



Northern Marianas College FOUNDATION

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Minutes of the Board of Directors Meeting
BOR Conference Room – NMC Campus, Saipan
Friday, December 09, 2011
9:00 a.m.

ATTENDANCE

Present: Vicente (Ben) Babauta, President; Ivan Quichocho, Vice-President; Joanna Pai, Director; Jack Kiyoshi, Secretary; Dr. Alan Markoff, Director; Regent Juan T. Lizama, BOR Chairperson; Sharon Y. Hart, Ph.D., NMC President.

Excused Absent: Yoichi Matsumura, Director; Dave Burger, Director and Frank Rabauliman, Regent/Director.

NMC Staff Present: Frankie Eliptico, External Relations Director; Rogelio Madriaga, CFAO and Helen B. Camacho, President's Office Admin. Manager (Recorder).

I. OPENING PROCEDURES

a. Roll Call: President Ben Babauta called roll call. Seven members of the Foundation Board were present; a quorum was established.

b. Review and Adoption of Agenda:

Motion: Director Quichocho moved to adopt the Friday, December 09, 2011 Foundation meeting agenda.

Second: Director Kiyoshi seconded the motion.

Vote: The motion passed unanimously.

c. Review and Adoption of Minutes

1. August 31, 2011 Foundation Meeting Minutes

BOARD ACTION

Motion: Director Quichocho moved to adopt the August 31, 2011 Foundation meeting minutes.

Second: Director Kiyoshi seconded the motion.

Vote: The motion passed unanimously.

II. COMMITTEE REPORTS

a. Special Events Committee

1. NMCs 30th Anniversary Gala

Vice-President Quichocho provided an update. He noted that there are some important details that require the boards' attention with regard to the upcoming gala event. Quichocho said that the board needs to decide on a target date and determine the type of function this is going to be. He welcomed everyone's input and suggestions in this regard. President Hart added that it would be very helpful to determine the purpose of the gala event before pushing forward with the event. Director Quichocho added that historically, anniversary events were usually organized and planned by the Board of Regents but because the Foundation Board chose to take on the event, the board felt that it was a good opportunity to make it into a fundraiser type of event.

Dr. Markoff was dismayed to learn that today's meeting is going to be a short one. He added that to be able to pull off an event of this size, it requires months and months of planning. Director Kiyoshi shared some of his views. President Babauta pointed out a lot of the times and energy was focused on ongoing accreditation issues, which caused the foundation to pull back a little bit.

Director Pai is in support of a fundraising event. Chairperson Lizama agreed that the event should be a fundraising event and we should proceed accordingly. Dr. Markoff noted that it takes a minimum of one year to put together an event. He also supports the recommendation. President Hart offered to assist the sub-committee.

BOARD ACTION:

Motion: Dr. Markoff moved to create an ad-hoc committee and to meet with President Hart immediately.

Second: Director Quichocho seconded the motion.

Vote: The motion passed unanimously.

III. Old Business

a. **Accreditation Update/NMC Update** – President Hart will provide a written report.

b. **Financial Report (CFAO)**

Rogelio Madriaga, CFAO, provided a financial report (handout provided). Director Burger, CFAO Madriaga and Frankie Eliptico met recently to go over the foundation accounts. The balance sheet is as of October 31, 2011. Dr.

Markoff inquired on the difference between what was reported during the last meeting versus the report that is being presented. He asked for someone to clarify the report. Frankie Eliptico, ERO Director offered to shed some light and indicated that what was reported during the last meeting was not accurate report. Furthermore, the checking account did not belong to the foundation. He outlined the following details of the report:

1. Assets
 - Current Assets
 - Cash - \$53,320
 - Investments - \$5,736,089

Total Assets – \$5,789,409
2. Liabilities (Due to NMC Funds) - \$844,536
3. Total Net Assets - \$4,944,873
4. Total Liabilities and Net Assets - \$5,789.409
5. Total Investment - \$4,363,816
6. NMC Invested Fund Reconciliation
 - a. Initial deposit to MSSB of \$2,042,860 on 1/25/05 and \$1,370,956 on 1/28/08, respectively.
 - b. Tan Sui Lin Foundation deposit of \$100,000 on 12/24/07.
 - c. NMC Operations deposit \$750,000 on 4/28/08.
 - d. NMC Foundation deposit of \$100,000 on 7/23/10.

CFAO Madriaga also indicated that the \$750,000 was given to the Foundation in two separate checks. Although, there's no record of any discussion between NMC and the foundation, the \$750,000 investment to the portfolio is recorded in the 2008 audit report. Director Quichocho noted that the report clearly shows that the foundation is the action body allowed to move these funds. President Hart said that legally there should have been a specific MOU in the handling of these resources. Hart also added that she is uncomfortable with this set up and also mentioned that many other colleges handle its books separately.

