



UFSS Board Meeting

California State University, Sacramento

Thursday, May 1, 2025 at 2:00 PM

<https://csus.zoom.us/j/87300143515?pwd=3q0byJ5c3RfRxSSlbgxSloErFiBZoF.1>

Agenda

I. Call the Meeting to Order

II. Public Comments

Members of the public may speak for up to one minute

III. Review and Adoption of May 1, 2025 Board Meeting Agenda

IV. Audit Committee

A. Review and vote to approve the Form 990

V. Finance Committee

A. Review and vote to approve the revised Investment Policy

VI. Other Business

VII. Adjournment



CliftonLarsonAllen LLP
CLAconnect.com

April 30, 2025

The University Foundation at Sacramento
State
6000 J Street
Sacramento, CA 95819-6063
Attention: Alice Perez

Dear Alice,

Enclosed is the organization's 2023 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-TE to our office. We will transmit the return electronically to the IRS and no further action is required. Please return Form 8879-TE to us as soon as possible, but no later than by May 15, 2025 the filing deadline.

In addition, tax-exempt organizations must make available for public inspection a copy of their annual returns for the preceding three years and exemption application, if applicable. An organization generally must furnish filings to anyone who requests them in person or in writing. An exempt organization may meet this requirement by posting all the documents on its website or at another organizations site as part of a database of similar materials. Specific requirements must be met to meet this exception.

CALIFORNIA FORM 199 RETURN:

The California Form 199 return has qualified for electronic filing. After you have reviewed your return for completeness and accuracy, please sign, date and return Form 8453-EO to our office. We will then transmit your return to the FTB. Do not mail the paper copy of the return to the FTB.

No payment is required.

CALIFORNIA FORM RRF-1:

The California Form RRF-1 should be mailed on or before May 15, 2025 to:

Registry of Charities and Fundraisers
P.O. Box 903447
Sacramento, CA 94203-4470

Enclose a check or money order for \$800, payable to Department of Justice.

The report should be signed and dated by the authorized individual(s).

A few final reminders relating to your tax return filings:

- There are substantial penalties for failure to properly disclose and report foreign financial accounts and foreign activity. Please make sure you have informed us of any foreign financial

accounts or foreign activity so that we have the necessary information to complete any required disclosures or filings.

- Be sure to review the returns prior to signing as you have final responsibility for all information included in the returns. Please contact us if you have any questions or concerns.
- We recommend you keep a paper or electronic copy of your tax returns permanently. Supporting documentation should be kept for a minimum of seven years based on IRS guidance.

CLA exists to create opportunities – for our clients, our people, and our communities. We value our relationship with you and thank you for your trust and confidence in allowing us to serve you. If we can assist you in making strategic, informed decisions in areas of tax or beyond, please contact us as questions arise throughout the year.

Sincerely,

CliftonLarsonAllen LLP

DRAFT



CliftonLarsonAllen LLP
CLAconnect.com

**THE UNIVERSITY FOUNDATION AT SACRAMENTO
STATE**

FORM 990 INCOME TAX RETURN

FOR YEAR ENDED JUNE 30, 2024

DRAFT

Form **8879-TE****IRS E-file Signature Authorization
for a Tax Exempt Entity**

OMB No. 1545-0047

For calendar year 2023, or fiscal year beginning JUL 1, 2023, and ending JUN 30, 2024**2023**Department of the Treasury
Internal Revenue Service**Do not send to the IRS. Keep for your records.****Go to www.irs.gov/Form8879TE for the latest information.**Name of filer **THE UNIVERSITY FOUNDATION AT SACRAMENTO**
STATEEIN or SSN
94-3001359Name and title of officer or person subject to tax **ALICE PEREZ**
BOARD CHAIR**Part I Type of Return and Return Information**

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line **1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>23,413,225.</u>
2a Form 990-EZ check here <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part V, line 5)	4b _____
5a Form 8868 check here <input type="checkbox"/>	b Balance due (Form 8868, line 3c)	5b _____
6a Form 990-T check here <input type="checkbox"/>	b Total tax (Form 990-T, Part III, line 4)	6b _____
7a Form 4720 check here <input type="checkbox"/>	b Total tax (Form 4720, Part III, line 1)	7b _____
8a Form 5227 check here <input type="checkbox"/>	b FMV of assets at end of tax year (Form 5227, Item D)	8b _____
9a Form 5330 check here <input type="checkbox"/>	b Tax due (Form 5330, Part II, line 19)	9b _____
10a Form 8038-CP check here <input type="checkbox"/>	b Amount of credit payment requested (Form 8038-CP, Part III, line 22)	10b _____

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that ☒ I am an officer of the above entity or ☐ I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2023 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

☒ I authorize CLIFTONLARSONALLEN LLP to enter my PIN 01359
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the tax year 2023 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2023 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax

***** THIS IS NOT A FILEABLE COPY *****

Date

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

84780355902**Do not enter all zeros**

I certify that the above numeric entry is my PIN, which is my signature on the 2023 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature SARAH HINTZDate 04/30/25**ERO Must Retain This Form - See Instructions****Do Not Submit This Form to the IRS Unless Requested To Do So**

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8879-TE** (2023)

**Application for Extension of Time To File an Exempt Organization
Return or Excise Taxes Related to Employee Benefit Plans**

File a separate application for each return.
Go to www.irs.gov/Form8868 for the latest information.

OMB No. 1545-0047

Electronic filing (e-file). You can electronically file Form 8868 to request up to a 6-month extension of time to file any of the forms listed below except for Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts. An extension request for Form 8870 must be sent to the IRS in a paper format (see instructions). For more details on the electronic filing of Form 8868, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Part I - Identification

Type or Print File by the due date for filing your return. See instructions.	Name of exempt organization, employer, or other filer, see instructions. THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE	Taxpayer identification number (TIN) 94-3001359
	Number, street, and room or suite no. If a P.O. box, see instructions. 6000 J STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SACRAMENTO, CA 95819-6063	

Enter the Return Code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 4720 (other than individual)	09
Form 4720 (individual)	03	Form 5227	10
Form 990-PF	04	Form 6069	11
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 8870	12
Form 990-T (trust other than above)	06	Form 5330 (individual)	13
Form 990-T (corporation)	07	Form 5330 (other than individual)	14
Form 1041-A	08		

• After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330.

• If this application is for an extension of time to file Form 5330, you must enter the following information.

Plan Name _____
Plan Number _____
Plan Year Ending (MM/DD/YYYY) _____

Part II - Automatic Extension of Time To File for Exempt Organizations (see instructions)

The books are in the care of **GINA CURRY**
6000 J STREET - SACRAMENTO, CA 95819

Telephone No. **(916) 278-7461** Fax No. _____

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four-digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 15**, 20 **25**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
☐ calendar year 20 ____ or
☒ tax year beginning **JUL 1**, 20 **23**, and ending **JUN 30**, 20 **24**

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2024)

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023Open to Public
Inspection**A** For the **2023** calendar year, or tax year beginning **JUL 1, 2023** and ending **JUN 30, 2024****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organizationTHE UNIVERSITY FOUNDATION AT SACRAMENTO
STATE

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
6000 J STREETCity or town, state or province, country, and ZIP or foreign postal code
SACRAMENTO, CA 95819-6063**F** Name and address of principal officer: MICHAEL REZA
SAME AS C ABOVE**D** Employer identification number

94-3001359

E Telephone number
916-278-7326**G** Gross receipts \$ 46,637,653.**H(a)** Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

H(c) Group exemption number**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: WWW.CSUS.EDU/UNIVERSITY-ADVANCEMENT/UNIVERSITY-F**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation: 1986**M** State of legal domicile: CA**Part I** Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: PROMOTING PHILANTHROPY TO ENHANCE THE UNIVERSITY BEYOND STATE FUNDING.
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3	Number of voting members of the governing body (Part VI, line 1a) 29
	4	Number of independent voting members of the governing body (Part VI, line 1b) 22
	5	Total number of individuals employed in calendar year 2023 (Part V, line 2a) 0
	6	Total number of volunteers (estimate if necessary) 19
	7a	Total unrelated business revenue from Part VIII, column (C), line 12 0.
7b	Net unrelated business taxable income from Form 990-T, Part I, line 11 0.	
Revenue	8	Contributions and grants (Part VIII, line 1h) 11,754,782.
	9	Program service revenue (Part VIII, line 2g) 807,450.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) 2,883,549.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) -8,588.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 15,437,193.
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3) 3,155,660.
14		Benefits paid to or for members (Part IX, column (A), line 4) 0.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 0.
16a		Professional fundraising fees (Part IX, column (A), line 11e) 149,113.
b		Total fundraising expenses (Part IX, column (D), line 25) 184,215.
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 3,426,128.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 6,730,901.
19		Revenue less expenses. Subtract line 18 from line 12 8,706,292.
Net Assets or Fund Balances	20	Total assets (Part X, line 16) 109,503,816.
	21	Total liabilities (Part X, line 26) 546,316.
	22	Net assets or fund balances. Subtract line 21 from line 20 108,957,500.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date
	ALICE PEREZ, BOARD CHAIR Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name SARAH HINTZ	Preparer's signature SARAH HINTZ
	Date 04/30/25	Check if self-employed <input type="checkbox"/> PTIN P00492291
Preparer Use Only	Firm's name CLIFTONLARSONALLEN LLP	Firm's EIN 41-0746749
	Firm's address 8390 EAST CRESCENT PARKWAY, SUITE 300 GREENWOOD VILLAGE, CO 80111	Phone no. (303) 779-5710

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

LHA For Paperwork Reduction Act Notice, see the separate instructions.

332001 12-21-23

Form **990** (2023)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:

RAISE PRIVATE RESOURCES TO ADVANCE THE MISSION AND PRIORITIES OF THE
UNIVERSITY AND SERVE AS AMBASSADORS IN THE COMMUNITY. PROVIDE
STEWARDSHIP IN THE PRUDENT INVESTMENT OF RESOURCES AND ENSURE THE
INTEGRITY OF THE FOUNDATION THROUGH ACCOUNTABILITY AND TRANSPARENCY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 6,531,893. including grants of \$ 2,984,575.) (Revenue \$ 372,197.)

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE INVESTS AND DISTRIBUTES
FUNDS FOR THE BENEFIT OF THE UNIVERSITY. SINCE ITS INCEPTION IN 1987,
THE UNIVERSITY FOUNDATION PROMOTES PHILANTHROPY TO PROVIDE A LEVEL OF
EXCELLENCE BEYOND WHAT IS POSSIBLE THROUGH STATE FUNDS. LED BY A
VOLUNTEER BOARD OF DIRECTORS COMPRISED OF PROMINENT PROFESSIONALS AND
BUSINESS LEADERS, THE UNIVERSITY FOUNDATION IS THE UNIVERSITY'S PRIMARY
PHILANTHROPIC AUXILIARY AND IS A TAX EXEMPT 501(C)(3) ORGANIZATION.
THE BOARD OF DIRECTORS MEETS REGULARLY TO OFFER GUIDANCE ON INVESTMENTS
AND THOROUGHLY MANAGE THE GIFT FUNDS TO ENSURE THAT THEY CAN FULFILL
THEIR DESIGNATED PURPOSES. THE FOUNDATION ACCOUNTS FOR GIFTS AND
CONTRIBUTIONS TO THE UNIVERSITY, ENSURING THAT THE FUNDS ARE APPLIED TO
THE PURPOSES FOR WHICH THE DONOR INTENDED. CONTINUED ON SCHEDULE O.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 6,531,893.Form **990** (2023)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4	X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	11a	X
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b	X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c	X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e	X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f	X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions</i>	17 X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21 X	

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23 X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties? (See the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in noncash contributions? <i>If "Yes," complete Schedule M</i>	29 X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19?	38 X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a 66	
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b 0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 0		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		X
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		X
17 Section 501(c)(21) organizations. Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17		

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.	29			
b Enter the number of voting members included on line 1a, above, who are independent		22		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?			3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?			5	X
6 Did the organization have members or stockholders?			6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			8a	X
b Each committee with authority to act on behalf of the governing body?			8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O			9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	12c	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed CA

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records
 GINA CURRY - (916) 278-7461
 6000 J STREET, SACRAMENTO, CA 95819

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ROBERT NELSEN SAC STATE PRES. (THRU 6/23)/DIR	0.10 40.00						X	0.	447,599.	62,264.
(2) LUKE WOOD SAC STATE PRES. (AS OF 7/23)/DIR.	0.10 40.00	X		X				0.	429,072.	73,168.
(3) JONATHAN BOWMAN SAC STATE CFO, DIRECTOR	0.10 40.00			X				0.	270,169.	75,123.
(4) LISA CARDOZA PAST EXEC. DIRECTOR (THRU 7/2023)	0.10 40.00	X		X				0.	211,909.	61,084.
(5) SHARON TAKEDA TEMPORARY EXECUTIVE DIRECTOR	0.10 40.00	X		X				0.	187,510.	72,605.
(6) AJAY SINGH FACULTY REPRESENTATIVE/DIRECTOR	0.10 40.00	X						0.	95,483.	52,297.
(7) BERNICE BASS DE MARTINEZ SAC STATE FACULTY/GOVERNANCE CHAIR	0.10 20.00	X		X				0.	63,318.	84.
(8) CHRISTINE AULT SAC STATE FACULTY/DIRECTOR	0.10 8.00	X						0.	53,375.	0.
(9) ALICE PEREZ BOARD CHAIR	0.10 0.00	X		X				0.	0.	0.
(10) RYAN MURPHY VICE CHAIR	0.10 0.00	X		X				0.	0.	0.
(11) GARRY MAISEL CHAIR, FINANCE COMMITTEE, TREASURER	0.10 0.00	X		X				0.	0.	0.
(12) SUE MCGINTY BOARD SECRETARY	0.10 0.00	X		X				0.	0.	0.
(13) NATALY ANDRADE-DOMINGUEZ STUDENT REPRESENTATIVE/DIRECTOR	0.10 0.00	X						0.	0.	0.
(14) LORA ANGUAY DIRECTOR	0.10 0.00	X						0.	0.	0.
(15) MARGOT BACH DIRECTOR	0.10 0.00	X						0.	0.	0.
(16) FRED BALDINI DIRECTOR	0.10 0.00	X						0.	0.	0.
(17) WALLY BORLAND DIRECTOR	0.10 0.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DAVID BUGATTO DIRECTOR	0.10 0.00	X						0.	0.	0.
(19) SONNEY CHONG DIRECTOR	0.10 0.00	X						0.	0.	0.
(20) MARK DROBNY DIRECTOR (THRU 6/2024)	0.10 0.00	X						0.	0.	0.
(21) VANESSA GUERRA DIRECTOR	0.10 0.00	X						0.	0.	0.
(22) COLETTE HARRIS-MATHEWS DIRECTOR	0.10 0.00	X						0.	0.	0.
(23) DAVID LOPEZ DIRECTOR	0.10 0.00	X						0.	0.	0.
(24) LEE RITCHEY DIRECTOR	0.10 0.00	X						0.	0.	0.
(25) RANDY SOLORIO DIRECTOR	0.10 0.00	X						0.	0.	0.
(26) PAM STEWART DIRECTOR	0.10 0.00	X						0.	0.	0.
1b Subtotal								0.	1,758,435.	396,625.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	1,758,435.	396,625.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual* **3** **X**
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual* **4** **X**
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person* **5** **X**

	Yes	No
3	X	
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ALLEGIANTE AIR LLC, 1201 N TOWN CENTER DRIVE, LAS VEGAS, NV 89144	AIR CHARTER FEES	130,413.
RUFFALO NOEL LEVITZ, LLC P.O. BOX 718, DES MOINES, IA 50303	FUNDRAISING CONSULTING	106,204.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2023)

Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

[illegible]

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	92,118.				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	9,622,899.				
	g Noncash contributions included in lines 1a-1f	1g	\$ 146,358.				
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a UNIVERSITY PROGRAMS	Business Code	611710	372,197.	372,197.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f				372,197.		
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			3,087,070.			3,087,070.
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		6a	(i) Real (ii) Personal				
b Less: rental expenses ...		6b					
c Rental income or (loss)		6c					
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		7a	(i) Securities (ii) Other	33,384,167.			
b Less: cost or other basis and sales expenses		7b		23,103,634.			
c Gain or (loss)		7c		10,280,533.			
d Net gain or (loss)				10,280,533.			10,280,533.
8 a Gross income from fundraising events (not including \$ 92,118. of contributions reported on line 1c). See Part IV, line 18		8a		79,202.			
b Less: direct expenses		8b		120,794.			
c Net income or (loss) from fundraising events				-41,592.			-41,592.
9 a Gross income from gaming activities. See Part IV, line 19		9a					
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
	12 Total revenue. See instructions				23,413,225.	372,197.	0.	13,326,011.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	2,571,371.	2,571,371.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	413,204.	413,204.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management				
b Legal	910.		910.	
c Accounting	46,786.		46,786.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17	154,215.			154,215.
f Investment management fees	203,264.	203,264.		
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	294,826.	27,430.	267,396.	
12 Advertising and promotion	2,765.	2,765.		
13 Office expenses	90,900.	23,657.	67,243.	
14 Information technology	273,064.	36,272.	236,792.	
15 Royalties				
16 Occupancy				
17 Travel	462,075.	462,075.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	521,967.	463,294.	58,673.	
20 Interest	1,580.		1,580.	
21 Payments to affiliates	716,733.	691,733.	25,000.	
22 Depreciation, depletion, and amortization				
23 Insurance	14,084.	3,872.	10,212.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a UNIVERSITY PROJECTS	1,674,306.	1,605,380.	38,926.	30,000.
b DUES AND SUBSCRIPTIONS	20,594.	14,706.	5,888.	
c MISC. EXPENSE	13,258.	12,870.	388.	
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	7,475,902.	6,531,893.	759,794.	184,215.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	3,442,750.	1	2,899,335.
	2 Savings and temporary cash investments	5,107,991.	2	3,866,799.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	60,139.	4	70,033.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments - publicly traded securities	100,669,716.	11	120,740,021.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	223,220.	15	241,690.
16 Total assets. Add lines 1 through 15 (must equal line 33)	109,503,816.	16	127,817,878.	
Liabilities	17 Accounts payable and accrued expenses	546,316.	17	973,544.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	546,316.	26	973,544.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions		27	
	28 Net assets with donor restrictions		28	
	Organizations that do not follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds	1,683,544.	29	2,231,728.
	30 Paid-in or capital surplus, or land, building, or equipment fund	0.	30	0.
	31 Retained earnings, endowment, accumulated income, or other funds	107,273,956.	31	124,612,606.
	32 Total net assets or fund balances	108,957,500.	32	126,844,334.
33 Total liabilities and net assets/fund balances	109,503,816.	33	127,817,878.	

Form **990** (2023)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	23,413,225.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,475,902.
3	Revenue less expenses. Subtract line 2 from line 1	3	15,937,323.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	108,957,500.
5	Net unrealized gains (losses) on investments	5	1,931,041.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	18,470.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	126,844,334.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____		

Form **990** (2023)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	11,718,892.	8,840,053.	9,555,191.	11,754,782.	9,715,018.	51,583,936.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	11,718,892.	8,840,053.	9,555,191.	11,754,782.	9,715,018.	51,583,936.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						7,167,563.
6 Public support. Subtract line 5 from line 4.						44,416,373.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
7 Amounts from line 4	11,718,892.	8,840,053.	9,555,191.	11,754,782.	9,715,018.	51,583,936.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	1,733,381.	2,845,770.	4,287,104.	2,476,073.	3,087,184.	14,429,512.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						66,013,448.
12 Gross receipts from related activities, etc. (see instructions)					12	1,806,711.

13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2023 (line 6, column (f), divided by line 11, column (f))	14	67.28	%
15 Public support percentage from 2022 Schedule A, Part II, line 14	15	67.19	%
16a 33 1/3% support test - 2023. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>			
b 33 1/3% support test - 2022. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
17a 10% -facts-and-circumstances test - 2023. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
b 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>			

Schedule A (Form 990) 2023

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2023. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2022. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
11a		
b A family member of a person described on line 11a above?		
11b		
c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI .		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
1		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
1		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
2		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
3		

Section E. Type III Functionally Integrated Supporting Organizations

	Yes	No
1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
2a		
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
2b		
3 Parent of Supported Organizations. Answer lines 3a and 3b below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No" provide details in Part VI .		
3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). See instructions.
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990) 2023

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**Section D - Distributions**

		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2023 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2023	(iii) Distributable Amount for 2023
1 Distributable amount for 2023 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2023 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2023			
a From 2018			
b From 2019			
c From 2020			
d From 2021			
e From 2022			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2023 distributable amount			
i Carryover from 2018 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2023 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2023 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2023, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2024. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2019			
b Excess from 2020			
c Excess from 2021			
d Excess from 2022			
e Excess from 2023			

Schedule A (Form 990) 2023

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

DRAFT

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization THE UNIVERSITY FOUNDATION AT SACRAMENTO
STATE

Employer identification number
94-3001359

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
☐ Preservation of land for public use (for example, recreation or education) ☐ Preservation of a historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included on line 2a	2c
d Number of conservation easements included on line 2c acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

8 Does each conservation easement reported on line 2d above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

(i) Revenue included on Form 990, Part VIII, line 1 \$

(ii) Assets included in Form 990, Part X \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 \$

b Assets included in Form 990, Part X \$

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2023

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply).

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	76268623.	68164187.	76503707.	57158064.	51227162.
b Contributions	2,828,164.	4,405,485.	3,443,365.	4,473,064.	5,494,323.
c Net investment earnings, gains, and losses	12914284.	7,699,093.	-8881182.	18045403.	2,876,306.
d Grants or scholarships	1,815,942.	1,617,609.	1,499,666.	1,371,294.	1,164,008.
e Other expenditures for facilities and programs	1,130,294.	986,245.	868,870.	721,500.	653,068.
f Administrative expenses	1,027,362.	1,396,288.	533,167.	1,080,030.	622,651.
g End of year balance	88037473.	76268623.	68164187.	76503707.	57158064.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment 7.9600 %

b Permanent endowment 92.0400 %

c Term endowment .0000 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) Unrelated organizations? ☐

(ii) Related organizations? ☐

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B)) 0.

Schedule D (Form 990) 2023

Part VII Investments - Other Securities

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, line 12, col. (B))		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, line 13, col. (B))		

Part IX Other Assets

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 15, col. (B))	

Part X Other Liabilities

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ... ☐

Schedule D (Form 990) 2023

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	25,483,530.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	1,931,041.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	1,931,041.
3	Subtract line 2e from line 1	3	23,552,489.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	-139,264.
c	Add lines 4a and 4b	4c	-139,264.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	23,413,225.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	7,596,696.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	120,794.
e	Add lines 2a through 2d	2e	120,794.
3	Subtract line 2e from line 1	3	7,475,902.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	7,475,902.

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

THE INTENDED PURPOSE OF THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE'S

ENDOWMENT FUNDS IS TO BENEFIT SACRAMENTO STATE UNIVERSITY AND ITS

STUDENTS. THE BROAD CATEGORIES OF SUPPORT ARE AS FOLLOWS: ACADEMIC

SUPPORT, STUDENT SERVICES, INSTITUTIONAL SUPPORT, AND STUDENT GRANTS AND

SCHOLARSHIPS.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

FUNDRAISING EVENT EXPENSE -120,794.

INCREASE IN CSV OF LIFE INSURANCE POLICIES -18,470.

TOTAL TO SCHEDULE D, PART XI, LINE 4B -139,264.

Part XIII Supplemental Information *(continued)*

PART XII, LINE 2D - OTHER ADJUSTMENTS:

FUNDRAISING EVENT EXPENSE 120,794.

DRAFT

**SCHEDULE F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

THE UNIVERSITY FOUNDATION AT SACRAMENTO

STATE

Employer identification number

94-3001359

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in the region	(d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in the region	(f) Total expenditures for and investments in the region
EAST ASIA AND THE PACIFIC	0	0	FUNDRAISING		0.
3 a Subtotal	0	0			0.
b Total from continuation sheets to Part I	0	0			0.
c Totals (add lines 3a and 3b)	0	0			0.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2023

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of noncash assistance	(h) Description of noncash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as a tax exempt 501(c)(3) organization by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter

3 Enter total number of other organizations or entities

Part IV Foreign Forms

- 1** Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see the Instructions for Form 926)* ☐ Yes ☒ No
- 2** Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see the Instructions for Forms 3520 and 3520-A; don't file with Form 990)* ☐ Yes ☒ No
- 3** Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations (see the Instructions for Form 5471)* ☐ Yes ☒ No
- 4** Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see the Instructions for Form 8621)* ☐ Yes ☒ No
- 5** Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see the Instructions for Form 8865)* ☐ Yes ☒ No
- 6** Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see the Instructions for Form 5713; don't file with Form 990)* ☐ Yes ☒ No

Schedule F (Form 990) 2023

Part V Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information. See instructions.

