

MINUTES OF MEETING OF CSU INSTITUTE BOARD

Chancellor's Office
401 Golden Shore, 6th Floor, Rm. 639
Long Beach, CA

September 25, 2012

3:00 pm – 3:13 pm

Board Directors Present

1. Charles Reed, Chairman
2. Ephraim P. Smith, Secretary
3. Benjamin F. Quillian, Treasurer

Staff Present

1. George V. Ashkar, Assistant Vice Chancellor, Financial Services
2. Robert Eaton, Senior Director, Financing and Treasury
3. Jean Gill, Assistant Controller, Financial Services Accounting
4. Kelly Cox, Associate Director, Financial Services Accounting
5. Colleen Zenger, Financial Manager, Financing and Treasury

Chairman Reed called the meeting to order at 3:00 pm.

Minutes were taken by staff (Colleen Zenger).

Approval of the Institute Board minutes of June 27, 2012 (action item)

Chairman Reed asked the Board if there were any questions regarding the Institute Board minutes of June 27, 2012 and, as there were none, asked for a motion to approve the minutes. Treasurer Quillian so moved and Secretary Smith seconded the motion. The minutes were approved unanimously.

Approval of the Institute Audit Committee minutes of July 9, 2012 (action item)

Chairman Reed asked the Board if there were any questions regarding the Institute Audit Committee minutes of July 9, 2012 and, as there were none, asked for a motion to approve the minutes. Treasurer Quillian so moved and Secretary Smith seconded the motion. The minutes were approved unanimously.

Approval of the Institute Audit Committee minutes of September 20, 2012 (action item)

Chairman Reed noted that the minutes stated that certain points had been clarified by Mark Thomas from KPMG. Chairman Reed asked staff what these points were. Ashkar said that the points were minor. Chairman Reed asked the Board if there were any questions regarding the Institute Audit Committee minutes of September 20, 2012 and, as there were none, asked for a motion to approve the minutes. Treasurer Quillian so moved and Secretary Smith seconded the motion. The minutes were approved unanimously.

Presentation of an update of the Institute's commercial paper program (information item)

Colleen Zenger presented an information item regarding an update of the Institute's commercial paper program (Program).

Zenger stated that the Program's outstanding commercial paper balance is approximately \$71.7 million with a weighted average interest rate of 19 basis points. She stated there would be an upcoming commercial paydown of approximately \$20 million due to the recent bond sale and that upcoming new issuance through December would be roughly \$38 million.

Approval for Retroactive Reappointment of Dr. Quillian as Treasurer (action item)

George Ashkar presented an action item for the approval of the retroactive reappointment of Dr. Quillian as Treasurer.

Dr. Quillian's appointment as Treasurer began on December 18, 2008 and expired on December 18, 2011. Ashkar asked the Board to approve the retroactive reappointment of Dr. Quillian as Treasurer for a three year term beginning on December 28, 2011 and ending on December 18, 2014. Eaton informed the Board that Board appointments would be ticklered to ensure that appointments are done on a timely basis.

Chairman Reed asked for a motion to approve the retroactive reappointment of Dr. Quillian as Treasurer for a three year term beginning on December 28, 2011 and ending on December 18, 2014. Secretary Smith so moved and Chairman Reed seconded the motion. The retroactive reappointment of Dr. Quillian as Treasurer was approved unanimously.

Approval for Modification to the Institute's Articles of Incorporation (action item)

George Ashkar presented an action item for the approval of a modification to the Institute's Articles of Incorporation.

The California State University Board of Trustees amended Article 3, Section 42600, of Title 5 of the California Code of Regulations. This amendment delegates authority from the Board of Trustees to the Chancellor to approve the dissolution of an auxiliary organization. To comply with this Title 5 amendment, Ashkar asked for approval to remove the phrase "and the Board of Trustees" in Article X, Irrevocable Dedication and Dissolution, in the Institute's Articles of Incorporation.

Chairman Reed asked for a motion to approve the removal of the phrase "and the Board of Trustees" in Article X, Irrevocable Dedication and Dissolution, in the Institute's Articles of Incorporation. Treasurer Quillian so moved and Secretary Smith seconded the motion. The modification to the Institute's Articles of Incorporation was approved unanimously. Chairman Reed and Secretary Smith signed the modified Articles of Incorporation.

Approval of the Institute's Audited Financial Statements for Fiscal Year 2011 – 2012 (action item)

George Ashkar presented an action item for the approval of the Institute's Audited Financial Statements for Fiscal Year 2011 - 2012.

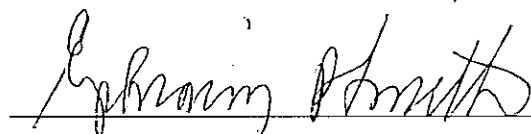
Ashkar said that the financial statements had received a clean opinion from KPMG. Chairman Reed asked why there was a subsequent event listed on page 13. Eaton explained that KPMG requires the Institute to report all material events

that occur between the end of the statements' fiscal year, June 30, 2012, and the point in time KPMG audits the financials. This is standard practice for financial statements, the purpose of which is to ensure financial transparency.

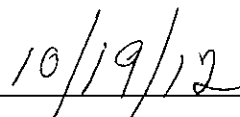
Chairman Reed asked for a motion to approve the Institute's audited financial statements for fiscal year 2011 - 2012. Secretary Smith so moved and Treasurer Quillian seconded the motion. The Institute's audited financial statements for fiscal year 2011 – 2012 were approved unanimously.

Meeting was adjourned at 3:13 pm.

Respectfully submitted,



Ephraim P. Smith, Secretary



Date