1. Call to Order

   Trustee Zaldwaynaka “Z” Scott called the meeting to order.

2. Roll Call

   A quorum was verified and roll call was taken.

3. Verification of Meeting Notice

   The meeting notice was posted as mandated by the Illinois Open Meetings Act.

4. Action Items
   a. Approval of Previous Meeting Minutes

   Chairman Rozier moved to approve the previous meeting minutes. Trustee Young seconded the motion. The motion passed as follows:

   Ayes:   6
   Nays:   0

5. Information Items
   a. Administration and Financial Affairs Update
Mr. Larry Pinkelton, Associate Vice President for Administration and Finance, informed the Board that CSU is in a good net cash position of approximately $19.7 million. After the consideration of restricted activities, CSU has net cash available of approximately $12.5 million, as of September 30, 2012.

Mr. Pinkelton reported that out of projected receivables, approximately $56.5 million is projected to come in over the next 90 days, primarily for direct loans. Out of projected expenditures, approximately $41.4 million is anticipated over the next 90 days, primarily for payroll and accounts payable activity as well as refunds to students. All of this activity gives a projected balance of approximately $27.7 million. CSU has received all FY2012 payments from the State.

Chairman Rozier asked when the last payment was received by the State.

Mr. Pinkelton responded that the last payment was received the latter part of November of approximately $2.2 million.

Mr. Pinkelton stated that anticipated collections of approximately $34.2 million and expenditures of approximately $39.5 million would provide an anticipated balance of approximately $22.8 million as of June 30, 2013, the end of the fiscal year.

Mr. Edward Lannon, Director of Accounting/Controller, then presented an analysis of the quarterly financial statements ending September 30, 2012. He provided comparisons from September 30, 2012 to September 30, 2011. For cash and cash equivalents, there is an increase of approximately $20 million, due to the flow of state funds. Mr. Lannon gave an overview of the balance sheet and noted that the grant receivables have increased from last year.

Mr. Lannon also noted that deferred revenue has an increase of approximately $6.2 million due to receiving Capital Development Board (CDB) grants where CSU received the funds upfront to manage the payment of contractors. He also noted that the revenues and expenditures were down from last year, primarily due to the change in the PELL Grant rules.

1. Informational Item from General Counsel Patrick Cage

   General Counsel Patrick Cage stated that the Student Financial Assistance Outreach Center (SFAOC) will no longer be a fully-integrated entity part of CSU and housed at CSU due to recent passage of legislation. As a result, CSU is transferring the SFAOC equipment and property to a new entity.

   Chairman Rozier asked the General Counsel about his comfort with the legality of this transfer.

   General Counsel Cage answered that he is comfortable, with respect to furniture. CSU is also seeking transfer of the vehicles. That is outside the jurisdiction of Central Management Services.

   Trustee Young asked the General Counsel to reaffirm that the transfer of equipment and property will be made.

   General Counsel Cage responded, yes, CSU will make the transfer as an information item. There needs to be proof of certain assurances such as proof of automobile insurance and appropriate licensures.

b. Audit Update

Mr. Kenneth Clow, Chief Internal Auditor, gave an overview of the Internal Audit Board Report noting the following highlights with respect to Internal Audit:

- Completed Banner 8 Upgrade Audit.
- Issued final report on Revenue Bond Law.
- Currently engaged in Property Control Audits and the Closing of the Books Audit. State law now requires that Internal Audit to review the financial statement preparation process and the GAP
package process and to look at the Business Process Reengineering to identify process improvement strategies.

- Currently engaged in the Statutory Mandate Audit regarding faculty research and consulting and the Data Security of State Computers Act Audit.
- Finalizing the Return to Title IV Project Audit and Web Time Entry Audit.
- Completed Phase I of the Internal Audit software implementation.

Mr. Clow thanked Dr. Napoleon Moses and Mr. Prashant Shinde for helping with the Internal Audit website.

Trustee Scott asked how many times has Internal Audit met with management this year. Trustee Scott emphasized that the Board needs to know that Internal Audit and management have an ongoing dialogue.

Mr. Clow responded that management and Internal Audit have met at least 15 times and that Internal Audit meets with management on a regular basis, at least twice a month.

Trustee Scott asked Mr. Clow if he is consulted on issues and concerns regarding internal controls and does he receive the information that he needs.

Mr. Clow responded that yes, he is consulted and that when he has questions about specific areas, he requests more information and receives that information. Mr. Pinkelton added that Finance and Administration actively pursues Mr. Clow’s involvement in their processes.

