

NHCC Foundation FAQs

December 2016

What's been done since the theft was discovered?

The discovery occurred during a routine independent CPA audit. Upon learning of the inconsistencies, the Foundation's Board:

- Terminated the contractor's agreement,
- Secured all financial accounts,
- Engaged the CPA firm to investigate the discrepancies,
- Retained counsel to guide the Board through the many important steps of reporting a financial crime,
- Reviewed the CPA's findings,
- Communicated with college leadership,
- Reported the incident to the Brooklyn Park police department. Nov. 15, 2016 the contract bookkeeper was charged with six counts of felony theft by swindle.

What additional safeguards are you instituting to secure Foundation finances?

Short term measures were implemented immediately upon knowledge of the theft, restricting access to all accounts and limiting authority for issuing checks. Going forward, we are instituting several practices to enhance dual controls and separation of duties for all activities related to financial transactions. And after thorough vetting and background research, we are in the final stages of contracting with an experienced bookkeeping firm to manage and report on the financial activities of the Foundation. This firm has extensive expertise with other Minnesota college foundations and we anticipate engaging these services before the end of the year. Further refinements to our financial safeguards will be implemented once this expertise is in place.

What is the amount involved and the impact?

- 80% of the Foundation's overall funds were not impacted by the theft.
- About \$180,000 was involved in the theft.
- All scholarship commitments for this fiscal year will be fulfilled.
- We have started working to rebuild Foundation finances to ensure that scholarships are available in the coming years.

What comes next?

- Rebuilding. This wasn't just a theft from the Foundation. It was a theft from the students our scholarships support. We are very grateful for the support our donors have already shown, with many pledging to continue their commitments into the next year and in some cases, increase their commitments. This support will be essential to continuing to provide opportunities for NHCC students in the coming years.

- We are actively communicating what we know with donors, employees and our many supporters. We will post updates on the foundation web page and work to keep the lines of communication open.
- Nov. 15, the contract bookkeeper was charged with six counts of felony theft by swindle. We will continue to cooperate with authorities as that legal process unfolds.
- The Foundation will continue to work closely with NHCC leadership as we make plans to rebuild our finances.
- We are instituting additional safeguards (see above).
- We will continue to operate, accept donations and award scholarships.

How did the fund loss/theft happen?

There is more information on the theft available on [Hennepin County Attorney's website](#) and in the [complaint filed by Brooklyn Park police](#).

I have an endowed scholarship with the Foundation. What is the state of my money?

We are in contact with endowed scholarship donors on several fronts. We have reached out personally to each of them. The annual letter they receive each November about the state of their asset will be delayed a few weeks as we work to ascertain the scope of the impact, but they will receive the annual letter before the end of the year providing an up-to-date financial report of current balance of the endowment, including the impact of the theft.

I received a scholarship from the Foundation for this year. Will I still be able to get it?

Yes. All scholarship commitments made for *this* fiscal year are being fulfilled.

How long can we expect the legal process regarding the theft to take?

We have no control over the timeline followed by the Hennepin County Attorney's office but you can monitor developments [here](#). For the Foundation's part, we will continue to share information when we have it and work to keep the lines of communication open.

What happens if we don't recover some or all of the funds?

We are still in the early days of response to this incident, but are working with the college to ensure day to day operations of the Foundation continue. Our next steps will involve rebuilding finances and prioritizing events for next year given the available resources. We will communicate those plans with you once we have more information.

When/where will we find out more?

When available, further information will be posted on the Foundation's web page, at www.nhcc.edu/foundation. In the meantime, questions can be directed to the Foundation office at 763-424-0815 or foundation@nhcc.edu. You can also monitor the [Hennepin County Attorney's office web page](#) and our local news outlets, the [Sun Post](#) and [Channel 12](#), for developments.