

Chicago State University
Board of Trustees
Finance and Audit Committee Meeting Minutes
Academic Library – Auditorium, Room 415
March 21, 2011
9:35 a.m. – 11:30 a.m.

Board Members Present

Trustee Zaldwaynaka “Z” Scott, Chairman
Trustee Gary Rozier
Trustee Rev. Leon Finney, Ph.D.
Trustee Betsy Hill
Trustee Julie Samuels
Trustee Neffer Kerr, Student Representative

Board Members Not Present

Trustee Rev. Richard Tolliver, Ph.D.
Trustee Lisa Morrison Butler

Others Present

Mr. Wayne Watson, Ph.D., President
Mr. Patrick Cage, Esq., General Counsel for Labor and Legal Affairs
Mr. Kenneth Clow, Chief Internal Auditor
Mr. Mark Cipich, Assistant Director of Athletics
Ms. Carla Davis, Compliance Specialist and External Audit Liaison
Mr. Sudie Davis, Director of Athletics
Mrs. Ce Cole Dillon, Director of Information Technology
Ms. Curtistine Doyle, Director of Network Services
Mr. Jerald Knox, Financial Manager for Textbook and Learning Material Program
Ms. Stella Okeke, Director of Housing and Residence Life
Mr. Glenn Meeks, Vice President of Administration and Finance
Dr. Yvonne Harris, Interim Director for the Office of Grants and Research Administration
Mr. Edward “Ted” Lannon, Associate Vice President of Administration and Finance/Controller
Dr. Carol Carson-Warner, Executive Director for Textbook and Learning Material Program
Dr. Sandra Westbrooks, Provost and Senior Vice President for Academic Affairs
Ms. Altricia Wheeler, Administrative Assistant
Dr. Erma Brooks Williams, Associate to the President for the Board of Trustees and Governmental Affairs

1. Call to Order

Trustee 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**

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

Ayes: 5

Nays: 0

b. Federal Relations Services

Dr. Erma Brooks Williams presented the resolution asking the board to approve the federal relations services vendor. Dr. Brooks Williams explained that the RFP went out in December. Only one vendor responded. Another RFP went out in January. Two bids were received. She stated that the review committee ranked Barnes & Thornburg as the top vendor. Dr. Williams gave an overview of Mr. Richard Boykin, who would be representing Barnes & Thornburg, as the principal. *Trustee Scott requested to obtain an annual report of the services.*

Trustee Rozier moved to approve the proposed Federal Relations Services resolution. Trustee Samuels seconded the motion. The motion passed as follows:

Ayes: 5

Nays: 0

5. Information Items

a. Administration and Financial Affairs Update

Mr. Ted Lannon presented an overview of the quarterly financials and primary balance sheet. Mr. Lannon reported a total increase in assets of \$10.5 million. He stated that, over all, there is a decrease from \$28 million to \$27.8 million. The university is doing about the same as one year ago.

Mr. Glenn Meeks discussed the budget for FY2012. He stated that the Illinois state legislators will support a flat budget of approximately \$40 million for CSU in 2012. *Trustee Rozier inquired about CSU's plan to raise and reduce monies.* Mr. Meeks commented that there is a backup plan.

1. Action Items

a. Housing Fee Increase

Mr. Meeks presented the resolution for the housing fee increase of 5%. Ms. Stella Okeke explained that the increase is because of operational cost, vendors quotes and to provide more student employment opportunities.

Trustee Rozier moved to approve the proposed housing fee increase. Trustee Hill seconded the motion. The motion passed as follows:

Ayes: 5

Nays: 0

b. Undergraduate and Graduate Tuition and Fee Increases

Mr. Meeks presented the resolution for the proposed undergraduate and graduate tuition fee increases. The undergraduate tuition and fee increase would increase to 3%, which only affects incoming freshmen and transfer students. The graduate tuition and fee increase would increase to 10% because the undergraduate tuition was higher than the graduate rate.

Trustee Rozier moved to approve the proposed undergraduate and graduate tuition and fee increases. Trustee Hill seconded the motion. The motion passed as follows:

Ayes: 6

Nays: 0

b. Audit Update

Mr. Kenneth Clow stated that the external audit results for the last quarter have not been made public yet. *A full report will be presented at the May board meeting.* Ms. Carla Davis, Compliance Specialist and External Audit Liaison, was introduced.

