



**The University Corporation
San Francisco State**

Room ADM 361
1600 Holloway Ave.
San Francisco, CA 94132

ucorp.sfsu.edu

***Resolution Authorizing University Corporation to Secure Line of Credit with
Bank of San Francisco and Adopting Protocols for Use Thereof***

Whereas, The University Corporation, San Francisco State (U Corp), has a variety of revenue streams, which support its operations and permit it to further its mission, yet, like many corporations around the world, including not-for-profit corporations, has experienced significant impacts to its revenues due to the current global public health crisis; and

Whereas, U Corp maintains an operation reserve fund to support its continued operations in instances when expenses exceed revenues, but the deleterious impacts of the current crisis are substantial and may continue well beyond a period through which it can continue to operate based on its reserves; and

Whereas, U Corp's bylaws, Article VI, Section 7, expressly require that if the Corporation is to borrow funds, that it do so only upon approval by the board of directors through a resolution; and

Whereas, U Corp management has been in contact with staff in the CSU Chancellor's Office, as well as several lenders to research whether it can secure a line of credit, and has determined that it would be prudent to do so to assist with cash flow should the current financial downturn continue; and

Whereas, the U Corp board of directors at its meeting on June 22, 2020 unanimously passed a resolution supporting the effort to secure a line of credit of up to \$5 million and entrusted the approval of the specific terms and banking partner to the executive and finance committees, who were charged with undertaking a diligent and thorough review based on a recommendation by U Corp management; and

Whereas, management has provided the executive and finance committees with a memorandum summarizing its research and recommendation, a copy of which is attached herewith, and wherein, U Corp's executive director and its director of finance and administration have recommended that U Corp secure a line of credit for \$3 million with the Bank of San Francisco (BSF) based on the favorable terms offered by BSF; and

Whereas, the finance committee has reviewed the recommendation and endorsed it; and

Whereas, management has reviewed the methods by which it would ensure sound fiscal prudence in drawing on the line of credit, and will establish related protocols as set out below;

THEREFORE, BE IT RESOLVED, that the executive and finance committees, with the authority delegated to them to approve a resolution securing a line of credit by the board of directors at its June 2020 meeting, hereby approves and supports securing a line of credit of \$3 million (three million dollars), with the Bank of San Francisco, and entrusts any steps needed to finalize such a transaction to U Corp's executive director, including securing any needed approvals from the California State University; and

BE IT FURTHER RESOLVED; that management will follow established protocols with respect to the line of credit once secured:



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- 1) Through its customary cash management review, and under the direction of U Corp’s director of finance and administration, personnel will stay apprised of the corporation’s fund balances in its depository accounts, including its Local Agency Investment Fund (LAIF) held by the State of California, and its funds at Wells Fargo. As is customarily the case, the balances in these accounts are sufficient to meet the corporation’s needs.
- 2) Should worsening cashflow leave U Corp with insufficient funds to meet its obligations, the director of finance and administration, with the support of the executive director, will recommend to the chair of the board and the chair of the finance committee that the corporation plans to draw from the credit line. The recommendation will be in the form of a memorandum setting out the fund balances in the corporation’s depository accounts, as well as any outstanding commitments that necessitate the need for use of the credit line. Either the board chair or the finance committee chair may approve a request from the executive director to use the credit line.
- 3) At each regularly scheduled meeting of the finance committee, the director of finance and administration will provide an update on the line of credit and discuss whether any funds have been used, as well as the anticipated plan for repayment.

Passed and adopted on the 18 day of November 2020 by the following vote:

Aye: 8 No: 0 Abstain: 0 Absent: 1

Secretary Certification

The undersigned states that she is the authorized Secretary of the Corporation and certifies that on November 18, 2020, at a specially called meeting of the Executive and Finance Committees of the Board of Directors of the University Corporation, San Francisco State, at which a quorum was present and acting throughout, the foregoing resolution was adopted by the votes indicated above.

01/27/2021 | 3:39 PM PST

Wherefore, the undersigned has executed this Certification this date _____
in San Francisco, California.

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Bonnie Li Victorino
Secretary of the Board

Action Item No.: 20201118-02