of awarded project use per plate to FAU.

At the time of the audit, it was noted over \$2,000,000 in total plate funds was being held as yet unexpended by FAU. The Auditors suggested these funds remain restricted with the Foundation per plate, providing greater transparency, oversight, and earning interest on behalf of each plate and expended only when actually needed. This management would mirror the manner in which the HBOIF Discretionary Grants are currently being paid out, e.g., invoicing for reimbursement as funds are expended rather than forwarding monies as they are received for the plate.

It was further discussed that the Foundation's greatest opportunity to ensure the protection of the plates came from ensuring against any perception that interest earned on plate funds while sitting in a pool might be used in any manner other than for each designated plate.

Lastly, the current SLP Request for Proposals (RFP) and award process per plate was explained by the President & CEO and the Director of Operations. An estimation of the amount of available funds in each plate is announced in an RFP. That estimation is made from the amount of funds currently on hand at the FAU Division of Research added to expected funds from the State between that time and the time of the upcoming project commencement (a gap of approximately 3-5 months). Because estimations may not materialize, it was recommended to go back to the original intent of the Foundation to make awards based on actual funds available at the time of any RFP for a funding round or should any alternate award process be instituted.

It was agreed that the Foundation's management and monitoring of SLP funds until expended on actual research would be more consistent with addressing possible perception issues as well as ensuring legislative and accounting compliance to protect the integrity of the plate funds.

The motion to recommend to the Board to authorize changes to both the stewardship of funds and the process of administering funds per above was approved unanimously. It was noted that the President & CEO and Legal Counsel would confirm permissible investment and the Finance Committee would further recommend a structure for how this would be managed following its November 4, 2016 Board meeting and a timeframe discussed was to authorize the President & CEO and the Legal Counsel to address how best to communicate this to FAU and recommend changes to or a new SLP MOU. The goal would be to bring a draft SLP MOU document for consideration at the January 24, 2017 Board meeting and subsequent to the Board's approval, work to affect the changes as of FY18 (July 1, 2017.)

It was also agreed that there was also an opportunity to address the actual structure of the funding process with Dr. Post to ensure greater compliance with the intent of the legislative language while supporting overall institutional goals of FAU Harbor Branch. Ms. Kissman was encouraged to address this.

Adjournment

There being no further business, the meeting was adjourned at 4:17 pm.