DRAFT

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public Inspection

Name of the organization	THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE
--------------------------	--

Employer identification number
94-3001359

Part I

Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☒ Mail solicitations
- b ☒ Internet and email solicitations
- c ☒ Phone solicitations
- d ☒ In-person solicitations
- e ☒ Solicitation of non-government grants
- f ☐ Solicitation of government grants
- g ☒ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes☐ **No**

- b** If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
RUFFALO NOEL LEVITZ - P.O. BOX 718, DES MOINES, IA	DIRECT MAIL, CROWDFUNDING, GIVING DAY	X		484,465.	69,910.	414,555.
CATAPULT FUNDRAISING, INC. - 2651 N. GREEN VALLEY PARKWAY,	PHONATON	X		142,072.	84,305.	57,767.
Total				626,537.	154,215.	472,322.

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

CA, AK, CO, KY, MA, MD, ME, MI, MN, ND, NH, NJ, NV, OR, SC, UT, WA

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

SEE PART IV FOR CONTINUATIONS

Schedule G (Form 990) 2023

LHA 332081 09-13-23

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		AD'S CUP (event type)	BASEBALL ALUMNI GOLF TOURNAMENT (event type)	2 (total number)	
Revenue	1 Gross receipts	63,653.	49,550.	58,117.	171,320.
	2 Less: Contributions	39,588.	27,035.	25,495.	92,118.
	3 Gross income (line 1 minus line 2)	24,065.	22,515.	32,622.	79,202.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	8,001.	9,560.	7,985.	25,546.
	6 Rent/facility costs	19,558.	5,120.	20,100.	44,778.
	7 Food and beverages	4,210.	8,503.	13,480.	26,193.
	8 Entertainment		1,256.	600.	1,856.
	9 Other direct expenses	20,081.	1,371.	969.	22,421.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				120,794.
11 Net income summary. Subtract line 10 from line 3, column (d)				-41,592.	

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
	2 Cash prizes				
Direct Expenses	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name _____

Address _____

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization \$ _____ and the amount of gaming revenue retained by the third party \$ _____

c If "Yes," enter name and address of the third party:

Name _____

Address _____

- 16** Gaming manager information:

Name _____

Gaming manager compensation \$ _____

Description of services provided _____

☐ Director/officer

☐ Employee

☐ Independent contractor

- 17** Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

SCHEDULE G, PART I, LINE 2B, LIST OF TEN HIGHEST PAID FUNDRAISERS:

(I) NAME OF FUNDRAISER: RUFFALO NOEL LEVITZ

(I) ADDRESS OF FUNDRAISER: P.O. BOX 718, DES MOINES, IA 50303

(I) NAME OF FUNDRAISER: CATAPULT FUNDRAISING, INC.

(I) ADDRESS OF FUNDRAISER:

2651 N. GREEN VALLEY PARKWAY, SUITE 102, HENDERSON, NV 89014

Part IV Supplemental Information *(continued)*

DRAFT

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

Attach to Form 990.

Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization THE UNIVERSITY FOUNDATION AT SACRAMENTO
STATE

Employer identification number
94-3001359

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of noncash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
CALIFORNIA STATE UNIVERSITY, SACRAMENTO - 6000 J STREET - SACRAMENTO, CA 95819	68-0365325	STATE OF CALIFORNIA	2571371.	0.	N/A	N/A	SCHOLARSHIPS

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 1.

3 Enter total number of other organizations listed in the line 1 table 0.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2023

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
SCHOLARSHIPS/STIPENDS	373	413,204.	0.	N/A	N/A

Part IV **Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

THE FOUNDATION TRANSFERS FUNDS TO CALIFORNIA STATE UNIVERSITY, SACRAMENTO.

CSUS MAINTAINS THE RECORDS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization THE UNIVERSITY FOUNDATION AT SACRAMENTO
STATE
Employer identification number 94-3001359

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in or receive payment from a supplemental nonqualified retirement plan?

c Participate in or receive payment from an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2023

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ROBERT NELSEN	(i)	0.	0.	0.	0.	0.	0.	0.
SAC STATE PRES. (THRU 6/23)/DIR	(ii)	447,599.	0.	0.	46,733.	15,531.	509,863.	0.
(2) LUKE WOOD	(i)	0.	0.	0.	0.	0.	0.	0.
SAC STATE PRES. (AS OF 7/23)/DIR.	(ii)	414,072.	15,000.	0.	54,953.	18,215.	502,240.	0.
(3) JONATHAN BOWMAN	(i)	0.	0.	0.	0.	0.	0.	0.
SAC STATE CFO, DIRECTOR	(ii)	270,169.	0.	0.	46,742.	28,381.	345,292.	0.
(4) LISA CARDOZA	(i)	0.	0.	0.	0.	0.	0.	0.
PAST EXEC. DIRECTOR (THRU 7/2023)	(ii)	211,909.	0.	0.	43,963.	17,121.	272,993.	0.
(5) SHARON TAKEDA	(i)	0.	0.	0.	0.	0.	0.	0.
TEMPORARY EXECUTIVE DIRECTOR	(ii)	187,510.	0.	0.	60,434.	12,171.	260,115.	0.
(6) AJAY SINGH	(i)	0.	0.	0.	0.	0.	0.	0.
FACULTY REPRESENTATIVE/DIRECTOR	(ii)	95,483.	0.	0.	29,190.	23,107.	147,780.	0.
(7) BERNICE BASS DE MARTINEZ	(i)	0.	0.	0.	0.	0.	0.	0.
SAC STATE FACULTY/GOVERNANCE CHAIR	(ii)	63,318.	0.	0.	0.	84.	63,402.	0.
(8) CHRISTINE AULT	(i)	0.	0.	0.	0.	0.	0.	0.
SAC STATE FACULTY/DIRECTOR	(ii)	53,375.	0.	0.	0.	0.	53,375.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

DRAFT

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization **THE UNIVERSITY FOUNDATION AT SACRAMENTO**
STATE

Employer identification number
94-3001359

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	6	126,250.	FMV
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other ...				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other (AUCTION ITEMS)	X	97	20,108.	FMV
26 Other ()				
27 Other ()				
28 Other ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions
for which the organization completed Form 8283, Part V, Donee Acknowledgement **29** 0

- 30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it
must hold for at least 3 years from the date of the initial contribution, and which isn't required to be used for
exempt purposes for the entire holding period?
b If "Yes," describe the arrangement in Part II.
- 31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?
- 32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash
contributions?
b If "Yes," describe in Part II.
- 33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked,
describe in Part II.

	Yes	No
30a		X
31	X	
32a		X
33		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2023

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN (B):

COLUMN B REPRESENTS THE NUMBER OF CONTRIBUTORS FOR PUBLICLY TRADED

SECURITIES. COLUMN B REPRESENTS THE NUMBER OF ITEMS CONTRIBUTED FOR

DONATED AUCTION ITEMS.

DRAFT

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization	THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE	Employer identification number 94-3001359
--------------------------	--	--

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

FUNDS MAY BE EXPENDED OR ENDOWED, PER DONOR DIRECTIONS; EARNINGS FROM

ENDOWED FUNDS ARE GENERALLY EXPENDABLE AND DISTRIBUTED TO STUDENT

SCHOLARSHIPS OR PROGRAMS IN ACCORDANCE WITH SPECIFICATIONS PROVIDED BY

THE DONOR. THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE IS DEDICATED

TO SUPPORTING STUDENTS TO FURTHER THE UNIVERSITY'S MISSION TO PROVIDE

AN EXCELLENT EDUCATION TO THOSE WHO ASPIRE TO EXPAND THEIR KNOWLEDGE

AND PREPARE THEMSELVES FOR MEANINGFUL LIVES, CAREERS AND SERVICE TO

THEIR COMMUNITY.

FORM 990, PART VI, SECTION A, LINE 1A:

ANY SUCH COMMITTEE, TO THE EXTENT PROVIDED IN THE BOARD RESOLUTION, SHALL

HAVE ALL AUTHORITY OF THE BOARD, EXCEPT THAT NO COMMITTEE, REGARDLESS OF

BOARD RESOLUTION, MAY:

(1) FILL VACANCIES ON ANY COMMITTEE THAT HAS THE AUTHORITY OF THE BOARD;

(2) FIX COMPENSATION OF THE DIRECTORS FOR SERVING ON THE BOARD OR ON ANY

COMMITTEE;

(3) AMEND OR REPEAL BYLAWS OR ADOPT NEW BYLAWS;

(4) AMEND OR REPEAL ANY BOARD RESOLUTION THAT BY ITS EXPRESS TERMS IS NOT

SO AMENDABLE OR REPEALABLE;

(5) CREATE ANY OTHER COMMITTEES OF THE BOARD OR APPOINT MEMBERS OF

COMMITTEES OF THE BOARD;

(6) EXPEND CORPORATE FUNDS TO SUPPORT A NOMINEE FOR DIRECTOR AFTER MORE

PEOPLE HAVE BEEN NOMINATED FOR DIRECTOR THAN CAN BE ELECTED; OR

(7) APPROVE ANY CONTRACT OR TRANSACTION TO WHICH THE CORPORATION IS A PARTY

AND IN WHICH ONE OR MORE DIRECTORS HAS A MATERIAL FINANCIAL INTEREST,

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2023

LHA 332211 11-14-23

Name of the organization THE UNIVERSITY FOUNDATION AT SACRAMENTO
STATE

Employer identification number
94-3001359

EXCEPT AS SPECIAL APPROVAL IS PROVIDED FOR IN SECTION 5233(D)(3) OF THE
CALIFORNIA CORPORATIONS CODE.

FORM 990, PART VI, SECTION A, LINE 7A:

TITLE 5 OF THE CALIFORNIA CODE OF REGULATIONS SECTION 42602(B)(2) REQUIRES

THAT THE BOARD HAVE VOTING MEMBERSHIP FROM THE FOLLOWING CATEGORIES: (A)

ADMINISTRATION AND STAFF; (B) FACULTY; (C) NON-CAMPUS PERSONNEL; AND (D)

STUDENTS. AS SUCH, ONE OR MORE OF THE DIRECTORS SHALL BE FROM EACH OF THE

FOLLOWING CATEGORIES, ALL FULL VOTING MEMBERS:

- FACULTY OF SACRAMENTO STATE

- ASI PRESIDENT

- A MINIMUM OF 6 NON-CAMPUS PERSONNEL

- THE PRESIDENT OF SACRAMENTO STATE

- A MEMBER OF THE ALUMNI ASSOCIATION BOARD

- VICE PRESIDENT OF UNIVERSITY ADVANCEMENT

FORM 990, PART VI, SECTION A, LINE 7B:

VACANCIES ON THE BOARD SHALL BE FILLED BY APPOINTMENT BY THE PRESIDENT OF

CALIFORNIA STATE UNIVERSITY SACRAMENTO FOR THE BALANCE OF THE UNEXPIRED

TERM. UPON DISSOLUTION, THE DISTRIBUTION OF NET ASSETS MUST BE APPROVED BY

THE PRESIDENT AND BOARD OF TRUSTEES FOR CALIFORNIA STATE UNIVERSITY

SACRAMENTO.

FORM 990, PART VI, SECTION B, LINE 11B:

THE FOUNDATION HAS ITS FEDERAL 990 PREPARED BY A CERTIFIED PUBLIC

ACCOUNTING FIRM. THIS PROCESS INCLUDES A REQUEST FOR INFORMATION FROM THE

FOUNDATION, A COMPILATION OF DATA BY THE FOUNDATION'S CONTRACTED ACCOUNTING

Name of the organization	THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE	Employer identification number 94-3001359
--------------------------	--	--

FUNCTION (CSUS FINANCIAL SERVICES) AS WELL AS THE SAC STATE ADVANCEMENT

DIVISION, MULTIPLE LAYERS OF REVIEW BY THE CERTIFIED PUBLIC ACCOUNTING FIRM

AND REVIEW OF THE FINAL RETURN BY THE FOUNDATION'S CONTRACTED ACCOUNTING

FUNCTION (I.E. CSUS AUXILIARY ACCOUNTING MANAGER AND SENIOR DIRECTOR OF

ACCOUNTING SERVICES). REVIEW BY THE CSUS AUXILIARY ACCOUNTING MANAGER AND

SENIOR DIRECTOR OF ACCOUNTING SERVICES CONSISTS OF VERIFYING INFORMATION ON

THE FINAL TAX RETURN TO INTERNAL FINANCIAL AND CORPORATE RECORDS TO ENSURE

ACCURACY. THE VP FOR UNIVERSITY ADVANCEMENT PERFORMS A HIGHER LEVEL REVIEW

FOR REASONABLENESS OF FINANCIAL INFORMATION AND ACCURACY OF CORPORATE

GOVERNANCE ITEMS. THIS REVIEW MAY INCLUDE MEETINGS WITH THE CSUS AUXILIARY

ACCOUNTING MANAGER AND SENIOR DIRECTOR OF ACCOUNTING SERVICES OR EXTERNAL

TAX PREPARERS AS NEEDED. THE FOUNDATION'S AUDIT COMMITTEE AND BOARD CHAIR

CONDUCT A FINAL REVIEW OF THE TAX RETURN. THIS REVIEW CONSISTS OF CHECKING

THE REASONABLENESS OF FINANCIAL INFORMATION AND ACCURACY OF CORPORATE

GOVERNANCE ITEMS. INQUIRIES AND REQUESTS FOR MORE INFORMATION ARE DIRECTED

TO THE VP OF ADVANCEMENT, THE CSUS AUXILIARY ACCOUNTING MANAGER AND SENIOR

DIRECTOR OF ACCOUNTING SERVICES OR THE EXTERNAL TAX PREPARER AS NEEDED.

PRIOR TO FILING, AN ELECTRONIC VERSION OF THE FINAL FEDERAL FORM 990 IS

TRANSMITTED TO ALL VOTING MEMBERS OF THE BOARD OF DIRECTORS VIA EMAIL. THE

VP FOR UNIVERSITY ADVANCEMENT RESPONDS TO ANY QUESTIONS OR COMMENTS FROM

THE BOARD.

FORM 990, PART VI, SECTION B, LINE 12C:

ANNUAL SIGNED CONFLICT OF INTEREST FORMS ARE COLLECTED FROM ALL FOUNDATION

BOARD DIRECTORS AT THE FIRST BOARD MEETING OF THE YEAR. ALONG WITH THE

BOARD DIRECTORS, THEIR FAMILY MEMBERS ARE ALSO COVERED BY THE POLICY.

ANNUALLY, THE FOUNDATION CONDUCTS A REVIEW OF THE RELATIONSHIPS AND

AFFILIATIONS OF EACH DIRECTOR THROUGH DISCLOSURE FORMS DOCUMENTING

Name of the organization	THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE	Employer identification number 94-3001359
--------------------------	--	--

AFFILIATIONS, BUSINESS RELATIONSHIPS, AND OTHER AREAS OF POTENTIAL

CONFLICTS OF INTEREST FOR THE DIRECTORS. THE TREASURER COLLECTS ALL FORMS

AND PREPARES A LISTING ("REPORT"), BY DIRECTOR, OF ALL AFFILIATIONS

REPORTED. REPORT IS PRESENTED TO THE AUDIT COMMITTEE AT ANNUAL MEETING. THE

AUDIT COMMITTEE REVIEWS REPORT AND PRESENTS FINDINGS TO FULL BOARD OF

DIRECTORS FOR APPROVAL. DIRECTORS ARE ALSO RESPONSIBLE FOR REPORTING

POTENTIAL CONFLICTS OF INTEREST ON ANY INDIVIDUAL BOARD OR COMMITTEE AGENDA

OR GRANT DOCKET ITEM, PRIOR TO DELIBERATION ON THE ITEM. ALL MATERIAL FACTS

CONCERNING THE ACTUAL OR POTENTIAL CONFLICT OF INTEREST SHALL BE DISCLOSED

TO THE CHAIR OF THE AUDIT COMMITTEE AND TO COUNSEL FOR THE FOUNDATION. SUCH

FACTS SHALL BE RECORDED IN THE MINUTES OF THE BOARD MEETING CONSIDERING

AUTHORIZATION OR APPROVAL OF AFFECTED GRANT OR BUSINESS TRANSACTION, AND

WHERE APPLICABLE IN ANY PROPOSAL SUMMARY OR RECOMMENDATIONS PRESENTED TO

COMMITTEES AND/OR THE BOARD FOR DECISION. THE INTERESTED DIRECTOR MAY BE

PRESENT AT THE TIME OF INITIAL PRESENTATION OF A PROSPECTIVE GRANT OR

BUSINESS TRANSACTION, BUT IS ABSENT FROM THE ROOM DURING BOTH BOARD

DISCUSSION, AND ACTION OR VOTE; AND IF NOT INVOLVING A DIRECTOR WITH A

MATERIAL FINANCIAL INTEREST, A GRANT MAY BE APPROVED BY A MAJORITY OF THE

DIRECTORS PRESENT. ALL OTHER GRANTS AND BUSINESS TRANSACTIONS INVOLVING A

CONFLICT OF INTEREST MUST BE APPROVED BY A MAJORITY OF THE DIRECTORS IN

OFFICE.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST

POLICIES AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

INCREASE IN CSV OF LIFE INSURANCE POLICIES

18,470.

Name of the organization THE UNIVERSITY FOUNDATION AT SACRAMENTO
STATE

Employer identification number
94-3001359

FORM 990, PART XII, LINE 2C

THE PROCESS FOR OVERSIGHT AND SELECTION OF AN INDEPENDENT ACCOUNTANT

HAS NOT CHANGED FROM THE PRIOR YEAR.

DRAFT

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2023

**Open to Public
Inspection**

Name of the organization	THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE	Employer identification number 94-3001359
--------------------------	--	--

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
CALIFORNIA STATE UNIVERSITY, SACRAMENTO - 68-0365325, 6000 J STREET, SACRAMENTO, CA 95819	POST-SECONDARY EDUCATION	CALIFORNIA			N/A		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2023

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

DRAFT

2023

California Exempt Organization
Annual Information Return

199

Calendar Year 2023 or fiscal year beginning (mm/dd/yyyy) 07/01/2023, and ending (mm/dd/yyyy) 06/30/2024	
Corporation/Organization name THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE	
California corporation number 1392823	
Additional information. See instructions. FEIN 94-3001359	
Street address (suite or room) 6000 J STREET	
PMB no.	
City SACRAMENTO	State CA
ZIP code 95819-6063	
Foreign country name	Foreign province/state/county
Foreign postal code	

A First return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I Did the organization have any changes to its guidelines not reported to the FTB? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B Amended return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	J If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C IRC Section 4947(a)(1) trust <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K Is the organization exempt under R&TC Section 23701g? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D Final information return? • <input type="checkbox"/> Dissolved <input type="checkbox"/> Surrendered (Withdrawn) <input type="checkbox"/> Merged/Reorganized Enter date: (mm/dd/yyyy) •	L Is the organization a limited liability company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other	M Did the organization file Form 100 or Form 109 to report taxable income? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F Federal return filed? (1) <input type="checkbox"/> 990T (2) <input type="checkbox"/> 990PF (3) <input type="checkbox"/> Sch H (990) (4) <input checked="" type="checkbox"/> Other 990 series	N Is the organization under audit by the IRS or has the IRS audited in a prior year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G Is this a group filing? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	O Is federal Form 1023/1024 pending? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
H Is this organization in a group exemption <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," what is the parent's name?	Date filed with IRS

Part I Complete Part I unless not required to file this form. See General Information B and C.

Receipts and Revenues	1 Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	36,922,636	00
	2 Gross dues and assessments from members and affiliates	2		00
	3 Gross contributions, gifts, grants, and similar amounts received STMT 1	3	9,715,017	00
	4 Total gross receipts for filing requirement test. Add line 1 through line 3. STMT 2			
	This line must be completed. If the result is less than \$50,000, see General Information B	4	46,637,653	00
	5 Cost of goods sold	5		00
	6 Cost or other basis, and sales expenses of assets sold	6	23,103,634	00
	7 Total costs. Add line 5 and line 6	7	23,103,634	00
8 Total gross income. Subtract line 7 from line 4	8	23,534,019	00	
Expenses	9 Total expenses and disbursements. From Side 2, Part II, line 18	9	7,596,696	00
	10 Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	15,937,323	00
Payments	11 Total payments	11		00
	12 Use tax. See General Information K	12		00
	13 Payments balance. If line 11 is more than line 12, subtract line 12 from line 11	13		00
	14 Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12	14		00
	15 Penalties and interest. See General Information J	15		00
	16 Balance due. Add line 12 and line 15. Then subtract line 11 from the result	16		00
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer	Title BOARD CHAIR	Date	• Telephone
Paid Preparer's Use Only	Preparer's signature	Date 04/30/25	Check if self-employed	• PTIN P00492291
	Firm's name (or yours, if self-employed) and address	• Firm's FEIN 41-0746749		
		• Telephone (303) 779-5710		
	May the FTB discuss this return with the preparer shown above? See instructions <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1	79,202	00
	2	Interest	•	2	3,087,070	00
	3	Dividends	•	3		00
	4	Gross rents	•	4		00
	5	Gross royalties	•	5		00
	6	Gross amount received from sale of assets (See instructions) STATEMENT 3	•	6	33,384,167	00
	7	Other income SEE STATEMENT 4	•	7	372,197	00
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	•	8	36,922,636	00
	9	Contributions, gifts, grants, and similar amounts paid STATEMENT 5	•	9	2,984,575	00
	10	Disbursements to or for members	•	10		00
	11	Compensation of officers, directors, and trustees SEE STATEMENT 6	•	11	0	00
	12	Other salaries and wages	•	12		00
Expenses and Disbursements	13	Interest	•	13	1,580	00
	14	Taxes	•	14		00
	15	Rents	•	15		00
	16	Depreciation and depletion (See instructions)	•	16		00
	17	Other expenses and disbursements SEE STATEMENT 7	•	17	4,610,541	00
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	•	18	7,596,696	00

Schedule L Balance Sheet

Beginning of taxable year

End of taxable year

Assets	(a)	(b)	(c)	(d)
1 Cash		8,550,741	•	6,766,134
2 Net accounts receivable		60,139	•	70,033
3 Net notes receivable			•	
4 Inventories			•	
5 Federal and state government obligations			•	
6 Investments in other bonds			•	
7 Investments in stock			•	
8 Mortgage loans			•	
9 Other investments STMT 8		100,669,716	•	120,740,021
10 a Depreciable assets				
b Less accumulated depreciation				
11 Land			•	
12 Other assets STMT 9		223,220	•	241,690
13 Total assets		109,503,816		127,817,878
Liabilities and net worth				
14 Accounts payable		546,316	•	973,544
15 Contributions, gifts, or grants payable			•	
16 Bonds and notes payable			•	
17 Mortgages payable			•	
18 Other liabilities				
19 Capital stock or principal fund		1,683,544	•	2,231,728
20 Paid-in or capital surplus. Attach reconciliation			•	
21 Retained earnings or income fund		107,273,956	•	124,612,606
22 Total liabilities and net worth		109,503,816		127,817,878

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.

1 Net income per books	•	17,886,720	7 Income recorded on books this year not included in this return. Attach schedule *	•	1,949,397
2 Federal income tax	•		8 Deductions in this return not charged against book income this year.		
3 Excess of capital losses over capital gains	•		Attach schedule	•	
4 Income not recorded on books this year. Attach schedule	•		9 Total. Add line 7 and line 8		1,949,397
5 Expenses recorded on books this year not deducted in this return. Attach schedule	•		10 Net income per return.		
6 Total. Add line 1 through line 5		17,886,720	Subtract line 9 from line 6		15,937,323

* SEE STATEMENT

CA 199		GROSS AMOUNT FROM SALE OF ASSETS		STATEMENT 3	
DESCRIPTION		DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
SECURITIES				PURCHASED	
		COST OR OTHER BASIS	DEPREC.	EXPENSE OF SALE	GROSS SALES PRICE
		23,103,634.	0.	0.	33,384,167.
TOTAL TO FORM 199, PAGE 2, LN 6		23,103,634.	0.	0.	33,384,167.

CA 199		OTHER INCOME	STATEMENT 4
DESCRIPTION	AMOUNT		
UNIVERSITY PROGRAMS	372,197.		
TOTAL TO FORM 199, PART II, LINE 7		372,197.	

CA 199	CASH CONTRIBUTIONS, GIFTS, GRANTS AND SIMILAR AMOUNTS PAID	STATEMENT 5
--------	---	-------------

ACTIVITY CLASSIFICATION: SCHOLARSHIPS

DONEES NAME	DONEES ADDRESS	RELATIONSHIP	AMOUNT
CALIFORNIA STATE UNIVERSITY, SACRAMENTO	6000 J STREET - SACRAMENTO, CA 95816	AUXILIARY ORGANIZATION	2,571,371.

