



2016–2017 Southwestern College Foundation Annual Report to the Governing Board

Background

The SWC Foundation (Foundation), established in 1982, is an auxiliary nonprofit 501(c)3 organization of the Southwestern Community College District (District). The Foundation is governed by an independent, volunteer board of directors and the District provides staffing and support through the Office of Development and Foundation, which oversees and supports the Foundation's work. In compliance with the Master Agreement with the District, the Foundation provides an annual report to the District's Governing Board. This report covers fiscal year 2016-2017. It is important to note that 2016-2017 represents the first full fiscal and academic year the Foundation has operated with dedicated full-time staff support.

Board of Directors

The Foundation is governed by 18 volunteer Board of Directors (attachment A). Each board member commits to regularly attending board meetings, being active on a committee, attending and supporting college events and financially supporting the Foundation through charitable contributions. In addition to the regular board meetings, the Foundation holds an annual board retreat in the summer. This year's retreat focused on board development and strategic board growth. The Foundation board also spent time learning about the Superintendent/President's goals to guide and support the Foundation's fundraising activities and goals.

2016 – 2017 ACCOMPLISHMENTS

INFRASTRUCTURE

Technology: The Foundation partnered with the District to upgrade its Constituent Relationship Management (CRM) Fundraising Database – Blackbaud's Raisers Edge. The upgrade is cloud-based with vendor-provided support and training. The Foundation has been able to create online donation forms for multiple campus departments, including the Jag Kitchen and Veteran's Center. The Foundation has also been able to support campus event registration and ticket sales for the Theater, Dance and Music programs, as well as the Athletic Alumni Hall of Fame. The technology has also been used as the primary online donation tool for the Giving Tuesday and Year-End giving campaigns. The Development Specialist position was filled in February of 2017 and is currently developing Standard Operating Procedures, while continually training so the department can maximize its use of the technology for donor identification, cultivation, stewardship, and retention.

Governance and Policy: The Foundation hired an outside attorney who specializes in nonprofits and nonprofit foundations to review, update and create, in some cases, the Foundation Bylaws, Endowment Policy, Standardized Fund Agreements, Investment Policy (draft), and ensure requirements and obligations to the District were reflected in documents. The Foundation has chosen not to finalize the Investment Policy update until a Board Member is appointed who brings professional investment management expertise to the board. The Foundation also worked with staff to create new policies to allow use of the Foundation as a fiscal agent for District grant applications that require a 501(c)3 applicant and continues to create administrative policies that support District policies (i.e. Gift Policy).

Office Space: The Foundation moved into its new office space in Room 101 this year. The new office space provides a warm, welcoming environment to donors as they consider philanthropic investment. The new office also provides the

space and equipment needed to conduct the individual and department work of the Office of Development and Foundation.

Record and Finance Audit: The Foundation Executive Board, Executive Director and Fund Specialist undertook a complete record audit of all foundation scholarship funds and existing program accounts to ensure recording and reporting compliance with the Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB) and processes followed Generally Accepted Accounting Principles (GAAP). These efforts resulted in a new accounting policy and procedure manual, financial reports, financial statements and internal controls. The Foundation also solicited, evaluated and selected a new audit firm that is currently working on the 2016-2017 audit.

Staffing: Late summer of 2016, the Office of Development and Foundation experienced a vacancy in the Foundation Development Specialist position after only four months of having the position filled. Unfortunately, this delayed the full implementation of Raisers Edge. Without full staff support, the Foundation was still able to complete major infrastructure projects and fundraising activities. The Foundation Development Specialist was filled in February 2017.

FUNDRAISING IMPACT

Employee Giving: The Foundation launched Jaguars Give – an employee giving campaign in the fall of 2016. Employee giving was focused to four funding priorities established by the District including, the Jag Kitchen, SWC Cares, Veteran’s Scholarships and SWC Promise. However, employees could choose to direct giving to any program or scholarship account with the Foundation or allow the gift for unrestricted use. Employee giving grew from a little more than \$7,000 to almost \$14,000 with more than half being designated to funding priorities of the District.

Grants: Having a policy that provides a process for the Foundation to act as a fiscal agent on grant applications has been a wonderful asset to college programs soliciting funding from businesses/organizations that will only provide funding to a 501(c)3 nonprofits. More than \$113,000 in grant funding was received by the Foundation through grant applications.

