

Chicago State University
Board of Trustees
Finance and Audit Committee Meeting Minutes
Academic Library – Auditorium, Room 415
March 8, 2013
10:10 a.m. – 11:00 a.m.

Board Members Present

Trustee Zaldaynaka “Z” Scott, Chairman
Trustee Lisa Morrison Butler
Trustee Michael Curtin
Trustee James T. Joyce
Trustee Gary L. Rozier
Trustee Anthony L. Young
Trustee Stephanie Sanchez, Student Representative

Others Present

Dr. Wayne Watson, President of Chicago State University
Mr. Glenn Meeks, Vice President, Administration and Finance
Dr. Lisa Young, Director of the Wellness Health Center
Mr. Larry Pinkelton, Associate Vice President, Administration and Finance
Mr. Kenneth Clow, Chief Internal Auditor
Ms. Carla Davis, Esq., Director of Compliance
Mr. Dan Schumacher, Intercollegiate Athletic Director
Mr. Patrick Cage, Esq., General Counsel for Labor and Legal Affairs
Ms. Farah Muscadin, Esq., Director of Intergovernmental Affairs, Office of Board of Trustees and Governmental Affairs
Ms. Christy Harris, Board Liaison Coordinator

1. Call to Order

Trustee Zaldaynaka “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**

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

**Ayes: 7
Nays: 0**

5. Information Items

a. Administration and Financial Affairs Update

Mr. Glenn Meeks, Vice President for Administration and Finance, informed the Board that Governor Pat Quinn has indicated an approximate 4 percent decrease in appropriated funding for state universities. However, this is a recommendation and may not represent the actual budget. Currently, CSU is funded out of the Education Assistance Fund. The University should know by the May Board Meeting the exact

amount of state funding CSU will receive for the next fiscal year. CSU has taken into consideration the approximate 4 percent decrease with its budget projections. At the May Board Meeting, Administration and Finance will present the FY2014 Budget

Mr. Meeks also reported that the University is in a positive cash position with approximately \$11 million as of March 31, 2013 and at the end of May, the University should have approximately \$11.5 million. The University has approximately \$6 million in monthly expenditures.

1. **Information Item** – SEPR Lab Fees (Secondary Education Professional Studies and Recreation)

Mr. Meeks stated that the Information Item: SEPR Lab Fees (Secondary Education Professional Studies and Recreation) relates to a slight increase in water safety and instruction fees related to the Red Cross and lab fees. This is a fee collected by the University and passed on to the Red Cross.

2. **Action Items**

a. **Student Injury and Sickness Health Insurance Resolution**

Mr. Meeks presented the Student Injury and Sickness Health Insurance Resolution. Mr. Meeks stated that there is a 6.44 percent increase of approximately \$65 a year. Dr. Lisa Young, Director of the Wellness Health Center, stated that this increase will cover the Affordable Care Act and the increase will become effective fall 2013.

Trustee Rozier asked if the fee increase for student health insurance is across the board for all universities.

Dr. Young stated that yes, all universities will most likely see an increase and that the increase will be different for each university.

Trustee Rozier moved to approve the Student Injury and Sickness Health Insurance Resolution.

Trustee Young seconded the motion. The motion passed as follows:

Ayes: 7
Nays: 0

b. **Commitment Fee Resolution**

Mr. Meeks presented the Commitment Fee Resolution. CSU will begin requiring new students to pay a \$50 commitment fee, which will be applied to their tuition.

Trustee Rozier moved to approve the Commitment Fee Resolution.

Trustee Young seconded the motion. The motion passed as follows:

Ayes: 7
Nays: 0

c. **Campus Wide Food Vendor Service Resolution**

Mr. Meeks presented the Campus Wide Food Vendor Service Resolution. CSU is seeking to advertise for a new vendor for dining services and have the vendor signed by the end of June 2013 to allow for a transition period starting July 1, 2013. The new vendor would be ready for fall 2013.

Trustee Rozier asked if the vendor pool will be larger with this bid than the last bid.

Vice President Meeks stated that the food vendor pool has increased since the last bid.

Trustee Rozier asked about receiving a more favorable fee.

Vice President Meeks responded that the University will look at pricing, quality, variety of food and catering.

Mr. Larry Pinkelton, Associate Vice President for Administration and Finance, stated that the University is looking to expand the concession arena on campus in areas such as helping to facilitate food services at the Jones Convocation Center and establishing a convenience store on campus.

Trustee Rozier asked if the students are part of the process.

Mr. Pinkelton responded that yes, a survey has been distributed to the entire CSU community for feedback.

Trustee Young asked why the University is changing food vendors.

Vice President Meeks responded that this is a mutual separation between the current vendor and the University.

Trustee Rozier moved to approve the Campus Wide Food Vendor Service Resolution. Trustee Young seconded the motion. The motion passed as follows:

Ayes: 7
Nays: 0

d. Travel Control Board Resolution

Mr. Meeks presented the Travel Control Board Resolution. The University falls under the Travel Control Board for the State of Illinois as a state university. The Travel Control Board sets the rates and the per diem. This resolution allows for CSU to name its representative to the Travel Control Board.

Trustee Rozier asked how the representative is vetted.

Vice President Meeks stated that the representative has knowledge and responsibilities related to this area as Assistant Director of Procurement and has previous involvement with the transportation industry.

Trustee Rozier moved to approve the Travel Control Board Resolution. Trustee Young seconded the motion. The motion passed as follows:

Ayes: 7
Nays: 0

Trustee Scott asked about an update on the Financial Audit and the number of audit findings.