DONEES NAME	DONEES ADDRESS	RELATIONSHIP	AMOUNT
VARIOUS INDIVIDUALS	6000 J STREET - SACRAMENTO, CA 95816	NONE	413,204.

TOTAL FOR THIS ACTIVITY	2,984,575.
-------------------------	------------

TOTAL INCLUDED ON FORM 199, PART II, LINE 9	2,984,575.
---	------------

CA 199	COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES	STATEMENT 6
--------	--	-------------

NAME AND ADDRESS	TITLE AND AVERAGE HRS WORKED/WK	COMPENSATION
ROBERT NELSEN 6000 J STREET SACRAMENTO, CA 95819-6063	SAC STATE PRES. (THRU 6/23 0.10	0.
LUKE WOOD 6000 J STREET SACRAMENTO, CA 95819-6063	SAC STATE PRES. (AS OF 7/2 0.10	0.
LISA CARDOZA 6000 J STREET SACRAMENTO, CA 95819-6063	PAST EXEC. DIRECTOR (THRU 0.10	0.
SHARON TAKEDA 6000 J STREET SACRAMENTO, CA 95819-6063	TEMPORARY EXECUTIVE DIRECT 0.10	0.

AJAY SINGH 6000 J STREET SACRAMENTO, CA 95819-6063	FACULTY REPRESENTATIVE/DIR 0.10	0.
BERNICE BASS DE MARTINEZ 6000 J STREET SACRAMENTO, CA 95819-6063	SAC STATE FACULTY/GOVERNAN 0.10	0.
CHRISTINE AULT 6000 J STREET SACRAMENTO, CA 95819-6063	SAC STATE FACULTY/DIRECTOR 0.10	0.
ALICE PEREZ 6000 J STREET SACRAMENTO, CA 95819-6063	BOARD CHAIR 0.10	0.
RYAN MURPHY 6000 J STREET SACRAMENTO, CA 95819-6063	VICE CHAIR 0.10	0.
GARRY MAISEL 6000 J STREET SACRAMENTO, CA 95819-6063	CHAIR, FINANCE COMMITTEE, 0.10	0.
SUE MCGINTY 6000 J STREET SACRAMENTO, CA 95819-6063	BOARD SECRETARY 0.10	0.
NATALY ANDRADE-DOMINGUEZ 6000 J STREET SACRAMENTO, CA 95819-6063	STUDENT REPRESENTATIVE/DIR 0.10	0.
LORA ANGUAY 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
MARGOT BACH 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
FRED BALDINI 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
WALLY BORLAND 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.

DAVID BUGATTO 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
SONNEY CHONG 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
MARK DROBNY 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR (THRU 6/2024) 0.10	0.
VANESSA GUERRA 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
COLETTE HARRIS-MATHEWS 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
DAVID LOPEZ 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
LEE RITCHEY 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
RANDY SOLORIO 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
PAM STEWART 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
SCOTT SYPHAX 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
HOLLY TICHE 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.
BUD TRAVERS 6000 J STREET SACRAMENTO, CA 95819-6063	DIRECTOR 0.10	0.

TINA TREIS
6000 J STREET
SACRAMENTO, CA 95819-6063

CHAIR, AUDIT COMMITTEE
0.10

0.

TOTAL TO FORM 199, PART II, LINE 11

0.

CA 199

OTHER EXPENSES

STATEMENT 7

DESCRIPTION

AMOUNT

UNIVERSITY PROJECTS	1,674,306.
DUES AND SUBSCRIPTIONS	20,594.
MISC. EXPENSE	13,258.
DIRECT EXPENSES OF FUNDRAISING EVENTS	120,794.
PAYMENTS TO AFFILIATES	716,733.
LEGAL FEES	910.
ACCOUNTING FEES	46,786.
PROFESSIONAL FUNDRAISING FEES	154,215.
INVESTMENT MANAGEMENT FEES	203,264.
OTHER PROFESSIONAL FEES	294,826.
ADVERTISING AND PROMOTION	2,765.
OFFICE EXPENSES	90,900.
INFORMATION TECHNOLOGY	273,064.
TRAVEL	462,075.
CONFERENCES AND CONVENTIONS	521,967.
INSURANCE	14,084.
TOTAL TO FORM 199, PART II, LINE 17	4,610,541.

CA 199

OTHER INVESTMENTS

STATEMENT 8

DESCRIPTION

BEG. OF YEAR

END OF YEAR

LONG TERM INVESTMENTS	100,669,716.	120,740,021.
TOTAL TO FORM 199, SCHEDULE L, LINE 9	100,669,716.	120,740,021.

CA 199	OTHER ASSETS	STATEMENT 9
DESCRIPTION	BEG. OF YEAR	END OF YEAR
CASH SURRENDER VALUE	223,220.	241,690.
TOTAL TO FORM 199, SCHEDULE L, LINE 12	223,220.	241,690.

CA 199	INCOME RECORDED ON BOOKS THIS YEAR NOT INCLUDED IN THIS RETURN	STATEMENT 10
DESCRIPTION		AMOUNT
UNREALIZED GAIN		1,930,927.
INCREASE IN CVS OF LIFE INSURANCE POLICIES		18,470.
TOTAL TO FORM 199, SCHEDULE M-1, LINE 7		1,949,397.

DRAFT

TAXABLE YEAR
2023**California e-file Return Authorization for
Exempt Organizations**FORM
8453-EO

Exempt Organization name THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE	Identifying number 94-3001359
---	---

Part I Electronic Return Information (whole dollars only)

1 Total gross receipts or unrelated business taxable income (Form 199, line 4 or Form 109, line 5)	1 46,637,653
2 Total gross income or total tax (Form 199, line 8 or Form 109, line 14)	2 23,534,019
3 Total expenses and disbursements (Form 199, line 9)	3 7,596,696
4 Tax due (Form 109, line 23)	4
5 Overpayment (Form 109, line 24)	5

Part II Settle Your Account Electronically for Taxable Year 2023**6** ☐ Direct Deposit of refund (Form 109 only.)**7** ☐ Electronic funds withdrawal **7a** Amount**7b** Withdrawal date (mm/dd/yyyy)**Part III Schedule of Estimated Tax Payments for Taxable Year 2024** (These are NOT installment payments for the current amount the exempt organization owes.)

	First Payment	Second Payment	Third Payment	Fourth Payment
8 Amount				
9 Withdrawal Date				

Part IV Banking Information (Have you verified the exempt organization's banking information?)**10** Routing number _____**11** Account number _____**12** Type of account: ☐ Checking ☐ Savings**Part V Declaration of Officer**

I authorize the exempt organization's account to be settled as designated in Part II. If I check Part II, box 6, I declare that the bank account specified in Part IV for the direct deposit refund agrees with the authorization stated on my return. If I check Part II, box 7, I authorize an electronic funds withdrawal for the amount listed on line 7a and any estimated payment amounts listed on Part III, line 8 from the bank account specified in Part IV.

Under penalties of perjury, I declare that I am an officer of the above exempt organization and that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider and the amounts in Part I above agree with the amounts on the corresponding lines of the exempt organization's 2023 California electronic return. To the best of my knowledge and belief, the exempt organization's return is true, correct, and complete. If the exempt organization is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the exempt organization's tax liability, the exempt organization will remain liable for the tax liability and all applicable interest and penalties. I authorize the exempt organization return and accompanying schedules and statements be transmitted to the FTB by the ERO, transmitter, or intermediate service provider. If the processing of the exempt organization's return or refund is delayed, I authorize the FTB to disclose to the ERO or intermediate service provider the reason(s) for the delay or the date when the refund was sent.


Sign Here  _____ **BOARD CHAIR**
Signature of officer Date Title

Part VI Declaration of Electronic Return Originator (ERO) and Paid Preparer.

I declare that I have reviewed the above exempt organization's return and that the entries on form FTB 8453-EO are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I understand that I am not responsible for reviewing the exempt organization's return. I declare, however, that form FTB 8453-EO accurately reflects the data on the return.) I have obtained the organization officer's signature on form FTB 8453-EO before transmitting this return to the FTB. I have provided the organization officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345, 2023 Handbook for Authorized e-file Providers. I will keep form FTB 8453-EO on file for **four** years from the due date of the return or **four** years from the date the exempt organization return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above exempt organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

ERO Must Sign	ERO's signature SARAH HINTZ	Date	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's PTIN P00492291
	Firm's name (or yours if self-employed) and address CLIFTONLARSONALLEN LLP 8390 EAST CRESCENT PARKWAY, SUITE 300 GREENWOOD VILLAGE, CO				Firm's FEIN 41-0746749 ZIP code 80111

Under penalties of perjury, I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

Paid Preparer Must Sign	Paid preparer's signature 	Date	Check if self-employed <input type="checkbox"/>	Paid preparer's PTIN
	Firm's name (or yours if self-employed) and address			Firm's FEIN ZIP code

MAIL TO:
Registry of Charities and Fundraisers
P.O. Box 903447
Sacramento, CA 94203-4470

STREET ADDRESS:
1300 I Street
Sacramento, CA 95814

WEBSITE ADDRESS:
www.oag.ca.gov/charities

ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Sections 12586 and 12587, California Government Code
11 Cal. Code Regs. sections 301-307, and 310

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties. Revenue & Taxation Code section 23703; Government Code section 12586.1. IRS extensions will be honored.

THE UNIVERSITY FOUNDATION AT SACRAMENTO

STATE

Name of Organization

List all DBAs and names the organization uses or has used

6000 J STREET

Address (Number and Street)

SACRAMENTO, CA 95819-6063

City or Town, State, and ZIP Code

916-278-7326

Telephone Number

UFSSACCOUNTING@CSUS.EDU

E-mail Address

Check if:

- ☐ Change of address
☐ Amended report
☐ Organization requests email notifications

State Charity Registration Number 065506

Corporation or Organization No. 1392823

Federal Employer ID No. 94-3001359

ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, and 310)

Make Check Payable to Department of Justice

Total Revenue	Fee	Total Revenue	Fee	Total Revenue	Fee
Less than \$50,000	\$25	Between \$250,001 and \$1 million	\$100	Between \$20,000,001 and \$100 million	\$800
Between \$50,000 and \$100,000	\$50	Between \$1,000,001 and \$5 million	\$200	Between \$100,000,001 and \$500 million	\$1,000
Between \$100,001 and \$250,000	\$75	Between \$5,000,001 and \$20 million	\$400	Greater than \$500 million	\$1,200

PART A - ACTIVITIES

For your most recent full accounting period (beginning 07/01/2023 ending 06/30/2024) list:

Total Revenue (including noncash contributions) \$ 23,413,225 Noncash Contributions \$ 146,358 Total Assets \$ 127,817,878
Program Expenses \$ 6,531,893 Total Expenses \$ 7,475,902

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: All questions must be answered. If you answer "yes" to any of the questions below, you must attach a separate page providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof, either directly or with an entity in which any such officer, director or trustee had any financial interest?		X
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?		X
3. During this reporting period, were any organization funds used to pay any penalty, fine or judgment?		X
4. During this reporting period, were the services of a commercial fundraiser, fundraising counsel for charitable purposes, or commercial coventurer used?	X	
5. During this reporting period, did the organization receive any governmental funding?		X
6. During this reporting period, did the organization hold a raffle for charitable purposes?		X
7. Does the organization conduct a vehicle donation program?		X
8. Did the organization conduct an independent audit and prepare audited financial statements in accordance with generally accepted accounting principles for this reporting period?	X	
9. At the end of this reporting period, did the organization hold restricted net assets, while reporting negative unrestricted net assets?		X

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, the content is true, correct and complete, and I am authorized to sign.

ALICE PEREZ

BOARD CHAIR

Signature of Authorized Agent

Printed Name

Title

Date

To: Board of Directors, The University Foundation of Sacramento State

From: Finance Committee

Date: April 25th, 2025

Subject: Recommended Policy Revisions and Operating Procedures

Executive Summary

The Board of Directors of the University Foundation of Sacramento State created an ad hoc investment task force to explore the Foundation's mission alignment with the University, the potential adoption of socially responsible principles in its investment directives, and based on its findings, to propose amendments to its policy statements.

An iterative process ensued, whereby the task force reaffirmed its commitment to its fiduciary responsibility in the stewardship of the Foundation's investment assets, while acknowledging the need to (1) explicitly articulate its support for the University's mission, (2) actively review its investment exposures relative to their alignment with the University's values, and (3) elevate its reporting and transparency to its multiple constituencies in the University community.

As articulated in this memorandum, the task force is recommending a series of modifications to the Foundation's mission statement, its Investment Policy Statement and its internal review and reporting procedures. We believe these recommendations are prudent and timely and will evolve our organization in a balanced and reasonable manner that honors our donors, supports our student beneficiaries, and further aligns our approach with the directives of the CSU system, the mission of Sacramento State and the broader campus community.

Recommendation #1: Alignment of the Foundation Mission Statement

Process: The task force reviewed the mission statements of the University and of the Foundation, considered the stated values of the University as well as leadership's vision for the future, and discussed whether alignment with the University's mission and values precluded other objectives of the Foundation, specifically to its fiduciary responsibility in the management of its resources.

Conclusion: UFSS, as an auxiliary of CSUS, recognizes that the mission of UFSS should be aligned with the mission of CSUS and at its most basic function, UFSS's role is to align with and provide support to CSUS. The University's mission statement may evolve over time, but the relationship between UFSS and CSUS should maintain this core principle. Through this

process, the task force reaffirmed its primary commitment to the Foundation's fiduciary responsibility – our duty of care, loyalty and obedience – in the management of the foundation's assets. As a result, the task force concluded that both mandates – a commitment to its fiduciary responsibility and a commitment to the values of the University, if prioritized appropriately, can coexist in a reasonable and prudent manner. Finally, the committee acknowledged that the evolution in the political, social and legal environments (See Appendix A) may result in mission evolution over time, and as such, a broad, rather than specific, reference statement to mission alignment was appropriate.

Recommendation: The task force recommends our mission statement evolve as follows:

Foundation Mission Statement

The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds.

The members of the Board of Directors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The Board provides fiduciary stewardship in the prudent investment of its resources, actively reviews its investment exposures relative to their alignment with the University's mission and ensures the integrity of The Foundation through accountability and transparency in its interactions with its donors, beneficiaries and the broader University community.

Recommendation #2: Alignment of our Investment Policy Statement

Process: The task force reviewed the Investment Policy Statements and the underlying investment portfolios of our peer organizations within the CSU system, considered the Foundation's history of investment exclusion and divestiture, and discussed the implications of the Foundation's indirect funds-based approach in reflecting mission and values alignment in our investment process.

Conclusion: The Foundation's investment approach utilizes a highly diversified, low-cost, funds-based approach that does not invest directly in the equity of individual companies. This is a best practices approach to endowment management that philosophically aligns with current CSU system guidance (See Appendix A) and results in a policy of 'no direct investment' in all aspects of our implementation. The task force acknowledged that despite the University's mission statement being very broad, subject to evolution, and open to interpretation, the Foundation over time has represented the socially responsible principles of the CSU system through the prohibition of direct investment in tobacco

companies as well as through the direct divestiture of funds that principally invest in commodities and fossil fuels. Furthermore, the Foundation's current Investment Policy Statement (Goals and Objectives – Section 2.1(4)) already specifies that "... the committee will consider investments that support Sacramento State's mission statement ...". Finally, our review of the Foundation relative to the CSU peer group confirmed our current approach to be well within the guidance of the CSU system and well within the range of implementation approaches among our peers.

Recommendation: We are recommending that our Investment Policy Statement, as it pertains to mission alignment, evolve as articulated in Appendix B. This evolution includes a proposed policy statement on our socially responsible principles. The task force also believes a general review of the Investment Policy Statement for modernization and operational alignment reasons is necessary, with proposed changes listed in Appendix C.

Recommendation #3: Elevate our Review Process, Reporting, and Transparency

Process: The task force reviewed specific underlying exposures to select industries and securities in the current investment portfolio, debated what constitutes mission alignment and the complexities inherent with establishing thresholds for mission statement compliance. Additionally, the task force discussed the need for a regular review of our underlying investment exposures and considered ways to improve accountability and transparency in its interactions with its many constituent groups.

Conclusion: The task force reaffirmed that it is presently in compliance with the guidance for auxiliary organizations in the CSU system. As it relates to measuring underlying investment exposures, the task force agreed that establishing de minimis standards for specific exposures in the portfolio would be impractical and advocated for a review process whereby the Board would exercise reasonable and prudent judgment on a case-by-case basis. Relatedly, active engagement by the Board, including a regular portfolio review of more granular underlying exposures, broadly and in response to ad hoc requests, was advocated for by the committee. Finally, a more robust approach to external reporting to increase transparency and approachability in our messaging was viewed as being of critical importance.

Recommendation: We are recommending the documentation of these procedures in our Investment Policy Statement, increased levels of reporting granularity from our Advisor, and elevated reporting from our internal accounting authority as articulated in Appendix D.

Appendix A

Operating Guidance and Environmental Factors

1978 CSU Investment Policy Statement regarding Auxiliary Organizations

The CSU Board of Trustees passed a resolution asking auxiliary organizations to consider the social responsibility of those corporations in which stock is purchased or held. Each investment policy should include a statement of the board's position on socially responsible investing.

<https://www.calstate.edu/csu-system/auxiliary-organizations/Pages/investment-policy-for-auxiliary-organizations.aspx>

General CSU System Guidance

The California State University (CSU) system's socially responsible statement indicates a commitment to considering environmental, social, and governance factors when making investment decisions, aiming to align their investments with their values by avoiding companies that engage in harmful practices while seeking positive social impact alongside financial returns; this includes policies encouraging auxiliary organizations to incorporate similar socially responsible investing strategies within their own investment portfolios.

2021 CSU Guidance on Divesting Fossil Fuels

In 2021, then-Chancellor Castro announced that the CSU system would be divesting from direct investment in fossil fuels, citing the need to assure the CSU's future financial security and to honor the system's commitment to its sustainability principles.

2025 Political, Social and Legal Considerations

The following sample of broader operating environment considerations were incorporated into the thinking around any proposed changes to our documents, as compliance with the law, which may be dynamically changing, as well as committing to a "Hippocratic Oath" of 'doing no harm' to the University and the Foundation as it relates to funding sources and operations, were deemed as relevant in the revision process:

**ESG: American Airlines' focus on ESG in retirement plan is illegal, US judge rules
(January 11, 2025)**

Synopsis: A federal judge in Texas on Friday said American Airlines violated federal law by basing investment decisions for its employee retirement plan on environmental, social and other non-financial factors.

<https://www.reuters.com/business/aerospace-defense/american-airlines-focus-esg-401k-plan-is-illegal-us-judge-rules-2025-01-10/>

DEI: New Executive Order Targets Federal DEI Practices

On January 21, 2025, President Donald Trump issued an Executive Order entitled “[Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#)” (the “Order”).

<https://www.callaborlaw.com/entry/new-executive-order-targets-federal-dei-practices>

**Funding: Trump threatened college research, culture and funding. Confusion reigns.
Washington Post (February 8, 2025)**

Synopsis: The administration has threatened their funding, federal agencies are launching investigations, and executive orders aimed at wiping out diversity, equity and inclusion efforts nationwide could transform the culture at some universities.

<https://www.washingtonpost.com/education/2025/02/08/trump-orders-impact-colleges-funding-research-culture/>

**Sacramento State, UC Davis among 10 California universities being investigated.
(March 18, 2025)**

Synopsis: Sacramento State and UC Davis are two of 10 California universities being investigated by the U.S. Department of Education Office of Civil Rights for alleged Title VI violations

<https://www.sacbee.com/news/local/education/article301856589.html>

Appendix B

Mission Statement Alignment Investment Policy Statement Edits

2.0 Incorporation of the revised Foundation Mission Statement.

2.0 Incorporation of a policy statement of the Foundation's socially responsible principles:

It is a core value of the Foundation to invest the Foundation's assets in a manner consistent with our socially responsible principles, per the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment parameters, our ability to directly enforce customized investment guidelines may be limited. That said, the Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

2.1(1) The primary goal is to preserve the real value of the endowment corpus by achieving a growth rate on the principal amount of the endowment over a market cycle (3-5 years) of 300 basis points over the rate of inflation as measured by the CPI, while adhering to our established socially responsible principles.

2.1(3) To the extent compatible with objectives 2.1(1) and 2.1(2), the investment strategy should maximize long-term total return, while assuming a prudent level of investment risk.

2.1(4) The Advisor will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

2.2(5) UFSS will not invest in funds that principally invest in fossil fuels.

2.2(6) UFSS will review its underlying investment exposures annually relative to their alignment with the values of the University.

2.3(1) The endowment portfolio is to be invested to maximize long-term total return relative to the risk of its underlying asset allocation. The total return objective (net of fees) for the endowment portfolio, measured over a full market cycle, shall be:

Inflation (as measured by the Consumer Price Index, "CPI") plus 300 basis points and to exceed market performance as defined by a composite benchmark as defined in Appendix B, while adhering to our established socially responsible principles.

2.4(2) The Investment Manager will have the flexibility to shift the commitment of their managed assets among asset classes, industry sectors and underlying securities to pursue opportunities or to reduce risks presented by long-term secular changes in the capital markets. The asset allocation of the composite endowment portfolio will fluctuate with market conditions and with the decisions made by the individual managers.

4.0 Replicate Endowment redlines for Charitable Trusts section.

Appendix B: I. ACCOUNT CIRCUMSTANCES

The investments in this capital account represent a major asset of UFSS, and as such, are intended to be managed in a manner that will both promote their growth in excess of inflation and be mindful of capital preservation over the long-term. In 2022, at the direction of the Office of the Chancellor, the UFSS Board divested from direct fossil fuel investments. In 2025, at the direction of UFSS Board, the Foundation adopted a statement of socially responsible principles to actively align its investment exposures with the University's core values.

Appendix B: II. INVESTMENT OBJECTIVES

UFSS seeks to achieve growth of the portfolio at a moderate rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be held similar to that of the evaluation benchmark as a whole, over a complete market cycle.

1. Portfolio Return Objectives -

- Total Portfolio Return: Achieve a time-weighted, rate of return of 3.0% over CPI, after fees and program costs, while adhering to our established socially responsible principles. This return will be pursued through a diversified and strategically integrated approach to investment management, providing an average annual return that will be measured over a complete market cycle which is defined as five years.
- Blended Benchmark Return: Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk, with the understanding that from time to time,

the performance of certain socially responsible investment vehicles may deviate from such established indices.

Appendix B: III. POLICY & ASSET ALLOCATION

Investment Vehicles - The portfolio's investments will be allocated over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and international equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including performance history, team stability, portfolio impact, expense, market efficiency, liquidity, transparency of information, diversification and mission to determine investments are in UFSS's best interests.

Appendix B: IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors may utilize an appropriate combination of index funds, mutual funds and ETF's as well as specialized third party, commingled fund or mutual fund alternatives to implement the asset allocation. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.

1. Individual Equity Securities in the Direct Account:

UFSS will not utilize individual equity securities in its investment allocation.

3. Commingled Funds, Mutual Funds and Index Funds:

- The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.
- The fund selection process will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, cost relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

DRAFT

Appendix C

General Implementation Investment Policy Statement Edits

2.5(1)e Not more than 30% of the portfolio shall be invested in a single industry, using standard industry codes to define an industry.

2.5(2)d Fixed income assets should not consist of more than 5% in funds without daily liquidity.

2.5(2)e Managers may invest in the following types of fixed income securities:

- U. S. government and agency bonds
- U. S. domestic corporate bonds
- Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
- Preferred stocks
- Convertible bonds
- Supranational Agency Securities
- Mortgage-backed Securities
- Collateralized Mortgage Obligations
- Municipal Bonds
- High Yield
- International and Emerging Market bonds
- Private Credit

2.5(2)g Fixed income portfolios should have an average duration of 8 years unless specific written permission is received from the Finance Committee.

2.9(4) The investment managers must be prepared to meet with the Finance Committee at least quarterly to discuss the fund performance and the future performance of the fund.

3.1(4) The rate of return objective is to perform comparably with readily available short-term investment alternatives. A 90-day Treasury Bill is appropriate for measuring the performance.

3.3(1)d The average duration of the portfolio shall be between 0–3 years. However, any specific bond can have a longer or shorter duration.

3.3(2) Cash Equivalents

a) Managers may invest temporary cash in the following types of securities:

- Money market funds and other commingled vehicles
- Commercial Paper
- Bankers acceptance
- Certificates of deposit not to exceed \$250,000 per issuer
- Eurodollar certificates of deposit
- Bank deposit notes
- U. S. government bills and notes

III. POLICY & ASSET ALLOCATION

Asset Allocation:

	<u>Range</u>	<u>Target</u>	<u>Range</u>
TOTAL EQUITY	52 %	66%	80%
TOTAL FIXED INCOME	15%	21%	35%
REAL ASSETS	0%	4%	8%
ABSOLUTE RETURN	0%	7%	15%
CASH/CASH EQUIVALENTS	0%	2%	15%

Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows.