Pass-Through: Pass-Through donations are received by the Foundation on behalf of a District program or department. These donations are deposited into the general fund of the Foundation and the Foundation immediately issues a check or turns over the non-cash donation to the benefitting District program or department. These donations typically require a 501(c)3 to be the receiver of the donation. This year more than \$32,000 in pass-through donations were received.

Special Events: The Foundation has two fundraising special events each year. The fall fundraiser was re-branded into an annual awards luncheon (Jaguar Award Celebration) to broaden the reach and visibility of the District and the Foundation. The 2016 Inaugural Jaguar Award Celebration honored Foundation Board Member Hank Murphy and his wife Shirley and District Alumni Scott and Susan McMillin. The event raised more than \$83,000 (net) a 60% increase from the 2015 event. The 5th Annual Student Success Golf Tournament brought out 120 golfers and raised more than \$38,000 (net) a 26% increase from the 2015 event. In total, special events generated more than \$121,000 (net) benefiting the District.

Mini-Grants: The Foundation’s primary use for unrestricted donations it receives is the Mini-Grant program. This program provides mini-grants to student organizations and campus programs to implement educational enrichment activities that cannot be supported through the General Fund. The Foundation awarded more than \$64,000 in 2016-17 to campus programs, a 28% increase from the previous year (Attachment B).

FUND DEVELOPMENT

Scholarships: The Foundation focused time on engaging donors to open new scholarship funds. A total of seven new donor scholarship funds were opened in 2016-17. The Foundation also spent time stewarding existing donors through strategic communications by mail and email.

Campus Program Funds: The Foundation encourages campus programs to open accounts with the Foundation that allows them to accept charitable donations and manage the expenditures accordingly. By using the Foundation as a vehicle to receive charitable donations, programs have the ability to increase fundraising results for their programs. The Foundation opened 12 new program accounts, including but not limited to the Jag Kitchen, Veteran's Brick Campaign, EDI Initiatives, Theater, etc.

CAMPUS DEVELOPMENT

Special Events: The Foundation provided special event support to the Athletic Alumni Hall of Fame and the Chicano Latino Coalition's Cesar Chavez Breakfast by receiving sponsorship donations, assisting with online registration and providing strategy support to departments to help identify sponsors and sponsorship levels and benefits.

Technology and Technical Support: The Foundation provided technology support to special events and to shows of the Dance, Theater and Music programs by creating online registration forms, online ticket purchases and the ability to take credit card payment at Mayan Hall for performances.

FOUNDATION FINANCES

Total [Unaudited] Assets as of June 30, 2017

	Time or Purpose Restricted	Unrestricted
Invested Scholarship Funds	797,585	158,509
Campus Program Accounts & Annual Scholarships	123,672	
General Fund		74,545
Reserve		40,634
Accounts Receivable		4,120
Pledges Receivable	2,948	
Subtotal	924,205	277,812
Total		1,202,017

*\$4,113 campus mini-grants returned to unrestricted and \$7 gift card.

The Foundation's moderate growth investment program includes three investment portfolios holding unrestricted, temporary time-restricted and permanently time-restricted donor funds. The primary purpose of these funds are scholarships. These funds are invested at the direction of donors to ensure growth of funds and awards.

Campus Program Accounts & Annual Scholarships represent temporarily restricted donor and department funds that have a designated purpose. These purposes could be annual scholarships or specific program/department support. Annual scholarships are typically awarded and funded each year and do not benefit from investment. Program/department accounts are not invested due to the need to access funds at any time.

General Fund represents unrestricted funds raised through contributions and fundraising efforts. Although these funds have an unrestricted purpose by the donor, the Foundation restricts a portion of these funds for Foundation programs including SODA Scholarships and Campus Mini-Grants, which represents roughly \$80,000 in commitments. Other support services funded through the general fund include independent auditor, legal support and fundraising special events.

The Foundation's Reserves currently represent 3.4% of the Foundation's total cash and investments. Below is an unaudited budget for FY2016-17. The Foundation's funding sources include special event revenue, contributions from individuals and organizations and investment interest and dividends.

