



**RADFORD UNIVERSITY
BOARD OF VISITORS
BUSINESS AFFAIRS & AUDIT COMMITTEE MEETING
BOARD ROOM
MARTIN HALL – THIRD FLOOR
RADFORD, VIRGINIA
2:30 P.M.
SEPTEMBER 17, 2015**

DRAFT

MINUTES

COMMITTEE MEMBERS PRESENT

Dr. Javaid Siddiqi, Chair
Ms. Krisha Chachra, Vice Chair
Dr. Susan Whealler Johnston
Mr. Mark Lawrence
Mr. Randolph “Randy” J. Marcus

BOARD MEMBERS PRESENT

Mr. Anthony R. Bedell, Rector
Mr. Christopher Wade, Vice Rector
Dr. Kevin R. Dye
Ms. Mary Ann Hovis
Dr. Jerry M. Kopf, faculty representative (non-voting, advisory member)

OTHERS PRESENT

President Penelope W. Kyle
Mr. Richard Alvarez, Vice President for Finance & Administration and Chief Financial Officer
Mr. Joe Carpenter, Vice President for University Relations & Chief Communications Officer
Mr. Danny M. Kemp, Vice President for Information Technology & Chief Technology Officer
Dr. Joe Scartelli, Interim Provost & Vice President for Academic Affairs
Ms. Margaret McManus, University Auditor
Radford University faculty and staff

Mr. Allen Wilson, Assistant Attorney General, Commonwealth of Virginia

Dr. James Burke, Performance Management Group
Ms. Linda Pierce, Performance Management Group

Michele N. Schumacher, Secretary to the Board of Visitors

CALL TO ORDER

Dr. Javaid Siddiqi, Chair, formally called the meeting to order at 1:55 p.m. in the Board Room in Martin Hall on the campus of Radford University, Radford, Virginia and noted that pursuant to the draft Agenda as published “All start times for committees are approximate only. Committees meet sequentially in the order appearing. Meetings may begin either before or after the listed approximate start time as committee members are ready to proceed.”

APPROVAL OF AGENDA

Dr. Siddiqi asked for a motion to approve the September 17, 2015 Agenda, as published. Mr. Mark Lawrence so moved and Mr. Randolph “Randy” J. Marcus seconded, and the motion was unanimously approved.

APPROVAL OF MINUTES

Dr. Siddiqi asked for a motion to approve the minutes of the May 7, 2015 meeting of the Business Affairs & Audit Committee, as published. Mr. Lawrence so moved and Mr. Marcus seconded, and the motion was unanimously approved. A copy of the approved minutes can be found at <http://www.radford.edu/content/bov/home/meetings/minutes.html>.

REPORTS AND RECOMMENDATIONS

Report from Auditor of Public Accounts

Mr. Mike Reinholtz, Acquisitions & Contract Management Specialty Team Director and Radford Audit Project Manager with the Auditor of Public Accounts of the Commonwealth of Virginia, provided a summary of the APA’s audit of the University’s fiscal year 2014 financial statements, noting that the University received an unmodified opinion with no material weaknesses or instances of noncompliance. Mr. Reinholtz also briefed the Committee on the upcoming audit of the University’s fiscal year 2015 financial statements. A copy of the summary of the Results of the Financial Statement Audit is attached hereto as **Attachment A** and is made a part hereof.

Dr. Siddiqi thanked Mr. Reinholtz for his report.

Report from the University Auditor

Ms. Margaret McManus, University Auditor, introduced her staff and then provided an overview of the Internal Audit Department’s duties and responsibilities, including providing the Committee with a copy of the department’s current Charter. Ms. Margaret McManus also reported that a review of the University Discretionary Fund for the quarter ended June 30, 2015 was conducted, and that 100% of the expenditures were reviewed and all were in compliance with the Board of Visitors’ guidelines. Ms. McManus also presented the FY 2015 Activity Report, the FY 2016 Audit Plan, and the Budget and Staffing Summaries for FY 2015 and FY 2016, a balanced scorecard for FY 2015, a follow-up audit status report, and an audit report on Small Purchase Charge Card Point of Sale Transactions. A copy of Ms. McManus’ report is attached hereto as **Attachment B** and is made a part hereof.