IV. INVESTMENT GUIDELINES

2. Individual Fixed Income Securities in Direct Accounts;

- Up to 10% of the total account may be invested in below investment grade securities, commonly referred to as “high yield debt” or its risk equivalent, but only through adequately diversified investment vehicles.

5. Alternative Investments:

- Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, gold, real return strategies, venture capital, private equity, and other hedged investment vehicles. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through a “fund of funds” approach.

Appendix D

Reporting, Transparency and Review Recommendations

Investment Policy Statements Revisions

2.2(6) UFSS will review its underlying investment exposures annually relative to their alignment with the values of the University.

2.8(2)d A review of the underlying indirect exposures in the portfolio will be reviewed by the Finance Committee on a regular basis to reaffirm or challenge such exposures relative to their alignment with the values of the University.

Appendix B: VI. CONTROLS AND MONITORING

As scheduled, the UFSS Finance Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk return, and mission-related objectives established by UFSS's Board. The review may include topics such as the overall business management, organizational changes and other relevant factors.

SHGA will provide on a regular basis, and in response to ad hoc Board requests, elevated reporting on underlying exposures to geographies, sectors, industries and individual securities as determined by the Finance Committee.

Internal Reporting Recommendations

The Finance Committee will regularly review and report out to the Board any findings as it pertains to matters of mission alignment. Should such matters be determined by the Board of Directors as requiring mitigation, the Finance Committee will provide direction to the Advisor, who will reasonably address within the construct of the Foundation's implementation approach.

The Advisor will work with the Finance Committee to develop detailed reporting on geographic, sector and industry exposures on a regular basis as well as provide individual corporate equity and bond exposures on an annual basis.

The Internal Accounting Team will increase the level of reporting and the approachability of our messaging in our external communications and annual audited financial statements.

To: Board of Directors, The University Foundation of Sacramento State

From: Finance Committee

Date: April 25th, 2025

Subject: Recommended Policy Revisions and Operating Procedures

Executive Summary

The Board of Directors of the University Foundation of Sacramento State created an ad hoc investment task force to explore the Foundation's mission alignment with the University, the potential adoption of socially responsible principles in its investment directives, and based on its findings, to propose amendments to its policy statements.

An iterative process ensued, whereby the task force reaffirmed its commitment to its fiduciary responsibility in the stewardship of the Foundation's investment assets, while acknowledging the need to (1) explicitly articulate its support for the University's mission, (2) actively review its investment exposures relative to their alignment with the University's values, and (3) elevate its reporting and transparency to its multiple constituencies in the University community.

As articulated in this memorandum, the task force is recommending a series of modifications to the Foundation's mission statement, its Investment Policy Statement and its internal review and reporting procedures. We believe these recommendations are prudent and timely and will evolve our organization in a balanced and reasonable manner that honors our donors, supports our student beneficiaries, and further aligns our approach with the directives of the CSU system, the mission of Sacramento State and the broader campus community.

Recommendation #1: Alignment of the Foundation Mission Statement

Process: The task force reviewed the mission statements of the University and of the Foundation, considered the stated values of the University as well as leadership's vision for the future, and discussed whether alignment with the University's mission and values precluded other objectives of the Foundation, specifically to its fiduciary responsibility in the management of its resources.

Conclusion: UFSS, as an auxiliary of CSUS, recognizes that the mission of UFSS should be aligned with the mission of CSUS and at its most basic function, UFSS's role is to align with and provide support to CSUS. The University's mission statement may evolve over time, but the relationship between UFSS and CSUS should maintain this core principle. Through this

process, the task force reaffirmed its primary commitment to the Foundation's fiduciary responsibility – our duty of care, loyalty and obedience – in the management of the foundation's assets. As a result, the task force concluded that both mandates – a commitment to its fiduciary responsibility and a commitment to the values of the University, if prioritized appropriately, can coexist in a reasonable and prudent manner. Finally, the committee acknowledged that the evolution in the political, social and legal environments (See Appendix A) may result in mission evolution over time, and as such, a broad, rather than specific, reference statement to mission alignment was appropriate.

Recommendation: The task force recommends our mission statement evolve as follows:

Foundation Mission Statement

The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds.

The members of the ~~B~~oard of ~~D~~irectors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The ~~B~~oard provides ~~fiduciary~~ stewardship in the prudent investment of ~~its~~ resources, ~~actively reviews its investment exposures relative to their alignment with the University's mission~~ and ~~ensures ensuring~~ the integrity of The Foundation through accountability and transparency in its ~~dealings~~ interactions with its donors, beneficiaries and the broader University community.

Recommendation #2: Alignment of our Investment Policy Statement

Process: The task force reviewed the Investment Policy Statements and the underlying investment portfolios of our peer organizations within the CSU system, considered the Foundation's history of investment exclusion and divestiture, and discussed the implications of the Foundation's indirect funds-based approach in reflecting mission and values alignment in our investment process.

Conclusion: The Foundation's investment approach utilizes a highly diversified, low-cost, funds-based approach that does not invest directly in the equity of individual companies. This is a best practices approach to endowment management that philosophically aligns with current CSU system guidance (See Appendix A) and results in a policy of 'no direct investment' in all aspects of our implementation. The task force acknowledged that despite the University's mission statement being very broad, subject to evolution, and open to interpretation, the Foundation over time has represented the socially responsible principles of the CSU system through the prohibition of direct investment in tobacco

companies as well as through the direct divestiture of funds that principally invest in commodities and fossil fuels. Furthermore, the Foundation's current Investment Policy Statement (Goals and Objectives – Section 2.1(4)) already specifies that "... the committee will consider investments that support Sacramento State's mission statement ...". Finally, our review of the Foundation relative to the CSU peer group confirmed our current approach to be well within the guidance of the CSU system and well within the range of implementation approaches among our peers.

Recommendation: We are recommending that our Investment Policy Statement, as it pertains to mission alignment, evolve as articulated in Appendix B. This evolution includes a proposed policy statement on our socially responsible principles. The task force also believes a general review of the Investment Policy Statement for modernization and operational alignment reasons is necessary, with proposed changes listed in Appendix C.

Recommendation #3: Elevate our Review Process, Reporting, and Transparency

Process: The task force reviewed specific underlying exposures to select industries and securities in the current investment portfolio, debated what constitutes mission alignment and the complexities inherent with establishing thresholds for mission statement compliance. Additionally, the task force discussed the need for a regular review of our underlying investment exposures and considered ways to improve accountability and transparency in its interactions with its many constituent groups.

Conclusion: The task force reaffirmed that it is presently in compliance with the guidance for auxiliary organizations in the CSU system. As it relates to measuring underlying investment exposures, the task force agreed that establishing de minimis standards for specific exposures in the portfolio would be impractical and advocated for a review process whereby the Board would exercise reasonable and prudent judgment on a case-by-case basis. Relatedly, active engagement by the Board, including a regular portfolio review of more granular underlying exposures, broadly and in response to ad hoc requests, was advocated for by the committee. Finally, a more robust approach to external reporting to increase transparency and approachability in our messaging was viewed as being of critical importance.

Recommendation: We are recommending the documentation of these procedures in our Investment Policy Statement, increased levels of reporting granularity from our Advisor, and elevated reporting from our internal accounting authority as articulated in Appendix D.

Appendix A

Operating Guidance and Environmental Factors

1978 CSU Investment Policy Statement regarding Auxiliary Organizations

The CSU Board of Trustees passed a resolution asking auxiliary organizations to consider the social responsibility of those corporations in which stock is purchased or held. Each investment policy should include a statement of the board's position on socially responsible investing.

<https://www.calstate.edu/csu-system/auxiliary-organizations/Pages/investment-policy-for-auxiliary-organizations.aspx>

General CSU System Guidance

The California State University (CSU) system's socially responsible statement indicates a commitment to considering environmental, social, and governance factors when making investment decisions, aiming to align their investments with their values by avoiding companies that engage in harmful practices while seeking positive social impact alongside financial returns; this includes policies encouraging auxiliary organizations to incorporate similar socially responsible investing strategies within their own investment portfolios.

2021 CSU Guidance on Divesting Fossil Fuels

In 2021, then-Chancellor Castro announced that the CSU system would be divesting from direct investment in fossil fuels, citing the need to assure the CSU's future financial security and to honor the system's commitment to its sustainability principles.

2025 Political, Social and Legal Considerations

The following sample of broader operating environment considerations were incorporated into the thinking around any proposed changes to our documents, as compliance with the law, which may be dynamically changing, as well as committing to a "Hippocratic Oath" of 'doing no harm' to the University and the Foundation as it relates to funding sources and operations, were deemed as relevant in the revision process:

**ESG: American Airlines' focus on ESG in retirement plan is illegal, US judge rules
(January 11, 2025)**

Synopsis: A federal judge in Texas on Friday said American Airlines violated federal law by basing investment decisions for its employee retirement plan on environmental, social and other non-financial factors.

<https://www.reuters.com/business/aerospace-defense/american-airlines-focus-esg-401k-plan-is-illegal-us-judge-rules-2025-01-10/>

DEI: New Executive Order Targets Federal DEI Practices

On January 21, 2025, President Donald Trump issued an Executive Order entitled “[Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#)” (the “Order”).

<https://www.callaborlaw.com/entry/new-executive-order-targets-federal-dei-practices>

**Funding: Trump threatened college research, culture and funding. Confusion reigns.
Washington Post (February 8, 2025)**

Synopsis: The administration has threatened their funding, federal agencies are launching investigations, and executive orders aimed at wiping out diversity, equity and inclusion efforts nationwide could transform the culture at some universities.

<https://www.washingtonpost.com/education/2025/02/08/trump-orders-impact-colleges-funding-research-culture/>

**Sacramento State, UC Davis among 10 California universities being investigated.
(March 18, 2025)**

Synopsis: Sacramento State and UC Davis are two of 10 California universities being investigated by the U.S. Department of Education Office of Civil Rights for alleged Title VI violations

<https://www.sacbee.com/news/local/education/article301856589.html>

Appendix B

Mission Statement Alignment Investment Policy Statement Edits

2.0 Incorporation of the revised Foundation Mission Statement.

2.0 Incorporation of a policy statement of the Foundation's socially responsible principles:

It is a core value of the Foundation to invest the Foundation's assets in a manner consistent with our socially responsible principles, per the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment parameters, our ability to directly enforce customized investment guidelines may be limited. That said, the Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

2.1(1) The primary goal is to preserve the real value of the endowment corpus by achieving a growth rate on the principal amount of the endowment over a market cycle (3-5 years) of 300 basis points over the rate of inflation as measured by the CPI, while adhering to our established socially responsible principles.

2.1(3) To the extent compatible with objectives 2.1(1) and 2.1(2), the investment strategy should maximize long-term total return, while assuming a prudent level of investment risk.

2.1(4) ~~Over time~~ The Advisor ~~committee~~ will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee ~~quality constraints~~.

2.2(5) UFSS will not invest in funds that principally invest in commodities and pursue future investments in fossil fuels and will divest from current fossil fuel investments (excluding broadly diversified mutual funds and ETFs).

2.2(6) UFSS will review its underlying investment exposures annually relative to their alignment with the values of the University.

2.3(1) The endowment portfolio is to be invested to maximize long-term total return **relative to the risk of its underlying asset allocation**. The total return objective (net of fees) for the endowment portfolio, measured over a full market cycle, shall be:

Inflation (as measured by the Consumer Price Index, "CPI") plus 300 basis points and to exceed market performance as defined by a composite benchmark as defined in Appendix B, **while adhering to our established socially responsible principles**.

2.4(2) The Investment Manager will have the flexibility to shift the commitment of their managed assets among asset classes, industry sectors and **underlying individual** securities to pursue opportunities or to reduce risks presented by long-term secular changes in the capital markets. The asset allocation of the composite endowment portfolio will fluctuate with market conditions and with the decisions made by the individual managers.

4.0 Replicate Endowment redlines for Charitable Trusts section.

Appendix B: I. ACCOUNT CIRCUMSTANCES

The investments in this capital account represent a major asset of UFSS, and as such, are intended to be managed in a manner that will both promote their growth in excess of inflation and be mindful of capital preservation over the long-term. **In 2022, at the direction of the Office of the Chancellor, the UFSS Board divested from direct fossil fuel investments. In 2025, at the direction of UFSS Board, the Foundation adopted a statement of socially responsible principles to actively align its investment exposures with the University's core values.**

Appendix B: II. INVESTMENT OBJECTIVES

UFSS seeks to achieve growth of the portfolio at a moderate rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be held similar to that of the evaluation benchmark as a whole, over a complete market cycle.

1. Portfolio Return Objectives -

- Total Portfolio Return: Achieve a time-weighted, rate of return of 3.0% over CPI, after fees and program costs, **while adhering to our established socially responsible principles**. This return will be **pursued through a diversified and strategically integrated approach to sought using a diversified style of** investment management, providing an average annual return that will be measured over a complete market cycle which is defined as five years.
- Blended Benchmark Return: Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk, **with the understanding that from time to time,**

the performance of certain socially responsible investment vehicles may deviate from such established indices.

Appendix B: III. POLICY & ASSET ALLOCATION

Investment Vehicles - The portfolio's investments will be allocated over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and ~~international foreign~~ equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including ~~performance history, team stability, portfolio impact~~, expense, market efficiency, ~~liquidity~~, transparency of information, ~~and~~ diversification ~~and mission~~ to determine ~~whether direct investments or commingled investments~~ are in UFSS's best interests.

Appendix B: IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors may utilize an appropriate combination of ~~index funds, mutual funds and ETF's individual securities in a direct account and as well as~~ specialized third party, commingled fund or mutual fund alternatives to implement the asset allocation. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.

1. Individual Equity Securities in the Direct Account:

UFSS will not utilize individual equity securities in its investment allocation.

- ~~• Each directly owned security position, at the time of purchase, will normally represent about 3% to 5% at cost of the direct investment account equity portion of the large cap equities. In no case will an individual security, at the time of purchase, represent more than 10% of the total cost of the direct account portfolio. Over time, individual securities will not exceed more than 10% of the total market value of the direct account portfolio and specific sectors/industries will not represent any more than 15% of the total portfolio market value.~~
- ~~• The majority of any direct equity position in the portfolio will meet the Advisor's primary quality guidelines. These will be securities of U.S. companies or multinational companies. Individual securities are judged on the basis of several factors including debt, cash flow, market capitalization, and asset growth. In addition, several non-quantitative characteristics are considered such as management strength, dominance of market~~

position, and product acceptance. It is important that the quality of the portfolio should be viewed as a whole. As part of the allocation process, there may be occasions when smaller companies may be included because of the opportunities they offer without altering the risk profile of the portfolio:

- Direct investment in tobacco companies is prohibited but allowed within the context of a commingled active or index fund:

3. Commingled Funds, Mutual Funds and Index Funds:

- The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.
- The fund selection process will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, cost relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

Appendix C

General Implementation Investment Policy Statement Edits

2.5(1)e Not more than ~~30%~~15% of the portfolio shall be invested in a single industry, using standard industry codes to define an industry.

2.5(2)d Fixed income assets should not consist of more than 5% in funds without daily liquidity ~~must be fully marketable and specifically should not include securities with undetermined risk either through leverage or option characteristics or lack of liquidity.~~

2.5(2)e Managers may invest in the following types of fixed income securities:

- U. S. government and agency bonds
- U. S. domestic corporate bonds
- Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
- Preferred stocks
- Convertible bonds
- Supranational Agency Securities
- Mortgage-backed Securities
- Collateralized Mortgage Obligations
- Municipal Bonds
- High Yield
- International and Emerging Market bonds
- ~~Private Credit~~

2.5(2)g Fixed income portfolios should have an average duration of ~~24~~-8 years unless specific written permission is received from the Finance Committee.

2.9(4) The investment managers must be prepared to meet with the Finance Committee at least ~~quarterly~~ annually to discuss the fund performance and the future performance of the fund.

3.1(4) The rate of return objective is to perform comparably with readily available short-term investment alternatives. ~~A 90-day Treasury Bill one-to-three-year period~~ is appropriate for measuring the performance.

3.3(1)d The average duration of the portfolio shall be between ~~01~~-3 years. However, any specific bond can have a longer or shorter duration.

3.3(2) Cash Equivalents

a) Managers may invest temporary cash in the following types of securities:

- Money market funds and other commingled vehicles
- Commercial Paper
- Bankers acceptance
- Certificates of deposit not to exceed ~~\$250,000~~~~\$100,000~~ per issuer
- Eurodollar certificates of deposit
- Bank deposit notes
- U. S. government bills and notes

III. POLICY & ASSET ALLOCATION

Asset Allocation:

	<u>Range</u>	<u>Target</u>	<u>Range</u>
TOTAL EQUITY	52 %	66%	80%
TOTAL FIXED INCOME	15%	21%	35% 30%
REAL ASSETS	0%	4%	8%
ABSOLUTE RETURN	0%	7%	15%
CASH/CASH EQUIVALENTS	0%	2%	15%

Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows. ~~The ultimate implementation will be achieved over a transitional period of time involving staggered commitments.~~

IV. INVESTMENT GUIDELINES

2. Individual Fixed Income Securities in Direct Accounts;

- Up to ~~10%~~5% of the total account may be invested in below investment grade securities, commonly referred to as “high yield debt” ~~or its risk equivalent~~, but only through adequately diversified investment vehicles.

5. Alternative Investments:

- Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, gold, real return strategies, venture capital, private equity, and other ~~hedged investment vehicles~~. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through ~~the use of~~ a “fund of funds” ~~approach~~.

Appendix D

Reporting, Transparency and Review Recommendations

Investment Policy Statements Revisions

2.2(6) UFSS will review its underlying investment exposures annually relative to their alignment with the values of the University.

2.8(2)d A review of the underlying indirect exposures in the portfolio will be reviewed by the Finance Committee on a regular basis to reaffirm or challenge such exposures relative to their alignment with the values of the University.

Appendix B: VI. CONTROLS AND MONITORING

As scheduled, the UFSS Finance Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk, ~~and~~ return, ~~and mission-related~~ objectives established ~~by for~~ UFSS's Board. The review may include topics such as the overall business management, organizational changes and other relevant factors.

SHGA will provide on a regular basis, and in response to ad hoc Board requests, elevated reporting on underlying exposures to geographies, sectors, industries and individual securities as determined by the Finance Committee.

Internal Reporting Recommendations

The Finance Committee will regularly review and report out to the Board any findings as it pertains to matters of mission alignment. Should such matters be determined by the Board of Directors as requiring mitigation, the Finance Committee will provide direction to the Advisor, who will reasonably address within the construct of the Foundation's implementation approach.

The Advisor will work with the Finance Committee to develop detailed reporting on geographic, sector and industry exposures on a regular basis as well as provide individual corporate equity and bond exposures on an annual basis.

The Internal Accounting Team will increase the level of reporting and the approachability of our messaging in our external communications and annual audited financial statements.

To: Board of Directors, The University Foundation of Sacramento State

From: Finance Committee

Date: April 25th, 2025

Subject: Recommended Strategy Change for the Non-Endowment Portfolio

Executive Summary

Asset allocation decisions are driven by the underlying circumstances associated with a portfolio's objectives, including the time horizon, risk tolerance, return objectives, cash flow needs and any other relevant circumstances associated with achieving the organization's goals over time. Asset allocation decisions are memorialized in an Investment Policy Statement that evolves as circumstances and institutional directives change over time. After careful review of the circumstances associated with the Non-Endowment Portfolio, the Finance Committee is recommending that the Board of Directors: (1) realign the Non-Endowment Portfolio's goals and objectives to prioritize capital preservation; (2) reclassify the Non-Endowment Portfolio as a Current Use Funds Portfolio; and (3) accept the revised Investment Policy Statement in Appendix A to codify the portfolio's asset allocation as a 100% short-term fixed income portfolio. We believe this recommendation is prudent and timely and will align the portfolio with the expenditure funds nature for which it is intended, substantially reduce the volatility of its returns, and better support the needs of the Foundation and the University going forward.

Historical Context:

Prior to 2020, the Non-Endowment Portfolio's predecessor portfolio, the Midterm Portfolio, maintained a 100% fixed income asset allocation. For several years leading up to 2020, the Finance Committee and the Board of Directors discussed the Foundation's overall allocation, which appeared in its totality to be conservatively allocated relative to its peers in the CSU system. Lacking any specific catalyst to act, this discussion ensued without a definitive conclusion until the event-driven shock of the Covid19 pandemic. In response to this global shock, worldwide stock markets retrenched significantly, and central banks returned to a zero interest rate policy environment. With stock markets in turmoil and a dim outlook for the Foundation's fixed income and cash reserves over an extended period, the Finance Committee and the Board held a series of emergency ad hoc sessions throughout the first quarter of 2020. Ultimately, the Board reviewed the prevailing circumstances of their various pools of capital and voted to: (1) change the Endowment Portfolio strategy to a "70/30" asset allocation from a "60/40" asset allocation; and (2) align the then-named Midterm Portfolio with the "70/30" asset allocation in the Endowment Portfolio, concurrently renaming the Midterm Portfolio the Non-Endowment Portfolio.

The Non-Endowment Portfolio's asset allocation decision was predicated on an assessment of the current circumstances at the time, which included an anticipated long time horizon for the assets, the lack of any anticipated cash draw needs, and the assessment of the relative risk-reward available in the prevailing zero interest rate environment. Over the subsequent 5 years, additional cash proceeds were added to the newly named Non-Endowment Portfolio and as anticipated, there were no cash withdrawals. Additionally, the equity markets recovered strongly, posting annualized returns of 14.1% (from 4/7/20 to 4/10/25), while the fixed income markets produced negative returns, generating a -0.7% annualized return over the same performance period. As a result, the Non-Endowment Portfolio generated an average annual return of 10.8% over this 5-year period.

Assessment of Current Circumstances:

Given the State of California's significant and intensifying deficits over the last several years, the CSU system has entered a period of significant budgetary constraint, with Sacramento State anticipating a \$37M deficit in the 2025-2026 fiscal year. Meanwhile, recent market volatility, driven by changes in the Federal Government's attempt to address our trade and fiscal deficits, has highlighted the need for greater stability in the return profile for funds that are gifted for expenditure purposes. Additionally, the interest rate environment has reset materially higher over the last 5 years, creating the opportunity for positive real returns in a fixed income portfolio going forward. Finally, an internal review of policies and procedures has provided further clarification on the need to optimize cash disbursements for the ongoing support of the University, with our internal accounting department anticipating a \$5M-\$7M annual draw rate from this portfolio on a going forward basis.

Recommendation:

Our assessment of these revised circumstances is that they mark a material change in the Non-Endowment Portfolio's time horizon, risk tolerance, return objectives, anticipated cash draw rates and in the operating circumstances of the University. As a result, the Finance Committee recommends: (1) the Non-Endowment Portfolio's goals and objectives prioritize capital preservation; (2) the Non-Endowment Portfolio be formally classified under Section 3.0 of our Investment Policy Statement as a Current Use Funds Portfolio; and (3) that the Board of Directors accept the revised Investment Policy Statement in Appendix A codifying the portfolio's asset allocation as a 100% short-term fixed income portfolio.

APPENDIX A

SUMMARY **INVESTMENT POLICY STATEMENT**

University Foundation at Sacramento State
Current Use Funds Portfolio

<u>Client's Name:</u>	University Foundation at Sacramento State (UFSS)
<u>Portfolio Account Detail:</u>	University Foundation at Sacramento State Current Use Funds Portfolio
<u>Investment Objective:</u>	Capital Preservation is the main objective.
<u>Withdrawal Requirement:</u>	Withdrawals are anticipated to range between 15%-20% annually.
<u>Time Horizon:</u>	Short to Intermediate Term (maximum portfolio duration of 3 years)
<u>Risk Tolerance:</u>	Conservative
<u>Target Return:</u>	Generate a return in excess of the Bloomberg U.S. Aggregate 1-3 Year benchmark over a complete market cycle.
<u>Target Allocation:</u>	100% Capital Preservation
<u>Evaluation Benchmark:</u>	The passive index in similar weight to the target asset allocation.

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State Current Use Funds Portfolio

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors, LLC (the “Advisor” or “SHGA”) is to manage the University Foundation at Sacramento State (UFSS) Current Use Funds Portfolio. The content herein has been composed based upon meetings with the Board of Directors and staff in which discussions covered UFSS’s goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Finance Committee on a quarterly basis and with the Board of Directors on an annual basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed periodically as to its appropriateness given any significant changes in UFSS’s needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via the telephone and e-mail.