	Audited FY15-16		Unaudited FY16-17	Change (+/-)
REVENUE		REVENUE		
Contributions	31,332	Contributions	295,709	264,377
Special Event (Gross)	118,818	Special Event (gross*)	164,860	46,042
Special Event Donor Direct Benefit	(37,638)	Special Event Donor Direct Benefit	(43,297)	(5,659)
Investment gain/loss, net of \$10,775 fees.	(33,195)	Investment gain/loss, net of fees	68,668	101,863
Interest and dividends	23,063	Interest and Dividends	14,528	(8,535)
TOTAL INCOME	102,380	TOTAL INCOME	500,468	398,088
EXPENSES		EXPENSES		
Scholarships	39,600	Scholarships	45,600	6,000
Campus Programs & Activities	50,493	Campus Programs & Activities	225,488	174,995
<i>Subtotal program expenses</i>	<i>90,093</i>	<i>Subtotal program expenses</i>	<i>271,088</i>	180,995
<i>Subtotal administrative expenses</i>	<i>13,081</i>	<i>Subtotal administrative expenses</i>	<i>32,200</i>	19,119
		<i>Subtotal fundraising expenses</i>	<i>290</i>	290
TOTAL EXPENSES	103,174	TOTAL EXPENSES	303,578	200,404
Change in Assets	-794	Change in Assets	196,890	

2016-17 Change in Assets:

Unrestricted Revenue \$176,584
Unrestricted Expense: \$75,786
Net: \$100,798

Restricted Revenue \$367,180
Restricted Expense: \$271,088
Net: \$96,092

*after merchant fees.

Next Year Goals

The Foundation will continue to build and strengthen its infrastructure by updating its investment and budget policy and launching a revised mini-grant program to address the increased requests and limited funding availability. Strategic fundraising efforts will increase with the fall launch of the successful Jaguars Give Employee Giving Program to increase employee giving, increase fundraising support to campus programs and events, complete the transition of all scholarship funds to the Foundation and implement the new scholarship program that is a partnership of the Foundation and Financial Aid Office and includes increased opportunities for donor/student connections, celebrate the District's birthday with a one-day giving campaign, launch another end-of-year campaign and continue its tradition of holding successful special events benefiting the District.

Public relations and awareness will also increase as the Foundation begins to research and plan for the launch of an Alumni Network, increase visibility and awareness of District successes and celebrations through social

media, special event support and donor communication including an online and limited-hard copy edition of a annual donor magazine in the spring.

Office of Development and Foundation

The Foundation would like to thank the District for investing in an Office of Development and Foundation. The support provided by this investment has given the Foundation the tools and campus connections to strengthen and increase Foundation and campus development efforts. Financial return on investment does not include a valuation for increased public relations and visibility.

District Investment: Office of Development and Foundation 2016-2017 Actual Budget		Foundation Return	
Personnel	\$207,565	Total Funding Raised	\$500,468
Operations	\$37,252	Total Funding Awarded	\$271,088
Total Investment	\$244,817		

Public Awareness Activities

- Jaguar Award Celebration attended by 280 business, community, elected and philanthropic leaders and featuring student musicians and the work of landscape design students (centerpieces).
- Student Success Golf Tournament attended by more than 100 business, community and philanthropic leaders and featuring student ambassadors representing mini-grant recipients at various holes.
- Chula Vista Rotary Jag Kitchen Food Drive
- USE Credit Union Jag Kitchen Food Drive
- Partnership discussions and campus tours with:
 - Parker Hannifin with VP Kathy Tyner and Dean Michael Odu resulting in hiring priority for SWC students and feedback on curriculum needed for workforce development.
 - Seven Mile Casino with Dean Mink Stavenga and Culinary/Hospitality faculty Laura resulting in commitment to continue exploring partnership that includes guest speakers, shadowing and internship opportunities.
 - Sycuan Band of the Kumeyaay Nation with Superintendent/President Kindred Murillo to explore partnerships with commitment to deepen relationship around workforce development.
 - Facilitated the partnership with the Foundation and San Diego Food Bank to serve as nonprofit fiscal agent for the college to establish the Jag Kitchen.
 - Chula Vista City Councilmember Steve Padilla meet & greet
 - Hosted Mexican American Business Professional Association meeting on campus featuring presentation on SWC by Acting Superintendent/President Tim Flood
 - Presentation to Eastside Neighbors by Interim Superintendent/President Robert Deegan in Fall 2016 and by Superintendent/President Kindred Murillo in Spring 2017
 - Hosted SWC Alum and award winning writer, producer, playwright Joe Straczynski on campus for a community and student dialogue on success at and after Southwestern College.
 - Executive Director and staff represent the college and foundation at numerous community meetings and events.