Dr. Markoff posted two questions (see below):

1. Where did the \$53,000 come from and what is it used for? CFAO Madriaga responded that the proceeds came from fundraisings and past donations from donors. Director Quichocho indicated that the funds were used to fund the Director's salary, construction of Building M and for other purposes.
2. NMC Foundation valued at \$110,276? Value of what? CFAO Madriaga responded that the value is referring to the \$100,000 deposit on 7/23/10.

IV. Miscellaneous/Announcement

a. Joint Meeting of the Foundation and Board of Regents

President Hart informed everyone that the joint meeting is scheduled for next Friday, December 16, 2011 at 12:00 p.m. to be followed by the BOR meeting at 12:30 p.m. at Building D, Room No. 1 (located directly across the NMC Bookstore). President Hart explained that the purpose of the joint meeting is to allow the Board of Regents to link back to the community by way of meeting with its stakeholders. In addition, the college is currently reviewing legislations for their input and recommendation.

Dr. Markoff noted the significance of this proposed meeting. President Hart polled the board to see who would be able to attend the meeting. Foundation Directors who noted will be able to make it to the Board of Regents joint meeting with the Foundation Board: Director Quichocho, Director Kiyoshi and President Ben. Dr. Markoff and Director Pai will be off-island.

V. New Business

a. Strategies for Philanthropy

President Babauta introduced Mr. Steve West. Steven shared a brief description of his background. He gave a presentation (handout provided).

Personal Background:

- 34 years in Fund Development in the U.S. Mainland.
- 5 years in Higher Education.
- 19 years in Healthcare raising money for hospitals.
- 10 years as a consultant (capital campaign, strategic planning, board leadership, etc.)

Strategies for Philanthropy:

- Organizational Structure
- Leadership
- Planning
- The Five I's
- Communication with all Constituencies
- Fundraising Programs
- Review of all five fund raising components of a Fund Development Program
- Alumni Involvement
- How has the college involved the alumni?
- What records do you have on the alumni and how are they kept?
- Analysis
- Institutional Awareness of Philanthropy
- Staffing Structure
- What are the college's plans for the future?
- One on One Confidential Interviews

Mr. West concluded his report. President Babauta thanked Steven for his presentation.

b. NMC Foundation Structure

President Hart provided a report (see handout). She highlighted the following:

- Ex-Officio Foundation members.
- Changes within the organization.
- College is facing a \$2.3 million deficit.
- Revenue generating ideas needed for the Foundation.
- College is going to invest in three major areas (Grants Writer, ERO Directors' salary and the Foundation).

In response to Dr. Hart's presentation regarding the Directors' reassignment at the college. President Babauta had hoped that Frankie's reassignment had been communicated to the Foundation Board of Directors prior to the meeting. Chairperson Lizama agreed but also added that there is a question of priority over one board to the other.

Frankie Eliptico also added that he is more than willing to continue assisting both boards as much as he can. However, he is unable to do so at this time because the college is extremely busy which requires so much more of his time. Eliptico added that he truly believes that the foundation needs someone who is fully committed and able to bring the foundation to the next level.

Dr. Markoff asked if there is contamination with Frankie wearing two hats? President Hart responded by saying that it does. She said that other colleges are set up where their foundation hires and maintains its own employee.

Dr. Markoff talked about the importance of the foundation and how much he enjoys being a member. He also suggested that we pull all of our resources together to make this a reality for everyone (the community, students, staff, faculty). Dr. Markoff apologized if anyone's feelings were hurt but only believes in the betterment and the growth of the foundation.

Director Quichocho stated that there could be some legal issues with the way the foundation is set up. He also believes that it will take time to restructure the foundation. Quichocho also wondered if the foundation is able to utilize the services of Counsel Borja.

Chairperson Lizama mentioned that he observed in previous meetings that there was no legal representation. He believes that it is very critical for a board to have that available to them. Chairperson Lizama registered that the foundation board should move forward and to have a structure in place that is best suitable for the direction that we want for this organization.

BOARD ACTION:

Motion: Director Quichocho moved for Dr. Markoff to set up an ad-hoc committee to review the structuring of the Foundation Board.

Second: BOR Chairperson Lizama seconded the motion.

Vote: The motion passed unanimously.

- c. Endowment Fund Report (Smith Barney)** – Tabled for next meeting.
Frankie will ask Jason Miyashita to send a summary.

VI. Adjournment

BOARD ACTION

Motion: Dr. Markoff moved to adjourn the meeting.

Second: BOR Chairperson Lizama seconded the motion.

Vote: The motion passed unanimously.

The meeting ended at 10:44p.m. on Friday, December 09, 2011.