I. ACCOUNT CIRCUMSTANCES

The role of this portfolio is to manage donor funds deemed to be expendable. The investments in this capital reserve, alongside the Liquidity Portfolio, represent a major asset of UFSS, and as such, are intended to be managed in a manner that will promote their preservation. This portfolio shall be invested in high-quality, liquid, short-term fixed income funds and cash equivalents with a maximum portfolio duration of 3 years. Significant draws are expected to range between 15-20% of the total portfolio annually.

II. INVESTMENT OBJECTIVES

UFSS seeks to preserve your existing capital, maintain high liquidity and support the expenditure needs of the organization with these funds. Expected return will likely be modest, representing the available rate of return at the short-end of the yield curve and from time-to-time may not exceed the rate of inflation.

1. Total Portfolio Return: Achieve a time-weighted, rate of return in excess of prevailing short-term interest rates. This return will be sought using diversified fixed income and cash equivalent funds, providing an average annual return that will be measured over a complete market cycle which is defined as five years.

2. Blended Benchmark Return: Over rolling five-year cycles, to achieve a return that exceeds the Bloomberg U.S. Aggregate 1-3 Years, net of fees with similar risk.

3. Portfolio Risk Tolerance -The portfolio provides a source of annual liquidity and therefore the tolerance for market volatility is low.

4. Withdrawal Requirements - Withdrawals are expected to range between 15-20% annually.

5. Time Horizon - Overall portfolio will be allocated with a short to intermediate time-horizon in mind.

6. Tax Considerations - None, since this organization is tax exempt.

7. Illiquidity - The overall portfolio should maintain 100% daily liquidity.

III. POLICY & ASSET ALLOCATION

1. **Diversification** - Given the requirement for low portfolio volatility, the portfolio will be managed as a diversified funds-based portfolio. We believe that diversification of assets is sound investment policy and that allocation of assets across appropriate fixed income sectors will minimize risk while improving the consistency of performance outcomes.

Investment Vehicles - The portfolio's investments will be allocated in short-term fixed income and cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including expense, market efficiency, transparency of information, and diversification to determine whether direct investments or commingled investments are in UFSS's best interests.

2. **Asset Allocation:**

100% FIXED INCOME / Cash Equivalents

CASH/CASH EQUIVALENTS	0%	2%	20%
------------------------------	-----------	-----------	------------

Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows.

3. **Rebalancing:** The portfolio will be reviewed regularly by SHGA and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity or need presents itself.

IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors, LLC will utilize a funds-based investment approach.

Fixed Income Mutual Funds, Index Funds and ETF's

The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the

expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

Cash/Cash Equivalent Funds:

- Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- All transactions effected for UFSS will be “subject to the best price and execution.” Funds and cash will be held in custody at Fidelity Investments.
- Proxy voting has been delegated to SHGA. SHGA has retained Broadridge to vote proxies in the best interest of the shareholders.

VI. CONTROLS AND MONITORING

As scheduled, the UFSS Finance Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk and return objectives established for UFSS. The review may include topics such as the overall business management, organizational changes and other relevant factors.

Prepared By:

Brian Dombkowski, CFA
Chief Executive Officer
Sand Hill Global Advisors, LLC

Date: _____

Reviewed and Accepted By:

Michael Reza
Vice President for University Advancement
Sacramento State University Foundation

Date: _____

Alice Perez
Board Chair
Sacramento State University Foundation

Date: _____

Tabitha Leeds
Senior Director of Accounting Services
Sacramento State University Foundation

Date: _____

Sonia Diwa
Auxiliary Accounting Manager
Sacramento State University Foundation

Date: _____

APPENDIX

1. Benchmark Composition

The Benchmark will be used for the total portfolio review and to review SHGA. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Benchmark is composed as follows:

<u>Asset Class</u>	<u>Index</u>	<u>Weight</u>
Short-Term Fixed Income	Bloomberg 1-3 Year U.S. Aggregate Index	100%

APPENDIX A

SUMMARY
INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State
~~Non-Endowment~~Current Use Funds Portfolio

<u>Client's Name:</u>	University Foundation at Sacramento State (UFSS)
<u>Portfolio Account Detail:</u>	University Foundation at Sacramento State Non-Endowment <u>Current Use Funds</u> Portfolio
<u>Investment Objective:</u>	Growth and Capital Preservation are is the main objectives to support the sustainability of regular distributions and longevity of UFSS's mission.
<u>Withdrawal Requirement:</u>	Withdrawals for the fulfillment of endowed scholarships and programs as specified and intended by Foundation donors are anticipated to range between 15%-20% annually.
<u>Time Horizon:</u>	Overall portfolio is allocated with a long term time horizon in mind. Short to Intermediate Term (maximum portfolio duration of 3 years)
<u>Risk Tolerance:</u>	Moderately Aggressive <u>Conservative</u>
<u>Target Return:</u>	Generate a return in excess of the blended portfolio <u>Bloomberg U.S. Aggregate 1-3 Year</u> benchmark over a complete market cycle.
<u>Target Allocation:</u>	70% Growth and 30% <u>100%</u> Capital Preservation
<u>Evaluation Benchmark:</u>	The passive indices index in similar weights to the target asset allocation.

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State
~~Non-Endowment~~Current Use Funds Portfolio

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors, LLC (the "Advisor" or "SHGA") is to manage the University Foundation at Sacramento State (UFSS) ~~Non-Endowment~~Current Use Funds Portfolio. The content herein has been composed based upon meetings with the Board of Directors and staff in which discussions covered UFSS's goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Finance Committee on a quarterly basis and with the Board of Directors on an annual basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed ~~at least annually~~periodically as to its appropriateness given any significant changes in UFSS's needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via the telephone and e-mail.

I. ACCOUNT CIRCUMSTANCES

~~The role of this portfolio is to manage donor funds deemed to be expendable. The investments in this capital reserve account, alongside the Liquidity Portfolio, represent a major asset of UFSS, and as such, are intended to be managed in a manner that will promote their growth in excess of inflation and capital preservation over the long term. This portfolio shall be invested in high-quality, liquid, short-term fixed income funds and cash equivalents with a maximum portfolio duration of 3 years. Significant draws are expected to range between 15-20% of the total portfolio annually.~~

II. INVESTMENT OBJECTIVES

UFSS seeks to ~~preserve your existing capital, maintain high liquidity and support the expenditure needs of the organization with these funds. Expected return will likely be modest, representing the available rate of return at the short-end of the yield curve and from time-to-time may not exceed the rate of inflation. achieve growth of the portfolio at a moderate rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be held similar to that of the evaluation benchmark as a whole, over a complete market cycle.~~

~~Over time the committee will consider investments that support Sacramento State's mission statement, subject to cost, availability, access and quality constraints.~~

1. Portfolio Return Objectives

- **1. Total Portfolio Return:** Achieve a time-weighted, rate of return ~~in excess of prevailing short-term interest rates. of 3.0% over CPI, after fees and program costs.~~ This return will be sought using ~~a diversified fixed income and cash equivalent funds~~style of investment management, providing an average annual return that will be measured over a complete market cycle which is defined as five years.

The University Foundation at Sacramento State ~~Non-Endowment~~Current Use Funds Portfolio
~~September 2024~~May 2025

2

Formatted: Indent: Left: 0.5", No bullets or numbering

- 2. **Blended Benchmark Return:** Over rolling five-year cycles, to achieve a return that exceeds the ~~Blended Benchmark~~Bloomberg U.S. Aggregate 1-3 Years, net of fees with similar risk.

Formatted: Indent: Left: 0.5", No bullets or numbering

~~3. **Portfolio Risk Tolerance** - The risk to the portfolio must be moderate, since the portfolio provides a source of funds annual liquidity and therefore the tolerance for market volatility is low that allows UFSS to perpetuate its mission.~~

Formatted: Font: Garamond

Formatted: Normal, Indent: Left: 0.25", No bullets or numbering

Formatted: Font: Garamond

Formatted: Font: Garamond

Formatted: Indent: Left: 0.25", No bullets or numbering

~~4. **Withdrawal Requirements** - Annual Withdrawals for the fulfillment of endowed scholarships and programs as specified and intended by Foundation donors. UFSS will coordinate with SHGA on the specific needs as they are known. are expected to range between 15-20% annually.~~

5. **Time Horizon** - Overall portfolio will be allocated with a short to intermediate long-term time-horizon in mind.

Formatted: Indent: Left: 0.25", No bullets or numbering

6. **Tax Considerations** - None, since this organization is tax exempt.

Formatted: Indent: Left: 0.25", No bullets or numbering

7. **Illiquidity** - The overall portfolio should maintain at least 90% 100% daily liquidity.

Formatted: Indent: Left: 0.25", No bullets or numbering

III. POLICY & ASSET ALLOCATION

1. **Diversification** - Given the ~~objective requirement~~ for moderate-low portfolio volatility risk with growth, the portfolio will be managed as a diversified funds-based portfolio. We believe that diversification of assets is sound investment policy and that allocation of assets across various appropriate fixed income sectors as well as types of securities will minimize risk while improving the consistency of performance outcomes. Accordingly, Sand Hill Global Advisors will at no time invest more than 15% of the portfolio with a single active fund family.

Investment Vehicles - The portfolio's investments will be allocated in short-term fixed income and cash equivalents over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and foreign equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including expense, market efficiency, transparency of information, and diversification to determine whether direct investments or commingled investments are in UFSS's best interests.

2. **Asset Allocation:**

	Range	Target	Range
TOTAL EQUITY	52%	66%	80%
TOTAL 100% FIXED INCOME / Cash Equivalents	30%	15%	21%

REAL ASSETS	0%	4%	8%
ABSOLUTE RETURN	0%	7%	15%
CASH/CASH EQUIVALENTS	0%	2%	1520%

- Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows. ~~The ultimate implementation will be achieved over a transitional period of time involving staggered commitments.~~

Formatted: Indent: Left: 0.5", No bullets or numbering

- Rebalancing:** The portfolio will be reviewed regularly by SHGA and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity ~~or need~~ presents itself.

IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors, LLC ~~will utilize a funds-based investment approach, may utilize an appropriate combination of individual securities in a direct account and specialized third party, commingled fund or mutual fund alternatives to implement the asset allocation. Third party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.~~

UFSS ~~will not pursue future investments in fossil fuels and will divest from current fossil fuel investments (excluding broadly diversified mutual funds and ETFs).~~

1. Individual Equity Securities in the Account:

- ~~Each directly owned security position, at the time of purchase, will normally represent about 3% to 5% at cost of the direct investment account equity portion of the large cap equities. In no case will an individual security, at the time of purchase, represent more than 10% of the total cost of the direct account portfolio. Over time, individual securities will not exceed more than 10% of the total market value of the direct account portfolio and specific sectors/industries will not represent any more than 15% of the total portfolio market value.~~
- ~~The majority of any direct equity position in the portfolio will meet the Advisor's primary quality guidelines. These will be securities of U.S. companies or multinational companies. Individual securities are judged on the basis of several factors including debt, cash flow, market capitalization, and asset growth. In addition, several non-quantitative characteristics are considered such as management strength, dominance of market position, and product acceptance. It is important that the quality of the portfolio should be viewed as a whole. As part of the allocation process, there may be occasions when smaller companies may be~~

~~included because of the opportunities they offer without altering the risk profile of the portfolio.~~

- ~~• Direct investment in tobacco companies is prohibited but allowed within the context of a commingled active or index fund.~~

~~2. Individual Fixed Income Securities in the Account:~~

- ~~• With the exception of U. S. Government securities and Federal Government Agency securities, no more than 10% at cost of the portfolio may be invested in the securities of a single issuer.~~
- ~~• Corporate issuers will be U. S. or multinational corporations.~~
- ~~• Up to 5% of the total account may be invested in below investment grade securities, commonly referred to as "high yield debt", but only through adequately diversified investment vehicles.~~

~~3. Commingled Funds, Mutual Funds and Index Funds:Fixed Income Mutual Funds, Index Funds and ETF's~~

- ~~• The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.~~

Formatted: Indent: Left: 0.5", No bullets or numbering

~~4. Real Estate:~~

- ~~• The real estate portion may be comprised of private & publicly held real estate investments.~~

~~5. Alternative Investments:~~

- ~~• Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, gold, real return strategies, venture capital, private equity, and other. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through the use of a "fund of funds."~~
- ~~• The Finance Committee's approval will be required prior to any purchase of an alternative investment that does not have daily liquidity.~~

~~6. Cash/Cash Equivalent Fundss:~~

Formatted: Indent: Left: 0.5", No bullets or numbering

- Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- All transactions effected for UFSS will be “subject to the best price and execution.” ~~Securities~~ Funds and cash will be held in custody at Fidelity Investments.
- Proxy voting has been delegated to SHGA. SHGA has retained Broadridge to vote proxies in the best interest of the shareholders.

VI. CONTROLS AND MONITORING

As scheduled, the UFSS Finance Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk and return objectives established for UFSS. The review may include topics such as the overall business management, organizational changes and other relevant factors.

Prepared By:

Brian Dombkowski, CFA
 Chief Executive Officer
 Sand Hill Global Advisors, LLC

Date: _____

Reviewed and Accepted By:

Michael Reza
 Vice President for University Advancement
 Sacramento State University Foundation

Date: _____

Alice Perez
Board Chair
Sacramento State University Foundation

Date: _____

Tabitha Leeds
 Senior Director of Accounting Services
 Sacramento State University Foundation

Date: _____

Sonia Diwa
Auxiliary Accounting Manager
Sacramento State University Foundation

Date: _____

APPENDIX

1. Benchmark Composition

The ~~Blended~~ Benchmark will be used for the total portfolio review and to review SHGA. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The ~~Blended~~ Benchmark is composed as follows:

<u>Asset Class</u>	<u>Index</u>	<u>Weight</u>
Equity		
Domestic Large Capitalization	S&P500 Index	40%
Domestic Small Capitalization	Russell 2000 Index	11%
Foreign	MSCI All-Cap World Index excl. USA	15%
Fixed Income	Barelays U.S. Aggregate Index	21%
Absolute/Real Return Strategy	Short-Term Fixed Income	Barelays-Bloomberg 1-3 Year
U.S. Aggregate Index	7100%	
Real Estate	NAREIT Index	4%

The University Foundation at Sacramento State ~~Non-Endowment~~Current Use Funds Portfolio
~~September 2024~~May 2025

~~Cash/Cash Equivalents~~ ~~U.S. T Bill 30 day Index~~ ~~2%~~

~~Prior to 6/30/2022, the blended benchmark consisted of the following indices: 36% S&P 500 Index, 14% Russell 2000, 15% MSCI All Cap World Index excl. U.S.A, 24% Barclays US Aggregate Index, 7% Barclays 1-3 Year Aggregate Index, 4% NAREIT Index, 4% Bloomberg Commodities Index, and 2% US T Bill 30 day Index.~~

DRAFT

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE
INVESTMENT POLICY
AND ADMINISTRATIVE GUIDELINES
Table of Contents**

1.0	General Guidelines	2
1.1	Scope and Purpose	2
1.2	Responsibilities of The University Foundation at Sacramento State Board of Directors and the Finance Committee	2
1.3	Policy Changes	3
2.0	Endowment Funds	3
2.1	Mission Statement Alignment.	3
2.2	Goals and Objectives	4
2.3	Investment Guidelines	4
2.4	General Investment Objectives	5
2.5	Asset Allocation	5
2.6	Allowable Investments for Separately Managed Accounts	6
2.7	Spending Policy	9
2.8	Investment Management	10
2.9	Performance Reporting	11
2.10	Investment Manager Responsibilities.	11
3.0	Current Use Funds . . . . .	.
12		
3.1	Goals and Objectives	12
3.2	General Investment Guidelines	12
3.3	Allowable Investments	13
3.4	Disbursement Guidelines	14
3.5	Investment Management	14
3.6	Performance Reporting	15
3.7	Investment Manager Responsibilities.	15
4.0	Charitable Trusts	15
4.1	Goals and Objectives	16
4.2	General Investment Guidelines	16
4.3	Asset Allocation	17
4.4	Allowable Investments	17
4.5	Disbursement Guidelines	19
4.6	Investment Management	19
4.7	Performance Measurement	20
4.8	Performance Reporting	20
4.9	Management Fees	20
Appendix A	. . . . .	21
Appendix B	. . . . .	22

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE INVESTMENT POLICY AND ADMINISTRATIVE GUIDELINES

1.0 GENERAL GUIDELINES

1.1. Scope and Purpose

- 1.1(1) The purpose of this policy is to provide the framework for the investment management of The University Foundation at Sacramento State's assets.
- 1.1(2) This policy sets forth investment objectives, goals and guidelines that will provide a meaningful basis for the evaluation of fund performance.
- 1.1(3) Investments will be limited to those organizations and instruments which follow policies consistent with those stated within this document and which meet the standards of a prudent investor.

1.2. Responsibilities of The University Foundation at Sacramento State Board of Directors and the Finance Committee

- 1.2(1) Upon recommendation by the Finance Committee, The University Foundation at Sacramento State Board of Directors will be responsible for ratifying the Spending Policy (4.5) and for reviewing any changes to the Investment Policies and Administrative Guidelines.
- 1.2(2) Authority for implementation of the Investment Policies and Administrative Guidelines will be delegated by the Board of Directors to the Finance Committee.
- 1.2(3) These guidelines will be reviewed annually by the Board of Directors.
- 1.2(4) The Finance Committee shall direct the selection of investment managers to manage The University Foundation at Sacramento State endowment funds, set individual guidelines as necessary, and monitor their performance and adherence to those guidelines.
- 1.2(5) From time to time, the Committee may form Finance Advisory Subcommittees to assist in overseeing specialized areas of investment. The Advisory Subcommittees will function in an oversight and evaluative role, providing recommendations to the Finance Committee in all aspects of investment in their respective specialty.

- 1.2(6) The names and performance of the investment managers shall be reviewed at least annually by the Board of Directors.

1.3 Policy Changes

Requests for changes to the following policies shall be submitted to the Finance Committee for review and recommendation to the Board of Directors.

2.0 ENDOWMENT FUNDS

Endowment fund means an institutional fund or part thereof that, under the terms of a gift agreement, is not wholly expendable by the institution on a current basis. The term does not include assets that an institution designates as an endowment fund for its own use. Other assets, when recommended by The University Foundation at Sacramento State, may be included in the endowment pool as Funds Functioning as Endowments aka Quasi-Endowments. In these cases, where there is no donor prohibition, the fund principal may be invaded by special request of the fund beneficiary for the purpose of fulfilling the intent and purpose of the original gift.

2.1 Mission Statement Alignment

- 2.1(1) The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds.

The members of the Board of Directors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The Board provides fiduciary stewardship in the prudent investment of its resources, actively reviews its investment exposures relative to their alignment with the University's mission and ensures the integrity of The Foundation through accountability and transparency in its interactions with its donors, beneficiaries, and the broader University community.

- 2.1(2) It is a core value of the Foundation, to invest the Foundation's assets in a manner consistent with our socially responsible principles, within the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's Values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment

parameters, our ability to directly enforce customized investment guidelines may be limited. That said, The Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social Values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

2.2 Goals and Objectives

- 2.2(1) The primary goal is to preserve the real value of the endowment corpus by achieving a growth rate on the principal amount of the endowment over a market cycle (3-5 years) of 300 basis points over the rate of inflation as measured by the CPI, while adhering to our established socially responsible principles.
- 2.2(2) The secondary goal is to provide spendable income equivalent to the spending rate as defined in the Spending Policy.
- 2.2(3) To the extent compatible with objectives 3.1(1) and 3.1(2), the investment strategy should maximize long-term total return, while assuming a prudent level of investment risk.
- 2.2(4) The Advisor will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee .

2.3 Investment Guidelines

- 2.3(1) The Finance Committee may invest in pooled funds managed by professional money managers or may retain professional money managers to directly manage all or a portion of The University Foundation at Sacramento State's endowment assets.
- 2.3(2) Each manager is required to conduct the investments with the care, skill, and diligence of a prudent person acting in a like capacity.
- 2.3(3) For separately managed portfolios, managers retained shall operate within the following investment guidelines which are intended to be sufficiently specific to be meaningful, but adequately flexible to be practicable.
- 2.3(4) The Finance Committee will be responsible for the review and acceptance of investment guidelines of pooled fund managers and may provide additional, specific objectives and guidelines to individual managers as appropriate.
- 2.3(5) UFSS will not invest in funds that principally invest in fossil fuels.

2.3(6) UFSS will review its underlying investment exposures annually relative to their alignment with the Values of the University.

2.4. General Investment Objectives

2.4(1) The endowment portfolio is to be invested to maximize long-term total return relative to the risk of its underlying asset allocation. The total return objective (net of fees) for the endowment portfolio, measured over a full market cycle, shall be:

Inflation (as measured by the Consumer Price Index, "CPI") plus 300 basis points and to exceed market performance as defined by a composite benchmark as defined in Appendix B, while adhering to our established socially responsible principles.

2.5 Asset Allocation

2.5(1) The long-term target asset allocation policy for the investment portfolio shall be determined by the Finance Committee to facilitate the achievement of the fund's long-term investment objective within the established risk parameters. Balanced fund managers will be expected to allocate between asset classes to comply with the established ranges for the endowment portfolio, and specialty managers will be expected to allocate within ranges agreed upon at the time they are hired.

2.5(2) The Investment Manager will have the flexibility to shift the commitment of their managed assets among asset classes, industry sectors and underlying securities to pursue opportunities or to reduce risks presented by long-term secular changes in the capital markets. The asset allocation of the composite endowment portfolio will fluctuate with market conditions and with the decisions made by the individual managers.

2.5(3) The allocation of funds between asset classes may be the single most important determinant of the investment performance over the long-term. No single asset class, investment style, or strategy can consistently outperform. Therefore, Foundation assets will be diversified appropriately using Modern Portfolio Theory concepts.

The asset allocation decision significantly affects the long-term rate of return and volatility of the invested assets. The asset allocation should reflect a proper balance of the Foundation's needs for growth and diversification with appropriate risk. The target asset mix, consistent with the achievement of the long-term objectives of the Foundation, implies a balanced investment approach.

The Foundation shall have an overall target asset allocation as defined by Appendix B.

The target mix represents a long-term asset allocation strategy and the acceptance of risk associated with a “70/30” portfolio. The advisor will determine the timing and degree of portfolio rebalancing.

Companies in the developed countries outside the U.S. are becoming an ever larger and important part of the international economy. Modern Portfolio Theory analysis indicates that this should be recognized in the allowed allocation ranges of an up-to-date Investment Strategy. In addition, Emerging Markets and Real Estate have shown to have lower correlations with domestic equities and can add diversification and some hedge against future inflation.

2.6 Allowable Investments for Separately Managed Accounts

2.6(1) Equities

Purpose: to provide principal appreciation that exceeds inflation

- a) Common stocks exchange traded funds, mutual funds, convertible securities, ADRs, and securities of foreign corporations listed on the New York Stock exchange, American Stock Exchange, NASDAQ, and foreign exchanges.
- b) Domestic and Foreign Equity positions must be marketable and specifically should not include securities with undetermined risk either through leverage or lack of liquidity.
- c) The domestic and foreign equity portfolio assets shall be diversified with no more than five percent of the assets at cost to be invested in the stock of one company.
- d) Equity investments will emphasize long-term investment. The University Foundation at Sacramento State will not generally purchase or sell options. Investment managers, with written permission, may purchase and sell options and/or options on futures on specific securities and market indices as outlined in their specific investment guidelines.
- e) Not more than 30% of the portfolio shall be invested in a single industry, using standard industry codes to define an industry.
- f) A manager may not sell securities short or buy on margin.

2.6(2) Fixed Income

Purpose: to provide a hedge against deflation, provide a more stable component of return, and to help reduce the overall volatility of the portfolio.

- a) Fixed Income assets should not consist of more than 10% bonds rated below BBB (non-investment grade by a nationally recognized rating agency) over a four-quarter moving average.
- b) The Foundation's fixed income investments may be held in mutual funds and exchange traded funds. These mutual funds and exchange traded funds hold a large and diversified portfolio of bonds
- c) Bond holdings may be sold or traded before maturity, when more attractive investment alternatives are available.
- d) Fixed income assets should not consist of more than 5% in funds without daily liquidity.
- e) Managers may invest in the following types of fixed income securities:
 - U. S. government and agency bonds
 - U. S. domestic corporate bonds
 - Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
 - Preferred stocks
 - Convertible bonds
 - Supranational Agency Securities
 - Mortgage-backed Securities
 - Collateralized Mortgage Obligations
 - Municipal Bonds
 - High Yield
 - International and Emerging Market bonds
 - Private Credit
- f) Managers who have received written permission from the Finance Committee may purchase and sell options and/or options on futures or specific securities and market indices as outlined in their specific investment guidelines.