General Counsel Patrick Cage responded that the auditor has a charter to all information at the University.

Trustee Scott stated that her concern is not about access but rather that Mr. Clow is included in the discussions pertaining to his area and gets the information he needs to fully operate.

c. Compliance Update

Ms. Deidre Cato-Baker presented an overview of the Compliance Board Report. Ms. Cato-Baker noted the following highlights with respect to Compliance:

- 2012 External Audit is on schedule.
- The Office of Compliance received a 90 percent compliance with the Mandated Reporter forms, which is now part of the New Employee Orientation.
- Each University department has a compliance liaison.
- January 2013 will be Compliance Month and the Office of Compliance will roll out a Compliance Resource Hotline for employees to voice compliance concerns.
- Quarterly compliance reviews with departments will be completed in December.

Chairman Rozier requested that the Office of Compliance give Trustee Scott an update on the quarterly compliance reviews.

d. Athletics Update

Mr. Dan Schumacher gave an update on the Athletics Department. Mr. Schumacher stated that Cougar 360 is the mission of the Athletics Department and that the Department is looking at the admission policy of student athletes during recruitment. Mr. Schumacher stated that it is important to minimize the missed class time of student athletes due to games. The future sports schedules will ensure student athletes are in class. Additionally, the Department of Athletics is setting a maximum of five (5) missed class days per semester for games.

Chairman Rozier asked about the missed class time of student athletes and if that is in their control.

Mr. Schumacher responded that no, the missed class time is not in the student’s control but rather it is simply the game schedule. The Department of Athletics will be implementing a policy/procedure manual for student athletes.
Chairman Rozier stated that he understands the Faculty Senate gave the new student athlete policy a vote of confidence with a 26/3 vote. Did the three (3) nays want the policy more stringent?

Mr. Schumacher stated that he is not sure about the three (3), but the new student athletic policy will hold everyone accountable.

Trustee Scott asked Mr. Schumacher if he has staff for compliance, regulations and rules.

Mr. Schumacher responded yes that he has two (2) staff persons assigned to this area: one staff person for NCAA Compliance and one staff person for Academic Services. But both of these offices will work together in accordance with best practices.

From a business perspective, Mr. Schumacher stated that the Athletics Department now has a ticketing operation for games, which will enable the Department to report accurate attendance numbers to NCAA and the Department of Finance to measure revenue. Mr. Schumacher thanked the Department of Finance for their assistance. Mr. Schumacher also stated that the Department of Athletics is finishing the policy and procedure manual. Additionally, the athletic facilities are clean and organized buildings. Mr. Schumacher complimented Mr. Derrick Sloboda on the new website for the Department of Athletics. He also thanked Mr. Sloboda for the increased press coverage on the athletic department.

Mr. Schumacher then discussed CSU moving to the Western Athletic Conference (WAC). WAC is a conference where some of CSU’s sister institutions such as the University of Illinois-Chicago, Illinois State and Northern Illinois University participate. He stated that CSU will be able to compete in post-season play and in revenue sharing.

Trustee Rozier asked for more detail regarding the student athletes and commended Mr. Schumacher on the conference change.

Mr. Schumacher stated that the WAC Resolution proposes an equity buy-in of $450,000, which is pro-rated over three years and has a five-year commitment. The President’s Council of WAC will determine after the five-year period, if an institution decides to leave, the level of the percentage of the buy-in that goes back to the institution. In the past, it has been 85 to 87 percent of the initial buy-in. President Watson is a member of the President’s Council of WAC.

1. **Action Item**
   a. **Western Athletic Conference Resolution**
      Mr. Schumacher presented the Western Athletic Conference Resolution.

      **Trustee Curtin moved to approve the Western Athletic Conference Resolution.**
      Chairman Rozier seconded the motion. The motion passed as follows:

      Ayes: 6
      Nays: 0

      Mr. Schumacher stated that he is excited because the coaches have something to sell to the student athletes about being on television with post-season play in the WAC.

   e. **Information Technology Update**
      Mr. Prashant Shinde thanked the Board of Trustees on becoming part of the CSU administration as the new Director of Information Technology. Mr. Shinde then informed the Board that the Department of Information Technology has three resolutions to present for their approval. Mr. Shinde presented the information related to the resolutions. The resolution for Ellucian and Oracle Software is to update the software used for student information and the software used for university operations. The resolution for Network Infrastructure would update the switchgear for the network and will impact every user connected to the CSU Internet Network. The last resolution increases the bandwidth that connects CSU users to the Internet and relocates the Data Center from Douglas Hall to the Cook Administration Building.