Attachment A: Southwestern College Foundation (SWCF) Board of Directors

Name	Affiliation	Profession
Melyn Acasio	Bank of Southern California	Banking
Sofia Corona	Appreciation Financial	Insurance
Patti Finnegan	Niederfrank's Ice Cream	Business
Ruben Garcia	U.S. Small Business Administration	Business
Kimberly Grady	San Diego Comm. Housing Corp.	Business
Benjamin S. Green, Board Past President	Green & Green LLP	Law
David Hoffman	Hoffman Hanono Insurance Services	Insurance
Lisa Johnson	NTC Foundation	Non-Profit
Ricardo A. Macedo, Board President	Bank of America	Banking
Joseph P. Martinez II, Board Vice President	Seltzer, Caplan, McMahon, Vitek	Law
Chayo Moreno	C. Moreno Solutions Inc.	Insurance
Hank Murphy	Retired, Sycuan Band of the Kumeyaay Nation	Fire Chief
Jesse Navarro	San Diego County District Attorney Office	Law Enforcement
Cynthia Reyna, Board Treasurer	USE Credit Union	Banking
Hale Richardson, Board Secretary	HomeFed Corporation	Real Estate/ Finance
Jean Roesch, Ed.D.	Retired, Former SWC Trustee	Education
Mitch Thompson	T&T Community Properties	Real Estate / Finance
Heather Daud Rubio	Christy White Associates	Finance
Nora Vargas (Advisor)	SWC Governing Board	Education
Kindred Murillo, Ed.E. (Advisor)	Superintendent/President	Education
Zaneta Encarnacion (Advisor)	Executive Director	Education

Attachment B: 2016-2017 MiniGrants

Program/Department	Project
Academic Affairs	College Preview Day Fall 2016
Academic Affairs	College Preview Day Spring 2017
Architect Club	N. Ca. University Tours
Arts/Comm/SS	Art Gallery Panelist and Speakers Series
Arts/Comm/SS	Guest Speakers Series, Special Exhibition and Poetry
Arts/Comm/SS	Mariachi Garibaldi Performance in Belgium
Arts/Comm/SS	Mariachi Scholarship Foundation Conference at SWC
Arts/Comm/SS	NCECA Conference
Arts/Comm/SS	SWC Dance Company
Arts/Comm/SS	Trip to Getty Villa and Scholarship Presentation
CITD	Supply Chain & Logistics Certifications
Counseling	Bayan Scholars Program University Tour
Counseling	Bayan Scholars Program University & Agbayani Village Tour
Counseling	FYE (First Year Experience) End of Year Celebration
Counseling	Historical Black Colleges Tour
Counseling	Men of Color Conference
Counseling	Personal Wellness Services
Counseling	Puente Project
DSS	Disability Awareness Festival & ACCESS Awards
EDI	Diversity and Inclusion Initiatives
Emp Assoc. - Black Alliance	Kente Stole Black Presentation
Emp Assoc. - Chicano/Latino Coalition	Cesar Chavez Breakfast
EMT/Paramedic	Intravenous Practice Arm
EMT/Paramedic	People Care / Blink
EMT/Paramedic	Pull-Up Assist Machine
EOPS	Adelante Estudiante Program
Graphic Design Dept.	Graphic Design Guest Speaker Series
Journalism	SWC SUN student newspaper
Lang/Lit/Hum	Culture & Language Internation Film Festival (CLIFF)
Lang/Lit/Hum	Invited Author Series
Lang/Lit/Hum	Invited Author Series
Lang/Lit/Hum	SWC Guest Writer Series
Paralegal Program	Bridging the Gap Conference
Student Club - Anthropology Club	Evolutionary Morphology and Cultural Pressure
Student Club - Architect	Cal Poly San Luis Obispo Design Village 2017
Student Club - Architect	Southern California University Tours
Student Club - Phi Theta Kappa	International Convention
Student Club - SAGA	S.A.G.A. Community Cultivation
Student Club - SHPE	SHPE National Conference
Student Club - SHPE	SHPE Regional Leadership Development Conference
WESA	12th Annual Athletic Hall of Fame
WESA	Football Equipment