- g) Fixed income portfolios should have an average duration of 4 -8 years unless specific written permission is received from the Finance Committee.

2.6(3) Cash Equivalents

Purpose: to meet liquidity requirements and as an alternative to other investments when the Investment Manager may feel that other asset classes carry higher than normal risk.

- a) Managers may invest temporary cash in the following types of securities:
- Money market funds and other commingled vehicles
 - Commercial Paper
 - Bankers acceptance
 - Certificates of deposit not to exceed \$250,000 per issuer
 - Eurodollar certificates of deposit
 - Bank deposit notes
 - U. S. government bills and notes
- b) Except for U.S. Treasury and agency obligations, no more than 10% of the portfolio assets should be invested in the securities of a single issuer.
- c) Commercial paper should be rated A-1 and/or P-1. In addition, the senior long-term debt of the issuer must be rated A or better.
- d) Certificates of deposit must have FDIC insurance and may be traded in the primary and secondary markets.

2.6(4) Real Estate

Investments in REITS are allowable but direct fund investments of real property will be made only when recommended by the Finance Committee, on a case-by-case basis, and in accordance with The University Foundation at Sacramento State's Policy on the Acceptance of Real Property. Each recommendation for acceptance will be reviewed by the Board of Directors.

2.6(5) Prohibited Transactions

Direct investment in the following is prohibited without prior approval of The University Foundation Board of Directors:

- a) Short sales

- b) Derivatives
- c) Margin purchases
- d) Acting as an underwriter
- e) Options trading
- f) Purchase of restricted or private placement investments
- g) Purchase of foreign securities, except those trade on an organized exchange
- h) Purchase of securities of the investment manager's firm or affiliated firms without prior Finance Committee approval.
- i) Futures
- j) Commodities
- k) Currency hedges
- l) Working interests in oil or gas wells
- m) Tobacco companies
- n) Any future purchase of fossil fuel investments (excluding broadly diversified mutual funds and ETFs).

These restrictions do not apply to pooled funds in which the endowment invests.

2.7 Spending Policy

- 2.7(1) The Foundation's annual distribution for expenditure shall be an amount equal to 4 percent of the average market value of the endowment portfolio. This average market value is computed using the previous 12 quarters of portfolio activity. Income earned in excess of the spending rate may be reinvested in the endowment portfolio. For an endowment fund in existence for fewer than three years, the fair market value of the endowment fund shall be calculated for the period the endowment fund has been in existence. Income available for expenditure is calculated according to the formula in the attached guidelines. (Attachment A)
- 2.7(2) At the time of valuation, no distribution will be made from an individual endowment if its corpus value is equal to or less than 80 percent of its historical gift value. Partial distributions will be allowable as long as the distribution shall not cause the historical gift value to drop below 80 percent. In years when income earned exceeds the annual distribution rate, excess funds will be used to replenish the corpus value up to 100 percent.
- 2.7(3) Under current California law, dividends, interest, rents, realized and unrealized capital gains may be allocated as income subject to The University Foundation's policy for endowment funds.
- 2.7(4) Any change to The University Foundation at Sacramento State spending policy will be communicated to the Vice President, Administration and

Business Affairs by April of each fiscal year for budgeting purposes. Income will be distributed annually.

- 2.7(5) Fees assessed by investment managers will be deducted from income earnings.
- 2.7(6) Requests to modify the spending rate will be submitted to the Board of Directors for its approval. The Board has created a presumption of prudent for an appropriation for expenditure between 3 - 7 percent of the moving average market value of the endowment portfolio.

2.8 Investment Management

- 2.8(1) Upon delegation by The University Foundation Board of Directors, the Finance Committee shall direct the selection of professional investment managers to manage endowment funds. The Committee may employ professional consultants to assist in the selection of qualified investment managers. The Committee shall oversee the allocation of investable funds in accordance with the investment policies of The University Foundation at Sacramento State Board of Directors.
- 2.8(2) Acceptable investment managers shall include mutual fund managers, investment and money market fund managers, banks, trust companies.
- 2.8(3) Investment managers shall be directed to adhere to the investment policies. In the case of pooled fund managers, the Finance Committee will be responsible for the review of their investment guidelines and specific acceptance of any areas that may deviate from The University Foundation at Sacramento State Board of Directors' policies.
- 2.8(4) Investment managers, excluding those institutions specifically exempt from registration, shall be registered under the Investment Advisor's Act of 1940. Verification of their registration will be conducted annually.
- 2.8(5) New cash flows to The University Foundation at Sacramento State shall be used first to meet spending requirements and then to rebalance the total fund in accordance with asset allocation policy.
- 2.8(6) Any fees incurred by engaging the services of outside professional managers shall be deducted from endowment fund income.

2.9 Performance Reporting

- 2.9(1) The Finance Committee will report periodically, and in no case less than annually, to The University Foundation at Sacramento State Board of Directors on the performance of invested funds. An annual report will be

submitted by the Finance Committee to the Board of Directors and will include the following:

- a) A review of the portfolio's performance relative to the stated general investment goals and objectives.
- b) Measure of total return, including income and capital appreciation for the quarter, fiscal year to date, and over a one, three, and five-year period as available.
- c) Current allocation to each asset class.

2.9(2) In addition to the above report, the Finance Committee, with the assistance of professional consultants as needed, will be responsible for reviewing the following:

- a) Comparison of the managers' performance and a universe of managers with similar investment styles.
- b) Comparison of the managers' performance and standard indices.
- c) Comparison of the total return of the fund with a market index composed of indices weighted by the actual portfolio asset-mix and/or weighted to match the long-term asset allocation targets.
- d) A review of the underlying indirect exposures in the portfolio will be reviewed by the Finance Committee on a regular basis to reaffirm or challenge such exposures relative to their alignment with the values of the University.

2.10 Investment Manager Responsibilities

2.10(1) Investment Managers are expected to observe the specific limitations, guidelines, and philosophies stated herein or as expressed in any written amendments or instructions. Acceptance of the responsibility of managing funds for The University Foundation at Sacramento State Board of Directors will constitute a ratification of this statement.

2.10(2) Investment managers will be directed to produce the performance data outlined above at least quarterly in writing.

2.10(3) Investment managers will put in writing (Appendix B), to the Finance Committee, any requests for specific exceptions to these policies and guidelines.

2.10(4) The investment managers must be prepared to meet with the Finance

Committee at least quarterly to discuss the fund performance and the future performance of the fund.

3.0 CURRENT USE FUNDS

This policy is intended to govern current restricted and unrestricted funds of The University Foundation at Sacramento State. These funds are defined as short-term investments whereby the entire principal and any income may be expended and include Current Use Funds and Liquidity Funds. The investment strategy reflects the short-term nature of the stewardship The University Foundation at Sacramento State has over the assets, and the need for preservation of capital and liquidity.

3.1 Goals and Objectives

3.1(1) To maintain safety of principal.

3.1(2) To meet the liquidity needs of the beneficiary programs.

3.1(3) The rate of return objective is to perform comparably with readily available short-term investment alternatives. For the Current Use Funds, the Bloomberg U.S. Aggregate 1-3 Years Index is appropriate for measuring the performance. For the Liquidity Funds, the 90-day Treasury Bill Index is appropriate for measuring the performance.

3.2. General Investment Guidelines

3.2(1) The University Foundation at Sacramento State may invest in pooled funds managed by professional money managers or may retain professional money managers to directly manage all or a portion of the foundation's assets.

3.2(2) Any pools selected or managers retained shall operate with the following investment guidelines. The Finance Committee of The University Foundation at Sacramento State may provide additional, specific objectives and guidelines to individual managers as appropriate.

3.3 Allowable Investments

3.3(1) Fixed Income

- a) Assets may be invested in the following types of debt securities:
 - U. S. government and agency bonds
 - U. S. domestic corporate bonds
 - Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
 - Preferred stocks
 - Convertible bonds (when viewed as debt issue)
 - Supranational Agency Securities
 - Mortgage-backed Securities
 - Collateralized Mortgage Obligation
- b) Except for U.S. Treasury and agency obligations, no more than 5% of the portfolio assets should be invested in the securities of a single issuer.
- c) Normally, the portfolio should not purchase securities rated less than A or below investment grade by a nationally recognized rating agency. Should an issue receive a split rating, the lower rating will apply. Each investment manager may be given permission in their specific guidelines to include some bonds with a BBB rating, but in no event should more than 10% of the portfolio be invested in securities rated BBB.
- d) The average duration of the portfolio shall be between 0-3 years. However, any specific bond can have a longer or shorter duration.
- e) Fixed income securities must be marketable and specifically should not include securities with undetermined risk either through leverage or option characteristics or lack of liquidity.
- f) Managers who have received written permission from the Finance Committee may purchase and sell options and futures on specific securities and market indices as outlined in their specific investment guidelines.
- g) Investment managers, with written permission, may place funds in commingled investment vehicles, but the guidelines discussed herein should generally apply to the pools as well.

3.3(2) Cash Equivalents

- a) Managers may invest temporary cash in the following types of securities:
 - Money market funds and other commingled vehicles
 - Commercial Paper
 - Bankers acceptance
 - Certificates of deposit not to exceed \$250,000 per issuer
 - Eurodollar certificates of deposit
 - Bank deposit notes
 - U. S. government bills and notes
- b) Except for U.S. Treasury and agency obligations, no more than 5% of the portfolio assets should be invested in the securities of a single issuer.
- c) Commercial paper should be rated A-1 and/or P-1. In addition, the senior long-term debt of the issuer must be rated A or better.
- d) Bankers acceptances and certificates of deposit should only be purchased from institutions whose equity is 5% or more of its assets and it is operating profitably.
- e) Investment managers, with written permission, may place funds in commingled investment vehicles, but the guidelines discussed herein should generally apply to the pools as well.

3.4 Disbursement Guidelines

- 3.4(1) All income in excess of expenses will be allocated according to The University Foundation at Sacramento State policy.
- 3.4(2) Negative fund balances may be assessed an interest charge equivalent to the interest allocation rate for that period.

3.5 Investment Management

- 3.5(1) Upon delegation by The University Foundation at Sacramento State Board of Directors, the Finance Committee shall direct the selection of professional investment managers and shall oversee the allocation of investable funds in accordance with the investment policies of The University Foundation at Sacramento State.
- 3.5(2) Acceptable investment managers shall include mutual fund managers, investment and money market fund managers, banks and trust companies.
- 3.5(3) Investment managers shall be directed to adhere to the Foundation's investment policies.

- 3.5(4) Investment managers, excluding those institutions specifically exempt from registration, shall be registered under the Investment Advisor's Act of 1940. Verification of their registration will be conducted annually.
- 3.5(5) The names of investment managers selected by the Finance Committee will be reviewed at least annually by the Board of Directors.
- 3.5(6) Any fees incurred by engaging the services of outside professional investment managers shall be deducted from investment income.

3.6 Performance Reporting

- 3.6(1) The Finance Committee will report periodically, and in no case less than annually, to The University Foundation at Sacramento State Board of Directors on the performance of invested funds. An annual report will be submitted by the Finance Committee to the Board of Directors and will include a review of the portfolio's performance relative to the stated general investment goals and objectives and standard indices.

3.7 Investment Manager Responsibilities

- 3.7(1) Investment Managers are expected to observe the specific limitations, guidelines, and philosophies stated herein or as expressed in any written amendments or instructions. Acceptance of the responsibility of managing funds for The University Foundation at Sacramento State will constitute a ratification of this statement.
- 3.7(2) Investment managers will be directed to produce performance data at least quarterly in writing to the Finance Committee. Data is to include comparisons with short-term indices such as the Consumer Price Index, 90-day Treasuries, and the Merrill Lynch 1 to 3-year Treasury index.
- 3.7(3) Investment managers will put in writing, to the Finance Committee, any requests for specific exceptions to these policies and guidelines.
- 3.7(4) The investment managers must be prepared to meet with the Finance Committee at least quarterly to discuss the fund performance and the future performance of the fund.

4.0 CHARITABLE TRUSTS

It will be the purpose of these Investment Guidelines to provide a framework for the management of The University Foundation at Sacramento State charitable trust assets where The University Foundation at Sacramento State serves as trustee. The following policies will broadly define investment objectives and the duties and responsibilities of the investment professionals hired by The University Foundation at Sacramento State. The Finance Committee will provide additional instructions specific to the terms of each gift vehicle in consultation with the investment manager.

The University Foundation at Sacramento State has established Guidelines for the Solicitation and Acceptance of Planned Gifts which are separate from these investment policies. Charitable trusts refer to Charitable Remainder Unitrusts and Charitable Remainder Annuity Trusts; since the University Foundation does not normally serve as trustee of Charitable Lead Trusts, this policy does not address them. Similarly, Pooled Income Funds, which are trusts that would be administered by an external trustee, are not covered by these policies. Charitable Gift Annuities are contracts administered and managed by the California State University Foundation and are covered by the policies for that entity.

4.1 Goals and Objectives

- 4.1(1) It will be the primary goal of The University Foundation at Sacramento State to establish objectives that are consistent with the donor's intent, meet the income needs of the beneficiary, and protect the long-term interest of the charitable remainder.
- 4.1(2) Investment Objectives:
As each charitable trust is a separate legal entity with unique terms, the investment objectives will vary with the specific conditions of the trust, such as payout requirement, age of income beneficiary, tax considerations, and total return or net income restrictions.
 - a) The primary objective is to seek capital appreciation with emphasis on long-term total return while assuming a prudent level of investment risk.
 - b) The secondary objective is to preserve capital while seeking spendable income equivalent to or exceeding the amount which will be paid to the income beneficiaries.

4.2 General Investment Guidelines

- 4.2(1) The University Foundation at Sacramento State may invest trust assets in pooled funds managed by professional money managers or may retain professional money managers to directly manage all or a portion of the Foundation's trust assets.

4.2(2) Diversification will depend on the size of the assets and objectives of the trust.

4.2(3) Any pools selected or managers retained shall operate within the following guidelines, although the Finance Committee may provide additional, specific objectives and guidelines to individual managers as appropriate.

4.3 **Asset Allocation**

4.3(1) Specific asset allocation targets will be based on an appraisal of the Trust's liquidity and income needs as well as probable asset returns and inflation.

4.3(2) Portfolios will generally be divided into five diversified asset classes within the recommended ranges listed on page 23 in Appendix B.

4.4 **Allowable Investments**

4.4(1) Common stocks, exchange traded funds, mutual funds, convertible securities, ADRs, and securities of foreign corporations listed on the New York Stock exchange, American Stock Exchange, NASDAQ, and foreign exchanges.

a) Purchases for equity positions must be marketable and specifically should not include securities with undetermined risk either through leverage or lack of liquidity.

b) The equity portfolio assets shall be diversified with no more than five percent of the assets at market to be invested in the stock of one company.

c) Equity investments will emphasize long-term investment.

e) The Foundation will not generally purchase and sell options and futures. Investment managers will require written permission from the Finance Committee to participate in these activities.

f) Not more than 30% of each portfolio shall be invested in a single industry. The definition for an industry shall follow those used to classify the Fortune 500 firms.

g) A manager may not sell securities short or buy on margin.

4.4(2) Fixed Income - to provide a hedge against deflation, provide a more stable component of return, and to help reduce the overall volatility of a portfolio.

- a) The emphasis for fixed income holdings shall be safety of principal, quality and call protection.
- b) Except for U.S. Treasury notes, the fixed income portfolio assets shall be diversified with no more than five percent of the assets at market to be invested in the securities of a single issuer.
- c) Normally, the portfolio should not purchase securities rated less than A or below investment grade by a nationally recognized rating agency. Each investment manager may be given permission in their specific guidelines to include some bonds with a BBB rating, but in no event should more than 10% of the portfolio be invested in securities rated BBB.
- d) Bond holdings may be sold or traded before maturity, when more attractive investment alternatives are available.
- e) Fixed income assets should not consist of more than 5% in funds without daily liquidity.
- f) Managers may invest in the following types of fixed income securities:
 - U. S. government and agency bonds
 - U. S. domestic corporate bonds
 - Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
 - Preferred stocks
 - Convertible bonds (when viewed as debt issue)
 - Supranational Agency Securities
 - Mortgage-backed Securities
 - Collateralized Mortgage Obligations
 - Private Credit

Cash Equivalents

- a) Managers may invest temporary cash in the following types of securities:
 - Money market funds and other commingled vehicles
 - Commercial Paper
 - Bankers acceptance

- Certificates of deposit not to exceed \$250,000 per issuer
 - Eurodollar certificates of deposit
 - Bank deposit notes
 - U. S. government bills and notes
- b) Except for U.S. Treasury and agency obligations, no more than 5% of the portfolio assets should be invested in the securities of a single issuer.
- c) Commercial paper should be rated A-1 and/or P-1. In addition, the senior long-term debt of the issuer must be rated A or better. Bankers acceptances and certificates of deposit should only be purchased from an institution whose equity is 5% or more of its assets and it is operating profitably.

4.5 Disbursement Guidelines

- 4.5(1) Maximum payout guidelines for charitable trusts where the Foundation has fiduciary responsibility shall be set forth in the Guidelines for the Solicitation and Acceptance of Planned Gifts.
- 4.5(2) The Finance Committee shall periodically review these guidelines for appropriateness.

4.6 Investment Management

- 4.6(1) Upon delegation by the governing board of The University Foundation at Sacramento State, the Finance Committee shall direct the selection of professional investment managers to manage trust funds where the Foundation serves as trustee. The Committee shall oversee the allocation of investable funds in accordance with the investment policies of The University Foundation at Sacramento State.
- 4.6(2) Acceptable investment managers shall include mutual fund managers, investment managers, banks, trust companies, and money market fund managers.
- 4.6(3) Investment managers, excluding those institutions specifically exempt from registration, shall be registered under the Investment Advisor's Act of 1940.

4.7 Performance Measurement

- 4.7(1) The Finance Committee will periodically, but no less than annually, review the performance of invested trust funds where The University Foundation at Sacramento State serves as trustee.

4.7(2) The review will include the following:

- a) A review of the investment manager's performance relative to the investment goals and against standard indices as defined in the specific guidelines negotiated between the Committee and the money manager.
- b) Measure of total return, including income and capital appreciation for the quarter, year to date, and over a one-three-five-and ten-year period as applicable.
- c) Current allocation to asset classes.

4.8 **Performance Reporting**

- 4.8(1) Investment Managers shall report quarterly in writing to The University Foundation at Sacramento State on the performance of invested funds. Performance should be stated relative to the specific goals, objectives, and payout requirements of the charitable gift vehicle and include the performance data outlined above.
- 4.8(2) The Finance Committee will report periodically, but not less than annually, to the Board of Directors on the performance of invested trust funds where The University Foundation at Sacramento State serves as trustee.
- 4.8(3) The investment managers must be prepared to meet with the Finance Committee at least quarterly to discuss specific account performance and other topics pertinent to the management of the assets.

4.9. **Management Fees**

- 4.9(1) Any fees which are incurred by engaging the services of outside professionals (i.e. investment fees, custodial fees, tax return preparation service, real estate appraisals, etc.) shall be considered a cost to the trusts and assessed under the guidelines of the California Revised Uniform Principal and Income Act.

Appendix A

Formula for Disbursement of Endowment Income

- A. Calculate the unit value of the portfolio on a monthly basis by dividing the market value of the portfolio by the total number of units held by the endowment funds.
- B. Calculate the average unit values for 12 quarters.
- C. Multiply the number of units for the individual endowment fund by the average unit value to obtain the average market value for the individual endowment fund.
- D. Multiply the average market value for the fund by the spending rate to obtain the actual dollar distribution to the endowment fund.

Example:

Market value of the portfolio = \$225,000
Total number of units = \$200,000

- A. Unit value of the portfolio = \$1.125 ($\$225,000 / \$200,000$)
- B. Average unit market value = \$1.11 ($\frac{1.125 + 1.05 + 1.15 + 1.10}{4}$)
(this would have 12 values)
- C. The Smith fund holds 50,000 units in the endowment portfolio. The average market value of this fund is \$55,500.

50,000 units x \$1.11 average unit market value = \$55,500

- D. The income available for expenditure is computed by multiplying the average market value of the fund times the spending rate.

$\$55,500 \times .05 = \$2,775.00$

Appendix B

SUMMARY **INVESTMENT POLICY STATEMENT**

University Foundation at Sacramento State. (UFSS)

<u>Client's Name:</u>	University Foundation at Sacramento State
<u>Portfolio Account Detail:</u>	University Foundation at Sacramento State Endowment
<u>Investment Objective:</u>	Growth and Capital Preservation are the main objectives to support the sustainability of regular distributions and longevity of UFSS's mission
<u>Withdrawal Requirement:</u>	Annual withdrawals for the fulfillment of endowed scholarships and programs as specified and intended by Foundation donors.
<u>Time Horizon:</u>	Overall portfolio is allocated with a long-term time-horizon in mind. As an endowment, the Foundation's horizons spans to perpetuity.
<u>Risk Tolerance:</u>	Moderately Aggressive
<u>Target Return:</u>	Generate a return in excess of the blended portfolio benchmark over a complete market cycle
<u>Target Allocation:</u>	70% Growth and 30% Capital Preservation
<u>Evaluation Benchmark:</u>	The passive indices in similar weights to the target asset allocation.

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State, Inc.

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors, LLC. (the “Advisor” or “SHGA”) is to manage the capital account of University Foundation at Sacramento State (UFSS). The content herein has been composed based upon meetings with the Board of Directors and staff in which discussions covered UFSS’s goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Finance Committee on a quarterly basis and with the Board of Directors on an annual basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed at least annually as to its appropriateness given any significant changes in UFSS’s needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via the telephone and e-mail.

I. ACCOUNT CIRCUMSTANCES

The investments in this capital account represent a major asset of UFSS, and as such, are intended to be managed in a manner that will promote their growth in excess of inflation and capital preservation over the long-term. In 2022, at the direction of the Office of the Chancellor, the UFSS Board divested from direct fossil fuel investments. In 2025, at the direction of UFSS Board, the Foundation adopted a statement of socially responsible principles to actively align its investment exposures with the University’s core Values.

II. INVESTMENT OBJECTIVES

UFSS seeks to achieve growth of the portfolio at a moderate rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be held similar to that of the evaluation benchmark as a whole, over a complete market cycle.

1. Portfolio Return Objectives -

- **Total Portfolio Return:** Achieve a time-weighted, rate of return of 3.0% over CPI, after fees and program costs, while adhering to our established socially responsible principles. This return will be pursued through a diversified and strategically integrated approach to investment management, providing an average annual return that will be measured over a complete market cycle which is defined as five years.
- **Blended Benchmark Return:** Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk, with the understanding that from time to time, the performance of certain socially responsible investment vehicles may deviate from such established indices.

- #### **2. Portfolio Risk Tolerance -**
- The risk to the portfolio must be moderate, since the portfolio provides a source of funds that allows UFSS to perpetuate its mission.

3. **Withdrawal Requirements** - Annual withdrawals for the fulfillment of endowed scholarships and programs as specified and intended by Foundation donors. UFSS will coordinate with SHGA on the specific needs as they are known.
4. **Time Horizon** - Overall portfolio will be allocated with a long-term time-horizon in mind. As an endowment, the Foundation's horizons spans to perpetuity.
5. **Tax Considerations** - None, since this organization is tax exempt.
6. **Illiquidity** - The overall portfolio should maintain at least 90% daily liquidity.

III. POLICY & ASSET ALLOCATION

1. **Diversification** - Given the objective for moderate risk with growth, the portfolio will be managed as a diversified portfolio. We believe that diversification of assets is sound investment policy and that allocation of assets across various sectors as well as types of securities will minimize risk while improving performance. Accordingly, Sand Hill Global Advisors will at no time invest more than 15% of the portfolio with a single active fund family.

Investment Vehicles - The portfolio's investments will be allocated over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and international equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including performance history, team stability, portfolio impact, expense, market efficiency, liquidity, transparency of information, diversification and mission to determine investments in UFSS's best interests.

2. Asset Allocation:

	<u>Range</u>	<u>Target</u>	<u>Range</u>
TOTAL EQUITY	52 %	66%	80%
TOTAL FIXED INCOME	15%	21%	35%
REAL ASSETS	0%	4%	8%
ABSOLUTE RETURN	0%	7%	15%
CASH/CASH EQUIVALENTS	0%	2%	15%

- Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows.

3. **Rebalancing:** The portfolio will be reviewed regularly by SHGA and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity presents itself.

IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors, LLC may utilize an appropriate combination of index funds, mutual funds and ETF's as well as specialized third party, commingled fund or mutual fund alternatives to implement the asset allocation. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.