1. Action Item

a. Internal Audit Charter

Mr. Clow presented the internal audit charter resolution for approval to establish the internal audit activity's position within CSU.

Trustee Rozier moved to approve the proposed Internal Audit Charter resolution. Trustee Kerr seconded the motion. The motion passed as follows:

Ayes: 6

Nays: 0

c. Athletics Update

Mr. Sudie Davis reported that four of the student athletes, Matthew Jordan, Mazvita Maziveyi, Shandella Darring and Hanya Minta, were recognized by the Great West Conference for their accomplishments in the classroom on January 31. He also stated that Kelvin White was named Great West Freshmen of the Year as he led CSU to an eighth place finish in indoor track and field. Mr. Davis further discussed that the women's and men's basketball teams, along with the baseball team, have all done an outstanding job.

Mr. Mark Cipich presented the deficit reduction plan. He stated that, in 2011, the deficit will be reduced to \$397,000 as a result of the increase of athletic fees, game guarantees, and an increase of \$400,000 gate receipts. *Trustee Scott inquired if there was a marketing plan.* Mr. Davis stated that a plan is being put together for the surrounding area.

Mr. Michael Bugielski and Mr. Omar Jefferson presented the Concussion Plan. Both are athletic trainers who can determine a concussion.

d. Textbook and Learning Material Project (TLMP) Assessment

Dr. Carol Carson -Warner summarized the budget for the program. She stated that based on the \$13 million granted under the three year USAID co-operative agreement, CSU has been awarded \$7,366,000, which represents 56% of the grant. Of that amount, 8% or \$589,000 is indirect cost. Dr. Carson-Warner mentioned that CSU is at risk of losing the remaining funding because of the federal cut backs. CSU is trying to maintain the dollars promised.

Mr. Knox discussed the practices and procedures to ensure efficient financial management of the TLMP program. He distributed the upcoming audit report plan. Mr. Knox noted that all audit findings were previous management.

e. Information Technology (IT) Update

Mrs. Ce Cole Dillon reported that her department received one material audit finding and two immaterial findings regarding security. Ms. Dillon stated that IT is in the process of completing a response to the findings. Ms. Dillon informed the Board that IT intends to complete the upgrade from Banner 7 to Banner 8 and develop a plan for implementation. She also stated that two new software programs related to security will also be implemented.

1. Action Item

a. Emergency Procurement for Telephone Maintenance

Ms. Doyle presented the emergency procurement for telephone maintenance, which supports the university. She stated that CSU has issued an "Emergency Procurement Affidavit" in the amount of \$197,960.51 to retain AT&T until April 3, 2011. The cost includes maintenance, service requests for relocations, cable pulls, and repair and replacement of malfunctions hardware.

Trustee Kerr moved to approve the proposed Emergency Procurement for Telephone Maintenance resolution as proposed. Trustee Finney seconded the motion. The motion passed as follows:

**Ayes: 5
Nays: 0**

f. Office of Grants and Research Administration

Dr. Yvonne Harris reported the audit findings and provided a plan to eliminate the findings. Dr. Harris also reported that the total grants received by the university were \$91.25 million. She stated of that total, \$10.11 million was from federal and state granting agencies and approximately \$81.14 million was the result of financial aid grant awards.

1. Action Item

a. Upward Bound Program

Dr. Harris presented the Upward Bound Program resolution. She stated that the university has received \$527,782 from the U.S. Department of Education for Upward Bound. Dr. Harris explained that the grant award is to generate skills and motivation necessary for success in education beyond high school for youth from low-income and first generation families who have academic potential.

Trustee Finney moved to approve the proposed Upward Bound Program as proposed. Trustee Kerr seconded the motion. The motion passed as follows:

**Ayes: 5
Nays: 0**

6. Other Matters

a. Public and Employee Comments

There were no public and employee comments.

7. Adjournment

Trustee Samuels moved to adjourn the meeting. Trustee Finney seconded the motion. The motion passed as follows:

**Ayes: 5
Nays: 0**

The meeting adjourned at 11:30 a.m.