Trustee Young asked about the decision to renew the contract with Ellucian and Oracle and to move the Data Center and if the faculty and staff were involved in these decisions.

Mr. Shinde responded that in presenting these resolutions his department keeps in mind the key stakeholders: faculty and students and what will help to improve the productivity of the students and faculty. Mr. Shinde stated that this philosophy is the driving force behind the upgrades planned for this year.

1. **Action Items**

   a. **Ellucian and Oracle Software Resolution**
      Mr. Prashant Shinde presented the Ellucian and Oracle Software Resolution.

      Trustee Joyce moved to approve the Ellucian and Oracle Software Resolution. Chairman Rozier seconded the motion. The motion passed as follows:

      Ayes: 6
      Nays: 0

   b. **CSU Network Infrastructure Resolution**
      Mr. Prashant Shinde presented the CSU Network Infrastructure Resolution.

      Trustee Joyce moved to approve the CSU Network Infrastructure Resolution. Chairman Rozier seconded the motion. The motion passed as follows:

      Ayes: 6
      Nays: 0

   c. **Dark Fiber and Data Center Relocation Resolution**
      Ms. Prashant Shinde presented the Dark Fiber and Data Center Relocation Resolution.

      Trustee Joyce moved to approve the Dark Fiber and Data Center Relocation Resolution. Chairman Rozier seconded the motion. The motion passed as follows:

      Ayes: 6
      Nays: 0

   f. **Office of Grants and Research Administration**
      Dr. Yvonne Harris, Director of Grants and Research Administration, gave an overview of the Office of Grants and Research. Dr. Harris highlighted the following accomplishments with respect to Grants and Research Administration:

      - Implemented the corrective action plans from the audit updates of sponsored programs. To date, there is a preliminary 80 percent reduction in audit findings from FY2010.
      - Achieved moving CSU off of the watch list for the National Science Foundation (NSF).
      - Acknowledged staff who worked to help reduce the audit findings and implement the corrective action plans.
      - Fully transitioned the grant accountants to Finance and Administration and the accountants are now reporting and being supervised by Finance and Administration.
      - Hired a consultant, Mr. Eakins, to help CSU determine their indirect cost rates for facilities and administration of grants.
      - Received USAID approval for the Ghana Grant for approximately $4.3 million. CSU has yet to receive the formal correspondence from the USAID. The Ghana Grant received no Potential Audit Findings (PAF) this year.

Dr. Yvonne Harris then presented the Head Start/Early Head Start Resolution. Dr. Harris stated that this will be CSU’s last year of partnering with the City of Chicago on Head Start. Upon review, CSU has
experienced a decrease in the number of Head Start/Early Head Start slots and a decrease in City of Chicago funding. Additionally, the program has seen an increase in the number of audit findings and an increase in overhead expense. For each child, CSU receives a certain dollar amount to administer the program.

Dr. Harris reported that the expense is approximately $250,000 for CSU to continue administering Head Start that is not covered by the Head Start Grant. Dr. Harris reported that it is reasonable to end the Head Start/Early Head Start partnership due to funding challenges. The program would officially close out no later than March 2013. Dr. Harris informed the Board that the Strategic Plan is to have a childcare program on campus at CSU in the future.

*Trustee Young asked how many children are served in the program.*

Dr. Harris responded that approximately 100 children are served out of seven providers. Only 2 of the 100 children are children of CSU students.

*Trustee Young asked what the childcare plan is after ending Head Start.*

Dr. Harris responded that the Department of College Education is looking for grants and has a plan to build a childcare center at CSU. The Head Start providers will still exist but CSU will not administer the grant, but rather the grant will be supported by the City of Chicago.

1. **Action Items**
   a. **Head Start/Early Head Start Resolution**

   Dr. Yvonne Harris presented the [Head Start/Early Head Start Resolution](#).

   *Trustee Curtin moved to approve the Head Start/Early Head Start Resolution. Trustee Young seconded the motion. The motion passed as follows:*

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6. **Other Matters**
   a. **Public and Employee Comments**

   No additional comments from the public or employees.

7. **Adjournment**

   *Trustee Curtin moved to adjourn the meeting. Trustee Young seconded the motion. The motion passed as follows:*

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The meeting adjourned at 11:00 a.m.