1. **Individual Equity Securities in the Direct Account:**

- **UFSS will not utilize individual equity securities in its investment allocation.**

-

2. **Individual Fixed Income Securities in Direct Accounts:**

- With the exception of U. S. Government securities and Federal Government Agency securities, no more than 10% at cost of the portfolio may be invested in the securities of a single issuer.
- Corporate issuers will be U. S. or multinational corporations.
- Up to 10% of the total account may be invested in below investment grade securities, commonly referred to as "high yield debt" or its risk equivalent, but only through adequately diversified investment vehicles.

3. **Commingled Funds, Mutual Funds and Index Funds:**

- The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

The fund selection process will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, cost relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

4. Real Estate:

- The real estate portion may be comprised of private & publicly held real estate investments.

5. Alternative Investments:

- Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, gold, real return strategies, venture capital, private equity, and other hedged investment vehicles. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through a “fund of funds” approach.
- The Finance Committee’s approval will be required prior to any purchase of an alternative investment that does not have daily liquidity.

6. Cash/Cash Equivalents:

- Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- All transactions effected for UFSS will be “subject to the best price and execution.” Securities and cash will be held in custody at Fidelity Investments.
- Proxy voting has been delegated to SHGA. SHGA has retained Broadridge to vote proxies in the best interest of the shareholders.

VI. CONTROLS AND MONITORING

- As scheduled, the UFSS Finance Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk, return, and mission-related objectives established by UFSS’s Board. The review may include topics such as the overall business management, organizational changes and other relevant factors.
- SHGA will provide on a regular basis, and in response to ad hoc Board requests, elevated reporting on underlying exposures to geographies, sectors, industries and individual securities as determined by the Finance Committee.
- The Finance Committee will regularly review and report out to the Board any findings as it pertains to matters of mission alignment. Should such matters be determined by the Board of

Directors as requiring mitigation, the Finance Committee will provide direction to the Advisor, who will reasonably address within the construct of the Foundation's implementation approach.

- The Advisor will work with the Finance Committee to develop detailed reporting on geographic, sector and industry exposures on a regular basis as well as provide individual corporate equity and bond exposures on an annual basis.
- The Internal Accounting Team will increase the level of reporting and the approachability of our messaging in our external communications and annual audited financial statements.

Prepared By:

Reviewed and Accepted By:

Brian Dombkowski, CFA
Chief Executive Officer
Sand Hill Global Advisors, LLC

Michael Reza
Vice President for University Advancement
Sacramento State University Foundation

Date: _____

Date: _____

Sonia Diwa
Auxiliary Accounting Manager
Sacramento State University Foundation

Date: _____

Tabitha Leeds
Senior Director of Accounting Services
Sacramento State University Foundation

Date: _____

Alice Perez
Board Chair
Sacramento State University Foundation

Date: _____

APPENDIX C

1. Benchmark Composition

The Blended Benchmark will be used for the total portfolio review and to review SHGA. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Blended Benchmark is composed as follows:

<u>Asset Class</u>	<u>Index</u>	<u>Weight</u>
Equity		
Domestic Large Capitalization	S&P500 Index	40%
Domestic Small Capitalization	Russell 2000 Index	11%
Foreign	MSCI All-Cap World Index excl. USA	15%
Fixed Income	Bloomberg U.S. Aggregate Index	21%
Absolute/Real Return Strategy	Bloomberg 1-3 Year Aggregate Index	7%
Real Estate	NAREIT Index	4%

Cash/Cash Equivalents

U.S. T-Bill 30-day Index

2%

Prior to 6/30/2022, the blended benchmark consisted of the following indices: 36% S&P 500 Index, 11% Russell 2000, 15% MSCI All-Cap World Index excl. USA, 21% Barclays YS Aggregate Index, 7% Barclays 1-3 Year Aggregate Index, 4% NAREIT Index, 4% Bloomberg Commodities Index, and 2% US T-Bill 30-day Index. Prior to 3/31/2020, the blended benchmark consisted of the following indices: The equity benchmark consisted of 30% S&P 500 Index; 9% Russell 2000 Index; 13% MSCI All-Cap World Index excl. USA. Prior to 12/31/2016 the equity benchmark consisted of 100% MSCI ACWI. The fixed income benchmark consisted of 30% Barclays U.S. Aggregate Index. The alternatives index consisted of 8% Barclays 1-3 Year Aggregate Index; 4% NAREIT Index; 4% Bloomberg Commodity Index. The cash benchmark consisted of 2% U.S. T-Bill 30-day Index.

DRAFT

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE
INVESTMENT POLICY
AND ADMINISTRATIVE GUIDELINES
Table of Contents**

1.0	General Guidelines	2
1.1	Scope and Purpose	2
1.2	Responsibilities of The University Foundation at Sacramento State Board of Directors and the Finance Committee	2
1.3	Policy Changes	3
2.0	Endowment Funds	3
2.1	<u>Mission Statement Alignment.</u>	<u>3</u>
2.2	<u>Goals and Objectives</u>	<u>34</u>
2.3	<u>Investment Guidelines</u>	<u>34</u>
2.4	<u>General Investment Objectives</u>	<u>45</u>
2.5	<u>Asset Allocation</u>	<u>45</u>
2.6	<u>Allowable Investments for Separately Managed Accounts</u>	<u>56</u>
2.7	<u>Spending Policy</u>	<u>89</u>
2.8	<u>Investment Management</u>	<u>910</u>
2.9	<u>Performance Reporting</u>	<u>911</u>
2.10	<u>Investment Manager Responsibilities.</u>	<u>1011</u>
3.0	Current <u>Use</u> Funds . . . . .	.
3.1	<u>Goals and Objectives</u>	<u>1112</u>
3.2	<u>General Investment Guidelines</u>	<u>1112</u>
3.3	<u>Allowable Investments</u>	<u>1113</u>
3.4	<u>Disbursement Guidelines</u>	<u>1114</u>
3.5	<u>Investment Management</u>	<u>1114</u>
3.6	<u>Performance Reporting</u>	<u>1115</u>
3.7	<u>Investment Manager Responsibilities.</u>	<u>1115</u>
4.0	Charitable Trusts	<u>1115</u>
4.1	<u>Goals and Objectives</u>	<u>1116</u>
4.2	<u>General Investment Guidelines</u>	<u>1116</u>
4.3	<u>Asset Allocation</u>	<u>1117</u>
4.4	<u>Allowable Investments</u>	<u>1117</u>
4.5	<u>Disbursement Guidelines</u>	<u>1119</u>
4.6	<u>Investment Management</u>	<u>1119</u>
4.7	<u>Performance Measurement</u>	<u>1120</u>
4.8	<u>Performance Reporting</u>	<u>1120</u>
4.9	<u>Management Fees</u>	<u>1120</u>
Appendix A	. . . . .	<u>2021</u>
Appendix B	. . . . .	<u>2122</u>

Formatted: Indent: First line: 0.5"

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE INVESTMENT POLICY AND ADMINISTRATIVE GUIDELINES

1.0 GENERAL GUIDELINES

1.1. Scope and Purpose

- 1.1(1) The purpose of this policy is to provide the framework for the investment management of The University Foundation at Sacramento State's assets.
- 1.1(2) This policy sets forth investment objectives, goals and guidelines that will provide a meaningful basis for the evaluation of fund performance.
- 1.1(3) Investments will be limited to those organizations and instruments which follow policies consistent with those stated within this document and which meet the standards of a prudent investor.

1.2. Responsibilities of The University Foundation at Sacramento State Board of Directors and the Finance Committee

- 1.2(1) Upon recommendation by the Finance Committee, The University Foundation at Sacramento State Board of Directors will be responsible for ratifying the Spending Policy (4.5) and for reviewing any changes to the Investment Policies and Administrative Guidelines.
- 1.2(2) Authority for implementation of the Investment Policies and Administrative Guidelines will be delegated by the Board of Directors to the Finance Committee.
- 1.2(3) These guidelines will be reviewed annually by the Board of Directors.
- 1.2(4) The Finance Committee shall direct the selection of investment managers to manage The University Foundation at Sacramento State endowment funds, set individual guidelines as necessary, and monitor their performance and adherence to those guidelines.
- 1.2(5) From time to time, the Committee may form Finance Advisory Subcommittees to assist in overseeing specialized areas of investment. The Advisory Subcommittees will function in an oversight and evaluative role, providing recommendations to the Finance Committee in all aspects of investment in their respective specialty.

1.2(6) The names and performance of the investment managers shall be reviewed at least annually by the Board of Directors.

1.3 Policy Changes

Requests for changes to the following policies shall be submitted to the Finance Committee for review and recommendation to the Board of Directors.

2.0 ENDOWMENT FUNDS

Endowment fund means an institutional fund or part thereof that, under the terms of a gift agreement, is not wholly expendable by the institution on a current basis. The term does not include assets that an institution designates as an endowment fund for its own use. Other assets, when recommended by The University Foundation at Sacramento State, may be included in the endowment pool as Funds Functioning as Endowments aka Quasi-Endowments. In these cases, where there is no donor prohibition, the fund principal may be invaded by special request of the fund beneficiary for the purpose of fulfilling the intent and purpose of the original gift.

2.1 Mission Statement Alignment

2.1(1) The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds.

The members of the Board of Directors of The University Foundation accomplish this mission by helping to raise private resources that advance the mission and priorities of the University and serving as ambassadors for philanthropy in the University community.

The Board provides fiduciary stewardship in the prudent investment of its resources, actively reviews its investment exposures relative to their alignment with the University's mission and ensures the integrity of The Foundation through accountability and transparency in its interactions with its donors, beneficiaries, and the broader University community.

2.1(2) It is a core value of the Foundation, to invest the Foundation's assets in a manner consistent with our socially responsible principles, within the guidelines established by the CSU Board of Trustees. As such, the Board of Directors continually strives to strike an appropriate balance between its support for the University's Values and its fiduciary duty to create financial returns in support of the Foundation's mission. The Board of Directors also recognizes that because the Foundation invests mainly in commingled vehicles such as mutual funds, which limit the ability of any individual investor to enforce customized investment

parameters, our ability to directly enforce customized investment guidelines may be limited. That said, The Foundation regularly reviews its underlying investments and directs its Investment Advisor to invest in investment vehicles that are as consistent as possible with the University's social Values, while balancing the financial return objectives of the Foundation, in a manner that advances our mutual long-term interests.

2.24 Goals and Objectives

- 2.24(1) The primary goal is to preserve the real value of the endowment corpus by achieving a growth rate on the principal amount of the endowment over a market cycle (3-5 years) of 300 basis points over the rate of inflation as measured by the CPI, while adhering to our established socially responsible principles.
- 2.24(2) The secondary goal is to provide spendable income equivalent to the spending rate as defined in the Spending Policy.
- 2.24(3) To the extent compatible with objectives 3.1(1) and 3.1(2), the investment strategy should maximize long-term total return, while assuming a prudent level of investment risk.
- 2.24(4) ~~Over time the committee~~ The Advisor will consider investments that support Sacramento State's mission statement, subject to performance history, team stability, portfolio impact, costs relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee quality constraints.

2.32 Investment Guidelines

- 2.32(1) The Finance Committee may invest in pooled funds managed by professional money managers or may retain professional money managers to directly manage all or a portion of The University Foundation at Sacramento State's endowment assets.
- 2.32(2) Each manager is required to conduct the investments with the care, skill, and diligence of a prudent person acting in a like capacity.
- 2.32(3) For separately managed portfolios, managers retained shall operate within the following investment guidelines which are intended to be sufficiently specific to be meaningful, but adequately flexible to be practicable.
- 2.32(4) The Finance Committee will be responsible for the review and acceptance of investment guidelines of pooled fund managers and may provide additional, specific objectives and guidelines to individual managers as appropriate.

Formatted: Font: Bold

2.32(5) UFSS will not ~~invest in funds that principally invest in pursue future investments in fossil fuels and will divest from current fossil fuel investments (excluding broadly diversified mutual funds and ETFs).~~

2.3(6) UFSS will review its underlying investment exposures annually relative to their alignment with the Values of the University.

2.43. General Investment Objectives

Formatted: Font: Bold

2.43(1) The endowment portfolio is to be invested to maximize long-term total return relative to the risk of its underlying asset allocation. The total return objective (net of fees) for the endowment portfolio, measured over a full market cycle, shall be:

Inflation (as measured by the Consumer Price Index, "CPI") plus 300 basis points and to exceed market performance as defined by a composite benchmark as defined in Appendix B, while adhering to our established socially responsible principles.

2.54 Asset Allocation

Formatted: Font: Bold

Formatted: Font: Bold

2.54(1) The long-term target asset allocation policy for the investment portfolio shall be determined by the Finance Committee to facilitate the achievement of the fund's long-term investment objective within the established risk parameters. Balanced fund managers will be expected to allocate between asset classes to comply with the established ranges for the endowment portfolio, and specialty managers will be expected to allocate within ranges agreed upon at the time they are hired.

2.54(2) The Investment Manager will have the flexibility to shift the commitment of their managed assets among asset classes, industry sectors and individual underlying securities to pursue opportunities or to reduce risks presented by long-term secular changes in the capital markets. The asset allocation of the composite endowment portfolio will fluctuate with market conditions and with the decisions made by the individual managers.

2.54(3) The allocation of funds between asset classes may be the single most important determinant of the investment performance over the long-term. No single asset class, investment style, or strategy can consistently outperform. Therefore, Foundation assets will be diversified appropriately using Modern Portfolio Theory concepts.

The asset allocation decision significantly affects the long-term rate of return and volatility of the invested assets. The asset allocation should reflect a proper balance of the Foundation's needs for growth and

diversification with appropriate risk. The target asset mix, consistent with the achievement of the long-term objectives of the Foundation, implies a balanced investment approach.

The Foundation shall have an overall target asset allocation as defined by Appendix B.

The target mix represents a long-term asset allocation strategy and the acceptance of risk associated with a “70/30” portfolio. The advisor will determine the timing and degree of portfolio rebalancing.

Companies in the developed countries outside the U.S. are becoming an ever larger and important part of the international economy. Modern Portfolio Theory analysis indicates that this should be recognized in the allowed allocation ranges of an up-to-date Investment Strategy. In addition, Emerging Markets and Real Estate have shown to have lower correlations with domestic equities and can add diversification and some hedge against future inflation.

2.65 Allowable Investments for Separately Managed Accounts

2.65(1) Equities

Purpose: to provide principal appreciation that exceeds inflation

- a) Common stocks exchange traded funds, mutual funds, convertible securities, ADRs, and securities of foreign corporations listed on the New York Stock exchange, American Stock Exchange, NASDAQ, and foreign exchanges.
- b) Domestic and Foreign Equity positions must be marketable and specifically should not include securities with undetermined risk either through leverage or lack of liquidity.
- c) The domestic and foreign equity portfolio assets shall be diversified with no more than five percent of the assets at cost to be invested in the stock of one company.
- d) Equity investments will emphasize long-term investment. The University Foundation at Sacramento State will not generally purchase or sell options. Investment managers, with written permission, may purchase and sell options and/or options on futures on specific securities and market indices as outlined in their specific investment guidelines.

- e) Not more than 30% ~~15%~~ of the portfolio shall be invested in a single industry, using standard industry codes to define an industry.
- f) A manager may not sell securities short or buy on margin.

2.65(2) Fixed Income

Purpose: to provide a hedge against deflation, provide a more stable component of return, and to help reduce the overall volatility of the portfolio.

- a) Fixed Income assets should not consist of more than 10% bonds rated below BBB (non-investment grade by a nationally recognized rating agency) over a four-quarter moving average.
- b) The Foundation's fixed income investments may be held in mutual funds and exchange traded funds. ~~These mutual funds and exchange traded funds hold a large and diversified portfolio of bonds~~
- c) Bond holdings may be sold or traded before maturity, when more attractive investment alternatives are available.
- d) Fixed income assets should not consist of more than 5% in funds without daily liquidity. securities must be fully marketable and specifically should not include securities with undetermined risk either through leverage or option characteristics or lack of liquidity.
- e) Managers may invest in the following types of fixed income securities:
 - U. S. government and agency bonds
 - U. S. domestic corporate bonds
 - Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
 - Preferred stocks
 - Convertible bonds
 - Supranational Agency Securities
 - Mortgage-backed Securities
 - Collateralized Mortgage Obligations
 - Municipal Bonds
 - High Yield
 - ~~International and Emerging Market bonds~~
 - Private Credit

- f) Managers who have received written permission from the Finance Committee may purchase and sell options and/or options on futures or specific securities and market indices as outlined in their specific investment guidelines.
- g) Fixed income portfolios should have an average duration of ~~4-8~~ years unless specific written permission is received from the Finance Committee.

2.65(3) Cash Equivalents

Purpose: to meet liquidity requirements and as an alternative to other investments when the Investment Manager may feel that other asset classes carry higher than normal risk.

- a) Managers may invest temporary cash in the following types of securities:
 - Money market funds and other commingled vehicles
 - Commercial Paper
 - Bankers acceptance
 - Certificates of deposit not to exceed \$250,000 per issuer
 - Eurodollar certificates of deposit
 - Bank deposit notes
 - U. S. government bills and notes
- b) Except for U.S. Treasury and agency obligations, no more than 10% of the portfolio assets should be invested in the securities of a single issuer.
- c) Commercial paper should be rated A-1 and/or P-1. In addition, the senior long-term debt of the issuer must be rated A or better.
- d) Certificates of deposit must have FDIC insurance and may be traded in the primary and secondary markets.

2.65(4) Real Estate

Investments in REITS are allowable but direct fund investments of real property will be made only when recommended by the Finance Committee, on a case-by-case basis, and in accordance with The University Foundation at Sacramento State's Policy on the Acceptance of Real Property. Each recommendation for acceptance will be reviewed by the Board of Directors.

2.65(5) Prohibited Transactions

Direct investment in the following is prohibited without prior approval of The University Foundation Board of Directors:

- a) Short sales
- b) Derivatives
- c) Margin purchases
- d) Acting as an underwriter
- e) Options trading
- f) Purchase of restricted or private placement investments
- g) Purchase of foreign securities, except those trade on an organized exchange
- h) Purchase of securities of the investment manager's firm or affiliated firms without prior Finance Committee approval.
- i) Futures
- j) Commodities
- k) Currency hedges
- l) Working interests in oil or gas wells
- m) Tobacco companies
- n) Any future purchase of fossil fuel investments (excluding broadly diversified mutual funds and ETFs).

These restrictions do not apply to pooled funds in which the endowment invests.

2.76 Spending Policy

2.76(1) The Foundation's annual distribution for expenditure shall be an amount equal to 4 percent of the average market value of the endowment portfolio. This average market value is computed using the previous 12 quarters of portfolio activity. Income earned in excess of the spending rate may be reinvested in the endowment portfolio. For an endowment fund in existence for fewer than three years, the fair market value of the endowment fund shall be calculated for the period the endowment fund has been in existence. Income available for expenditure is calculated according to the formula in the attached guidelines. (Attachment A)

2.76(2) -At the time of valuation, no distribution will be made from an individual endowment if its corpus value is equal to or less than 80 percent of its historical gift value. Partial distributions will be allowable as long as the distribution shall not cause the historical gift value to drop below 80 percent. In years when income earned exceeds the annual distribution rate, excess funds will be used to replenish the corpus value up to 100 percent.

- 2.76(3) Under current California law, dividends, interest, rents, realized and unrealized capital gains may be allocated as income subject to The University Foundation's policy for endowment funds.
- 2.76(4) Any change to The University Foundation at Sacramento State spending policy will be communicated to the Vice President, Administration and Business Affairs by April of each fiscal year for budgeting purposes. Income will be distributed annually.
- 2.76(5) Fees assessed by investment managers will be deducted from income earnings.
- 2.76(6) Requests to modify the spending rate will be submitted to the Board of Directors for its approval. The Board has created a presumption of prudent for an appropriation for expenditure between 3 - 7 percent of the moving average market value of the endowment portfolio.

2.87 Investment Management

- 2.87(1) Upon delegation by The University Foundation Board of Directors, the Finance Committee shall direct the selection of professional investment managers to manage endowment funds. The Committee may employ professional consultants to assist in the selection of qualified investment managers. The Committee shall oversee the allocation of investable funds in accordance with the investment policies of The University Foundation at Sacramento State Board of Directors.
- 2.87(2) Acceptable investment managers shall include mutual fund managers, investment and money market fund managers, banks, trust companies.
- 2.87(3) Investment managers shall be directed to adhere to the investment policies. In the case of pooled fund managers, the Finance Committee will be responsible for the review of their investment guidelines and specific acceptance of any areas that may deviate from The University Foundation at Sacramento State Board of Directors' policies.
- 2.87(4) Investment managers, excluding those institutions specifically exempt from registration, shall be registered under the Investment Advisor's Act of 1940. Verification of their registration will be conducted annually.
- 2.87(5) New cash flows to The University Foundation at Sacramento State shall be used first to meet spending requirements and then to rebalance the total fund in accordance with asset allocation policy.
- 2.87(6) Any fees incurred by engaging the services of outside professional managers shall be deducted from endowment fund income.

2.98 Performance Reporting

2.98(1) The Finance Committee will report periodically, and in no case less than annually, to The University Foundation at Sacramento State Board of Directors on the performance of invested funds. An annual report will be submitted by the Finance Committee to the Board of Directors and will include the following:

- a) A review of the portfolio's performance relative to the stated general investment goals and objectives.
- b) Measure of total return, including income and capital appreciation for the quarter, fiscal year to date, and over a one, three, and five-year period as available.
- c) Current allocation to each asset class.

2.98(2) In addition to the above report, the Finance Committee, with the assistance of professional consultants as needed, will be responsible for reviewing the following:

- a) Comparison of the managers' performance and a universe of managers with similar investment styles.
- b) Comparison of the managers' performance and standard indices.
- c) Comparison of the total return of the fund with a market index composed of indices weighted by the actual portfolio asset-mix and/or weighted to match the long-term asset allocation targets.

e)d) A review of the underlying indirect exposures in the portfolio will be reviewed by the Finance Committee on a regular basis to reaffirm or challenge such exposures relative to their alignment with the values of the University.

Formatted: List Paragraph, No bullets or numbering, Hyphenate, Tab stops: Not at -0.5"

2.109 Investment Manager Responsibilities

2.109(1) Investment Managers are expected to observe the specific limitations, guidelines, and philosophies stated herein or as expressed in any written amendments or instructions. Acceptance of the responsibility of managing funds for The University Foundation at Sacramento State Board of Directors will constitute a ratification of this statement.

2.109(2) Investment managers will be directed to produce the performance data outlined above at least quarterly in writing.

2.109(3) Investment managers will put in writing (Appendix B), to the Finance Committee, any requests for specific exceptions to these policies and guidelines.

2.109(4) The investment managers must be prepared to meet with the Finance Committee at least quarterly annually to discuss the fund performance and the future performance of the fund.

3.0 CURRENT USE FUNDS

This policy is intended to govern current restricted and unrestricted funds of The University Foundation at Sacramento State. These funds are defined as short-term investments whereby the entire principal and any income may be expended and include Current Use Funds and Liquidity Funds. The investment strategy reflects the short-term nature of the stewardship The University Foundation at Sacramento State has over the assets, and the need for preservation of capital and liquidity.

3.1 Goals and Objectives

3.1(1) To maintain safety of principal.

3.1(2) To meet the liquidity needs of the beneficiary programs.

To obtain a high current rate of return on the assets in the portfolio.

3.1(2) To meet the liquidity needs of the beneficiary programs.

3.1(3) To maintain safety of principal.

3.1(34) The rate of return objective is to perform comparably with readily available short-term investment alternatives. For the Current Use Funds, the Bloomberg U.S. Aggregate 1-3 Years Index is appropriate for measuring the performance. For the Liquidity Funds, A the 90-day Treasury Bill Index one to three year period is appropriate for measuring the performance.

3.2. General Investment Guidelines

3.2(1) The University Foundation at Sacramento State may invest in pooled funds managed by professional money managers or may retain professional money managers to directly manage all or a portion of the foundation's assets.

3.2(2) Any pools selected or managers retained shall operate with the following investment guidelines. The Finance Committee of The University

Foundation at Sacramento State may provide additional, specific objectives and guidelines to individual managers as appropriate.

3.3 Allowable Investments

3.3(1) Fixed Income

- a) Assets may be invested in the following types of debt securities:
 - U. S. government and agency bonds
 - U. S. domestic corporate bonds
 - Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
 - Preferred stocks
 - Convertible bonds (when viewed as debt issue)
 - Supranational Agency Securities
 - Mortgage-backed Securities
 - Collateralized Mortgage Obligation
- b) Except for U.S. Treasury and agency obligations, no more than 5% of the portfolio assets should be invested in the securities of a single issuer.
- c) Normally, the portfolio should not purchase securities rated less than A or below investment grade by a nationally recognized rating agency. Should an issue receive a split rating, the lower rating will apply. Each investment manager may be given permission in their specific guidelines to include some bonds with a BBB rating, but in no event should more than 10% of the portfolio be invested in securities rated BBB.
- d) The average duration of the portfolio shall ~~not exceed 1 1/2~~ be between 0- 3 years. However, any specific bond can have a longer or shorter duration.
- e) Fixed income securities must be marketable and specifically should not include securities with undetermined risk either through leverage or option characteristics or lack of liquidity.
- f) Managers who have received written permission from the Finance Committee may purchase and sell options and

futures on specific securities and market indices as outlined in their specific investment guidelines.