Vice President Meeks stated that his department has implemented policies and procedures and corrective action plans to address the audit findings. There are not many repeat findings, most are new. For example, Accounts Payable has a manual process and received an audit finding. Administration and Finance is working to automate that area.

There are 29 findings in total and in the finance area there are approximately 7 to 9 audit findings that are under Vice President Meeks' responsibility. There are repeat audit finding in accounts payable, grant accounting and the Perkins Loan.

Trustee Scott asked if the Perkins Loan is a federal grant.

Vice President Meeks responded yes, the Perkins Loan is a federal award and falls under Title IV. CSU changed vendors that helped to service the loans and as a result of the transition, there were some audit findings.

Trustee Scott asked if Corrective Action Plans are in place.

Vice President Meeks responded yes, there are corrective action plans implemented and that he does not anticipate any repeat audit findings.

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:

- Currently completed two audit reports over the past quarter: Return to Title IV and Statutory Mandate Audit Regarding Faculty Research and Consulting.
- Currently involved in the following audits: 1) Data Security of State Computers Act, 2) Ad Astra, (an IT platform software being implemented), 3) Financial Close the Books, 4) Property Control and 5) Web Time Entry.
- Upcoming audits include payroll and ticket sales at athletic events.
- Internal Audit participates on numerous committees and is forming an Internal Audit Advisory Committee.
- Internal Audit has implemented the IDEA/Data Mining Software tool.
- The Internal Audit Internship Program has graduates now working at Ernst & Young, Grant Thornton, Urban Partnership Bank and the IRS.

Trustee Scott asked if the University President has approved an additional resource in the Internal Audit Office.

Mr. Clow responded yes, that they have recently advertised the position.

Trustee Rozier asked how many people are in the Internal Audit office.

Mr. Clow responded four (4) staff people.

1. **Action Item**

a. **Ratification of Internal Audit Charter Resolution**

Mr. Clow presented the Ratification of Internal Audit Charter Resolution. This is an annual requirement.

Trustee Rozier moved to approve the Ratification of Internal Audit Charter Resolution. Trustee Morrison-Butler seconded the motion. The motion passed as follows:

Ayes: 7
Nays: 0

c. **Compliance Update**

Ms. Carla Davis, Esq., Director of Compliance, presented an overview of the Compliance Board Report. Ms. Carla Davis noted the following highlights with respect to Compliance:

- In December, Ms. Carla Davis, Director of Compliance, and Ms. Timitra Robinson, Compliance Coordinator, completed the compliance licensing exam and are licensed compliance professionals. General Counsel Patrick Cage, Esq. and Ms. LaShondra Peebles, Director of Compliance for Enrollment Management, completed the compliance licensing exam as well.
- Additionally, the Office of Compliance has distributed to the Trustees a Board of Trustees Handbook on Compliance.

- Ms. Davis also stated that her office as a Power Point presentation for the Board but will give that presentation at the next Board Meeting due to today's abbreviated scheduled.

Trustee Scott asked Ms. Davis if she would circulate her presentation to the Trustees prior to her presentation at the next Board Meeting.

Ms. Davis stated that yes, she would.

d. Athletics Update

Mr. Dan Schumacher, Intercollegiate Athletics Director, gave an update on the Athletics Department. Mr. Schumacher stated the following highlights with respect to Athletics:

- The transition to the Western Athletic Conference has been very positive. WAC is transitioning from a football-sponsored conference to a basketball only conference. The University of Missouri-Kansas City is a recent new member. There will be more regionally recognized universities that will join WAC, which will improve divisional play and decrease travel costs.
- The Athletics Department honored 75 out of 119 athletes that have a G.P.A. of 3.0 or higher. These students are considered scholar athletes. This trend should continue to increase. The ACT score is increasing as well.
- The Athletics Department has recently submitted a Request For Proposal for athletic apparel. CSU has 14 varsity sports, soon to be 16. Recreation and intramural sports are included in the RFP.
- An RFP for student accident insurance, secondary insurance for athletes should be released soon. This is a requirement.
- CSU currently has 119 athletes. The number of projected athletes for next fall is 135-140. The Department of Athletics wants to achieve optimal roster numbers. In fall 2014, the total student athlete number should be approximately 200 with the addition of the soccer programs.
- The Department of Athletics hired an Assistant Compliance Coordinator.
- The baseball field is still in process and is being monitored.
- CSU will host the Great West Conference Tournament from March 14th – 16th.
- CSU will offer flag football next fall as an intramural recreational sport. President Watson asked Mr. Schumacher to discuss the possibility of football at a future meeting. Mr. Schumacher stated that the Department of Athletics is constantly keeping enrollment management in mind when planning athletic activities.
- The Department of Athletics has seen a significant increase in visitors at its new website and is posting YouTube videos of athletic plays. From 12/1 /2012 to 2/1/2013, there has been almost a 42 percent increase in activity of the website of approximately 230,000 visitors.
- CSU has recently established a relationship with WVON for sports coverage for men's basketball and is looking to expand its television contract, which will help to provide marketing for CSU.

Trustee Scott stated that she is happy to hear about the hiring of the Assistant Compliance Officer.

Mr. Schumacher responded that this will become increasingly important as athletic enrollment increases.

6. Other Matters

a. Public and Employee Comments

Mr. Gerald Shinn, current CSU graduate student, spoke about perceived value as it relates to CSU.

No additional comments from the public or employees.

7. Adjournment

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

Ayes: 7
Nays: 0

The meeting adjourned at 11:00 a.m.