- g) Investment managers, with written permission, may place funds in commingled investment vehicles, but the guidelines discussed herein should generally apply to the pools as well.

3.3(2) Cash Equivalents

- a) Managers may invest temporary cash in the following types of securities:
 - o Money market funds and other commingled vehicles
 - o Commercial Paper
 - o Bankers acceptance
 - o Certificates of deposit not to exceed ~~\$250,000~~ \$100,000 per issuer
 - o Eurodollar certificates of deposit
 - o Bank deposit notes
 - o U. S. government bills and notes
- b) Except for U.S. Treasury and agency obligations, no more than 5% of the portfolio assets should be invested in the securities of a single issuer.
- c) Commercial paper should be rated A-1 and/or P-1. In addition, the senior long-term debt of the issuer must be rated A or better.
- d) Bankers acceptances and certificates of deposit should only be purchased from institutions whose equity is 5% or more of its assets and it is operating profitably.
- e) Investment managers, with written permission, may place funds in commingled investment vehicles, but the guidelines discussed herein should generally apply to the pools as well.

3.4 **Disbursement Guidelines**

3.4(1) All income in excess of expenses will be allocated according to The University Foundation at Sacramento State policy.

3.4(2) Negative fund balances may be assessed an interest charge equivalent to the interest allocation rate for that period.

3.5 **Investment Management**

- 3.5(1) Upon delegation by The University Foundation at Sacramento State Board of Directors, the Finance Committee shall direct the selection of professional investment managers and shall oversee the allocation of investable funds in accordance with the investment policies of The University Foundation at Sacramento State.
- 3.5(2) Acceptable investment managers shall include mutual fund managers, investment and money market fund managers, banks and trust companies.
- 3.5(3) Investment managers shall be directed to adhere to the Foundation's investment policies.
- 3.5(4) Investment managers, excluding those institutions specifically exempt from registration, shall be registered under the Investment Advisor's Act of 1940. Verification of their registration will be conducted annually.
- 3.5(5) The names of investment managers selected by the Finance Committee will be reviewed at least annually by the Board of Directors.
- 3.5(6) Any fees incurred by engaging the services of outside professional investment managers shall be deducted from investment income.

3.6 **Performance Reporting**

- 3.6(1) The Finance Committee will report periodically, and in no case less than annually, to The University Foundation at Sacramento State Board of Directors on the performance of invested funds. An annual report will be submitted by the Finance Committee to the Board of Directors and will include a review of the portfolio's performance relative to the stated general investment goals and objectives and standard indices.

3.7 **Investment Manager Responsibilities**

- 3.7(1) Investment Managers are expected to observe the specific limitations, guidelines, and philosophies stated herein or as expressed in any written amendments or instructions. Acceptance of the responsibility of managing funds for The University Foundation at Sacramento State will constitute a ratification of this statement.
- 3.7(2) Investment managers will be directed to produce performance data at least quarterly in writing to the Finance Committee. Data is to include comparisons with short-term indices such as the Consumer Price Index, 90-day Treasuries, and the Merrill Lynch 1 to 3-year Treasury index.

- 3.7(3) Investment managers will put in writing, to the Finance Committee, any requests for specific exceptions to these policies and guidelines.
- 3.7(4) The investment managers must be prepared to meet with the Finance Committee at least ~~annually~~ quarterly to discuss the fund performance and the future performance of the fund.

4.0 CHARITABLE TRUSTS

It will be the purpose of these Investment Guidelines to provide a framework for the management of The University Foundation at Sacramento State charitable trust assets where The University Foundation at Sacramento State serves as trustee. The following policies will broadly define investment objectives and the duties and responsibilities of the investment professionals hired by The University Foundation at Sacramento State. The Finance Committee will provide additional instructions specific to the terms of each gift vehicle in consultation with the investment manager.

The University Foundation at Sacramento State has established Guidelines for the Solicitation and Acceptance of Planned Gifts which are separate from these investment policies. Charitable trusts refer to Charitable Remainder Unitrusts and Charitable Remainder Annuity Trusts; since the University Foundation does not normally serve as trustee of Charitable Lead Trusts, this policy does not address them. Similarly, Pooled Income Funds, which are trusts that would be administered by an external trustee, are not covered by these policies. Charitable Gift Annuities are contracts administered and managed by the California State University Foundation and are covered by the policies for that entity.

4.1 Goals and Objectives

- 4.1(1) It will be the primary goal of The University Foundation at Sacramento State to establish objectives that are consistent with the donor's intent, meet the income needs of the beneficiary, and protect the long-term interest of the charitable remainder.
- 4.1(2) Investment Objectives:
As each charitable trust is a separate legal entity with unique terms, the investment objectives will vary with the specific conditions of the trust, such as payout requirement, age of income beneficiary, tax considerations, and total return or net income restrictions.
 - a) The primary objective is to seek capital appreciation with emphasis on long-term total return while assuming a prudent level of investment risk.

- b) The secondary objective is to preserve capital while seeking spendable income equivalent to or exceeding the amount which will be paid to the income beneficiaries.

4.2 General Investment Guidelines

- 4.2(1) The University Foundation at Sacramento State may invest trust assets in pooled funds managed by professional money managers or may retain professional money managers to directly manage all or a portion of the Foundation's trust assets.
- 4.2(2) Diversification will depend on the size of the assets and objectives of the trust.
- 4.2(3) Any pools selected or managers retained shall operate within the following guidelines, although the Finance Committee may provide additional, specific objectives and guidelines to individual managers as appropriate.

4.3 Asset Allocation

- 4.3(1) Specific asset allocation targets will be based on an appraisal of the Trust's liquidity and income needs as well as probable asset returns and inflation.
- 4.3(2) Portfolios will generally be divided into five diversified asset classes within the recommended ranges listed on page 23 in Appendix B.

4.4 Allowable Investments

- 4.4(1) Common stocks, exchange traded funds, mutual funds, convertible securities, ADRs, and securities of foreign corporations listed on the New York Stock exchange, American Stock Exchange, NASDAQ, and foreign exchanges.
 - a) Purchases for equity positions must be marketable and specifically should not include securities with undetermined risk either through leverage or lack of liquidity.
 - b) The equity portfolio assets shall be diversified with no more than five percent of the assets at market to be invested in the stock of one company.
 - c) Equity investments will emphasize long-term investment.

~~4)c)~~ The Foundation will not generally purchase and sell options and futures. Investment managers will require written permission from the Finance Committee to participate in these activities.

~~4)d)~~ Not more than ~~15~~ 30% of each portfolio shall be invested in a single industry. The definition for an industry shall follow those used to classify the Fortune 500 firms.

~~4)e)~~ A manager may not sell securities short or buy on margin.

4.4(2) Fixed Income - to provide a hedge against deflation, provide a more stable component of return, and to help reduce the overall volatility of a portfolio.

- a) The emphasis for fixed income holdings shall be safety of principal, quality and call protection.
- b) Except for U.S. Treasury notes, the fixed income portfolio assets shall be diversified with no more than five percent of the assets at market to be invested in the securities of a single issuer.
- c) Normally, the portfolio should not purchase securities rated less than A or below investment grade by a nationally recognized rating agency. Each investment manager may be given permission in their specific guidelines to include some bonds with a BBB rating, but in no event should more than 10% of the portfolio be invested in securities rated BBB.
- d) Bond holdings may be sold or traded before maturity, when more attractive investment alternatives are available.

~~e) Fixed income assets should not consist of more than 5% in funds without daily liquidity. securities must be fully marketable and specifically should not include securities with undetermined risk either through leverage or option characteristics or lack of liquidity.~~

f) Managers may invest in the following types of fixed income securities:

- o U. S. government and agency bonds
- o U. S. domestic corporate bonds
- o Other "dollar" denominated securities (Yankees, Eurodollars, etc.)
- o Preferred stocks

- Convertible bonds (when viewed as debt issue)
- Supranational Agency Securities
- Mortgage-backed Securities
- Collateralized Mortgage Obligations
- Private Credit

Cash Equivalents

- a) Managers may invest temporary cash in the following types of securities:
 - Money market funds and other commingled vehicles
 - Commercial Paper
 - Bankers acceptance
 - Certificates of deposit not to exceed ~~\$100,000~~ \$250,000 per issuer
 - Eurodollar certificates of deposit
 - Bank deposit notes
 - U. S. government bills and notes
- b) Except for U.S. Treasury and agency obligations, no more than 5% of the portfolio assets should be invested in the securities of a single issuer.
- c) Commercial paper should be rated A-1 and/or P-1. In addition, the senior long-term debt of the issuer must be rated A or better. Bankers acceptances and certificates of deposit should only be purchased from an institution whose equity is 5% or more of its assets and it is operating profitably.

4.5 **Disbursement Guidelines**

- 4.5(1) Maximum payout guidelines for charitable trusts where the Foundation has fiduciary responsibility shall be set forth in the Guidelines for the Solicitation and Acceptance of Planned Gifts.
- 4.5(2) The Finance Committee shall periodically review these guidelines for appropriateness.

4.6 **Investment Management**

- 4.6(1) Upon delegation by the governing board of The University Foundation at Sacramento State, the Finance Committee shall direct the selection of professional investment managers to manage trust funds where the Foundation serves as trustee. The Committee shall oversee the allocation

of investable funds in accordance with the investment policies of The University Foundation at Sacramento State.

- 4.6(2) Acceptable investment managers shall include mutual fund managers, investment managers, banks, trust companies, and money market fund managers.
- 4.6(3) Investment managers, excluding those institutions specifically exempt from registration, shall be registered under the Investment Advisor's Act of 1940.

4.7 Performance Measurement

- 4.7(1) The Finance Committee will periodically, but no less than annually, review the performance of invested trust funds where The University Foundation at Sacramento State serves as trustee.
- 4.7(2) The review will include the following:
 - a) A review of the investment manager's performance relative to the investment goals and against standard indices as defined in the specific guidelines negotiated between the Committee and the money manager.
 - b) Measure of total return, including income and capital appreciation for the quarter, year to date, and over a one-three-five-and ten-year period as applicable.
 - c) Current allocation to asset classes.

4.8 Performance Reporting

- 4.8(1) Investment Managers shall report quarterly in writing to The University Foundation at Sacramento State on the performance of invested funds. Performance should be stated relative to the specific goals, objectives, and payout requirements of the charitable gift vehicle and include the performance data outlined above.
- 4.8(2) The Finance Committee will report periodically, but not less than annually, to the Board of Directors on the performance of invested trust funds where The University Foundation at Sacramento State serves as trustee.
- 4.8(3) The investment managers must be prepared to meet with the

Finance Committee at least ~~annually~~ quarterly to discuss specific account performance and other topics pertinent to the management of the assets.

4.9. **Management Fees**

- 4.9(1) Any fees which are incurred by engaging the services of outside professionals (i.e. investment fees, custodial fees, tax return preparation service, real estate appraisals, etc.) shall be considered a cost to the trusts and assessed under the guidelines of the California Revised Uniform Principal and Income Act.

DRAFT

Attachment Appendix A

Formula for Disbursement of Endowment Income

- A. Calculate the unit value of the portfolio on a monthly basis by dividing the market value of the portfolio by the total number of units held by the endowment funds.
- B. Calculate the average unit values for 12 quarters.
- C. Multiply the number of units for the individual endowment fund by the average unit value to obtain the average market value for the individual endowment fund.
- D. Multiply the average market value for the fund by the spending rate to obtain the actual dollar distribution to the endowment fund.

Example:

Market value of the portfolio = \$225,000
Total number of units = \$200,000

- A. Unit value of the portfolio = \$1.125 (\$225,000/\$200,000)
- B. Average unit market value = \$1.11 $\frac{(1.125 + 1.05 + 1.15 + 1.10)}{4}$
(this would have 12 values)
- C. The Smith fund holds 50,000 units in the endowment portfolio. The average market value of this fund is \$55,500.

50,000 units x \$1.11 average unit market value = \$55,500
- D. The income available for expenditure is computed by multiplying the average market value of the fund times the spending rate.

$$\$55,500 \times .05 = \$2,775.00$$

Appendix B

SUMMARY

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State. (UFSS)

<u>Client's Name:</u>	University Foundation at Sacramento State
<u>Portfolio Account Detail:</u>	University Foundation at Sacramento State Endowment
<u>Investment Objective:</u>	Growth and Capital Preservation are the main objectives to support the sustainability of regular distributions and longevity of UFSS's mission
<u>Withdrawal Requirement:</u>	Annual withdrawals for the fulfillment of endowed scholarships and programs as specified and intended by Foundation donors.
<u>Time Horizon:</u>	Overall portfolio is allocated with a long-term time-horizon in mind. As an endowment, the Foundation's horizons spans to perpetuity.
<u>Risk Tolerance:</u>	Moderately Aggressive
<u>Target Return:</u>	Generate a return in excess of the blended portfolio benchmark over a complete market cycle
<u>Target Allocation:</u>	70% Growth and 30% Capital Preservation
<u>Evaluation Benchmark:</u>	The passive indices in similar weights to the target asset allocation.

INVESTMENT POLICY STATEMENT

University Foundation at Sacramento State, Inc.

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors, LLC. (the “Advisor” or “SHGA”) is to manage the capital account of University Foundation at Sacramento State (UFSS). The content herein has been composed based upon meetings with the Board of Directors and staff in which discussions covered UFSS’s goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Finance Committee on a quarterly basis and with the Board of Directors on an annual basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed at least annually as to its appropriateness given any significant changes in UFSS’s needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with UFSS will be made via the telephone and e-mail.

I. ACCOUNT CIRCUMSTANCES

The investments in this capital account represent a major asset of UFSS, and as such, are intended to be managed in a manner that will promote their growth in excess of inflation and capital preservation over the long-term. In 2022, at the direction of the Office of the Chancellor, the UFSS Board divested from direct fossil fuel investments. In 2025, at the direction of UFSS Board, the Foundation adopted a statement of socially responsible principles to actively align its investment exposures with the University’s core Values.

II. INVESTMENT OBJECTIVES

UFSS seeks to achieve growth of the portfolio at a moderate rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be held similar to that of the evaluation benchmark as a whole, over a complete market cycle.

1. Portfolio Return Objectives -

- **Total Portfolio Return:** Achieve a time-weighted, rate of return of 3.0% over CPI, after fees and program costs, while adhering to our established socially responsible principles. This return will be pursued through a diversified and strategically integrated approach to sought using a diversified style of investment management, providing an average annual return that will be measured over a complete market cycle which is defined as five years.
 - **Blended Benchmark Return:** Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk, with the understanding that from time to time, the performance of certain socially responsible investment vehicles may deviate from such established indices.
- 2. Portfolio Risk Tolerance** - The risk to the portfolio must be moderate, since the portfolio provides a source of funds that allows UFSS to perpetuate its mission.

3. **Withdrawal Requirements** - Annual withdrawals for the fulfillment of endowed scholarships and programs as specified and intended by Foundation donors. UFSS will coordinate with SHGA on the specific needs as they are known.
4. **Time Horizon** - Overall portfolio will be allocated with a long-term time-horizon in mind. As an endowment, the Foundation's horizons spans to perpetuity.
5. **Tax Considerations** - None, since this organization is tax exempt.
6. **Illiquidity** - The overall portfolio should maintain at least 90% daily liquidity.

III. POLICY & ASSET ALLOCATION

1. **Diversification** - Given the objective for moderate risk with growth, the portfolio will be managed as a diversified portfolio. We believe that diversification of assets is sound investment policy and that allocation of assets across various sectors as well as types of securities will minimize risk while improving performance. Accordingly, Sand Hill Global Advisors will at no time invest more than 15% of the portfolio with a single active fund family.

Investment Vehicles - The portfolio's investments will be allocated over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and ~~foreign~~ international equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including performance history, team stability, portfolio impact, expense, market efficiency, liquidity, transparency of information, and diversification and mission to determine ~~whether direct~~ investments ~~or commingled investments are~~ in UFSS's best interests.

2. **Asset Allocation:**

	<u>Range</u>	<u>Target</u>	<u>Range</u>
TOTAL EQUITY	52 %	66%	80%
TOTAL FIXED INCOME	15%	21%	30 35%
REAL ASSETS	0%	4%	8%
ABSOLUTE RETURN	0%	7%	15%
CASH/CASH EQUIVALENTS	0%	2%	15%

- Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows. ~~The ultimate~~

~~implementation will be achieved over a transitional period of time involving staggered commitments.~~

•

Formatted: Title, Justified, Bulleted + Level: 1 + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"

3. **Rebalancing:** The portfolio will be reviewed regularly by SHGA and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity presents itself.

IV. INVESTMENT GUIDELINES

Sand Hill Global Advisors, LLC may utilize an appropriate combination of index funds, mutual funds and ETF's ~~individual securities in a direct account and as well as~~ specialized third party, commingled fund or mutual fund alternatives to implement the asset allocation. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.

1. Individual Equity Securities in the Direct Account:

• UFSS will not utilize individual equity securities in its investment allocation.

- ~~• Each directly owned security position, at the time of purchase, will normally represent about 3% to 5% at cost of the direct investment account equity portion of the large cap equities. In no case will an individual security, at the time of purchase, represent more than 10% of the total cost of the direct account portfolio. Over time, individual securities will not exceed more than 10% of the total market value of the direct account portfolio and specific sectors/industries will not represent any more than 15% of the total portfolio market value.~~
- ~~• The majority of any direct equity position in the portfolio will meet the Advisor's primary quality guidelines. These will be securities of U.S. companies or multinational companies. Individual securities are judged on the basis of several factors including debt, cash flow, market capitalization, and asset growth. In addition, several non quantitative characteristics are considered such as management strength, dominance of market position, and product acceptance. It is important that the quality of the portfolio should be viewed as a whole. As part of the allocation process, there may be occasions when smaller companies may be included because of the opportunities they offer without altering the risk profile of the portfolio.~~
- ~~• Direct investment in tobacco companies is prohibited but allowed within the context of a commingled active or index fund.~~

Formatted: Indent: Left: 0.5", No bullets or numbering

2. Individual Fixed Income Securities in Direct Accounts:

- With the exception of U. S. Government securities and Federal Government Agency securities, no more than 10% at cost of the portfolio may be invested in the securities of a single issuer.

- Corporate issuers will be U. S. or multinational corporations.
- Up to ~~5%~~ 10% of the total account may be invested in below investment grade securities, commonly referred to as “high yield debt” or its risk equivalent, but only through adequately diversified investment vehicles.

3. Commingled Funds, Mutual Funds and Index Funds:

- The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

• The fund selection process will consider investments that support Sacramento State’s mission statement, subject to performance history, team stability, portfolio impact, cost relative to similar active and passive funds, liquidity, availability, access, and in consultation with the Finance Committee.

Formatted: No bullets or numbering

4. Real Estate:

- The real estate portion may be comprised of private & publicly held real estate investments.

5. Alternative Investments:

- Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, gold, real return strategies, venture capital, private equity, and other hedged investment vehicles. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through ~~the use of a~~ “fund of funds” approach.
- The Finance Committee’s approval will be required prior to any purchase of an alternative investment that does not have daily liquidity.

6. Cash/Cash Equivalents:

- Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

V. BROKERAGE AND PROXY POLICY

- All transactions effected for UFSS will be “subject to the best price and execution.” Securities and cash will be held in custody at Fidelity Investments.
- Proxy voting has been delegated to SHGA. SHGA has retained Broadridge to vote proxies in the best interest of the shareholders.

VI. CONTROLS AND MONITORING

- As scheduled, the UFSS Finance Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk, ~~and return~~, and mission-related objectives established ~~for by~~ UFSS’s Board. The review may include topics such as the overall business management, organizational changes and other relevant factors.
- SHGA will provide on a regular basis, and in response to ad hoc Board requests, elevated reporting on underlying exposures to geographies, sectors, industries and individual securities as determined by the Finance Committee.
- The Finance Committee will regularly review and report out to the Board any findings as it pertains to matters of mission alignment. Should such matters be determined by the Board of Directors as requiring mitigation, the Finance Committee will provide direction to the Advisor, who will reasonably address within the construct of the Foundation’s implementation approach.
- The Advisor will work with the Finance Committee to develop detailed reporting on geographic, sector and industry exposures on a regular basis as well as provide individual corporate equity and bond exposures on an annual basis.
- The Internal Accounting Team will increase the level of reporting and the approachability of our messaging in our external communications and annual audited financial statements.

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font: Bold

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"

Prepared By:

Reviewed and Accepted By:

Brian Dombkowski, CFA
Chief Executive Officer
Sand Hill Global Advisors, LLC

Michael Reza
Vice President for University Advancement
Sacramento State University Foundation

Date: _____

Date: _____

Sonia Diwa
Auxiliary Accounting Manager
Sacramento State University Foundation

Date: _____

Tabitha Leeds
Senior Director of Accounting Services
Sacramento State University Foundation

Date: _____

Alice Perez
Board Chair
Sacramento State University Foundation

Date: _____

Formatted: Left

APPENDIX C

1. Benchmark Composition

The Blended Benchmark will be used for the total portfolio review and to review SHGA. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Blended Benchmark is composed as follows:

Asset Class	Index	Weight
Equity		
Domestic Large Capitalization	S&P500 Index	40%
Domestic Small Capitalization	Russell 2000 Index	11%
Foreign	MSCI All-Cap World Index excl. USA	15%
Fixed Income	Bloomberg Barclays U.S. Aggregate Index	21%
Absolute/Real Return Strategy	Bloomberg Barclays 1-3 Year Aggregate Index	7%
Real Estate	NAREIT Index	4%
Cash/Cash Equivalents	U.S. T-Bill 30-day Index	2%

Prior to 6/30/2022, the blended benchmark consisted of the following indices: 36% S&P 500 Index, 11% Russell 2000, 15% MSCI All-Cap World Index excl. USA, 21% Barclays US Aggregate Index, 7% Barclays 1-3 Year Aggregate Index, 4% NAREIT Index, 4% Bloomberg Commodities Index, and 2% US T-Bill 30-day Index. Prior to 3/31/2020, the blended benchmark consisted of the following indices: The equity benchmark consisted of 30% S&P 500 Index; 9% Russell 2000 Index; 13% MSCI All-Cap World Index excl. USA. Prior to 12/31/2016 the equity benchmark consisted of 100% MSCI ACWI. The fixed income benchmark consisted of 30% Barclays U.S. Aggregate Index. The alternatives index consisted of 8% Barclays 1-3 Year Aggregate Index; 4% NAREIT Index; 4% Bloomberg Commodity Index. The cash benchmark consisted of 2% U.S. T-Bill 30-day Index.

To: Board of Directors, The University Foundation of Sacramento State

From: Finance Committee

Date: April 25th, 2025

Subject: Recommendation to Adopt an Operational Liquidity Reserve Policy

Executive Summary

It is important for an organization to maintain adequate liquidity reserves for the purposes of financial stability, resilience during times of uncertainty and as a reflection of good governance. While there is no absolute 'rule of thumb', organizations typically create liquidity reserve policies that mandate holding between 3 and 6 months of operating expenses as cash reserves. The specific policy an organization adopts is influenced by the visibility of an organization's business model, overall financial conditions and the degree of operational conservatism. Establishing a formal policy requires ancillary procedures to benchmark compliance. Based on an internal assessment of the Foundation's circumstances, the Finance Committee is recommending a liquidity reserve policy of '*at least 6 months of operating expenses*' be maintained at all times in our liquidity portfolios.

Best Practice Summary

While there is a range of liquidity reserve policies, most liquidity reserve policies stipulate 3-6 months of operating expenses be held as cash reserves. This level of reserves provides a buffer against unforeseen circumstances and ensures the organization can meet its short-term obligations, regardless of market conditions. Reserve policy is based on an organization's specific needs, the visibility of its business model, the financial condition of the organization, and the degree of fiscal conservatism the organization desires to express.

Policy Considerations

A formal policy requires a formal review process to assure ongoing compliance. Sacramento State maintains a tiered approach with different pools of capital, including multiple cash and short-term fixed income portfolios, which further support our mission beyond the Endowment Portfolio. Our liquidity balance is the sum of our cash reserves held in our Liquidity Portfolio, LAIF and our bank account. The Finance Committee will rely on our internal accounting department to verify our continued compliance with this policy and for recommendations on deploying excess liquidity balances from time-to-time.

Recommendation

The Finance Committee recommends the creation of a Liquidity Reserve Policy that maintains a '*at least 6 months of operating expenses*' as cash reserves.