Dr. Siddiqi thanked Ms. McManus for her report.

Write-Off of Past Due Accounts

Ms. Lisa Ridpath, Associate Vice President for Finance & Administration, provided the annual report for write-off of past due accounts for fiscal year 2015. A copy of the report is attached hereto as *Attachment C* and is made a part hereof.

Dr. Siddiqi thanked Ms. Ridpath for her report.

Report on Capital Projects

Mr. Richard Alvarez, Vice President for Finance & Administration and Chief Financial Officer, provided a capital project update report, and referred the Committee to the Capital Projects Update found in their Committee materials. A copy of the Capital Projects Update is attached hereto as *Attachment D* and is made a part hereof.

Alternative Tuition Models

Mr. Alvarez also provided a report regarding the various types of alternative tuition models used by institutions of higher education, including flat rate/plateau, per credit hours, guaranteed/fixed rate, and tiered pricing/program specific. A copy of the report is attached hereto as *Attachment E* and is made a part hereof.

2014-15 Financial Performance Report

Mr. Alvarez, Chief Financial Officer and VP for Finance & Administration, provided a summary of unaudited revenue and expenditure activity for the year ending June 30, 2015, and reported that revenue and expenditures were at expected levels and that contributions to the auxiliary reserve came in stronger than projected due to lower than anticipated contract vendor payments for meal plans, the timing of expenditures, and turnover and vacancy savings. A copy of the report is attached hereto as *Attachment F* and is made a part hereof.

Dr. Siddiqi thanked Mr. Alvarez for his reports.

ACTION ITEMS

Recommendation to the Board of Visitors for approval of the Radford University 2015-16 Operating Budget

Mr. Alvarez reviewed the 2015-16 operating budget, and explained that it was developed considering projected enrollment levels, actions taken by the Governor and General Assembly during the 2015 session, Board-approved tuition and fee rates, the strategic goals of the University, and the outlook of the economy. He provided an overview of the recommended budget by major program and reviewed the major base budget initiatives funded for 2015-16. After discussion, Dr. Siddiqi asked for a motion to recommend that the Board of Visitors approve the resolution entitled "Approval of the Radford University 2015-2016 Operating Budget". Mr. Lawrence so moved, and Mr. Marcus seconded the motion and the motion was unanimously adopted. A copy of the report and the resolution "Approval of the Radford University 2015-2016 Operating Budget" is attached hereto as *Attachment G* and is made a part hereof.

Recommendation to the Board of Visitors for approval of the Radford University 2015 Six-Year Plan

Mr. Alvarez reported on the University's Six-Year Plan (2015). He reported that Radford University's Six-Year Plan was updated to reflect existing strategies and new strategies based on institutional priorities and legislative action during the 2015 General Assembly Session. He noted that comments regarding the University's 2015 Six-Year Plan were received from state officials on September 1, 2015 with responses to the comments and final Six Year Plan due October 1, 2015. Dr. Siddiqi asked for a motion recommending that the Board of Visitors approve the resolution "Approval of Radford University's 2015 Six-Year Plan". Mr. Marcus so moved, and Mr. Lawrence seconded the motion and the motion was unanimously adopted. A copy of the report and the resolution "Approval of Radford University's 2015 Six-Year Plan" is attached hereto as **Attachment H** and is made a part hereof.

Resolution requesting approval of the University's 2016-2022 Six-Year Capital Outlay Plan

Mr. Alvarez reported on the University's 2016-2022 Six-Year Capital Outlay Plan. He stated that these submissions are used to prioritize capital projects for the Commonwealth. Mr. Alvarez reviewed the projects by biennium and provided a brief description of each. Dr. Siddiqi asked for a motion recommending that the Board of Visitors approve the resolution approving the University's 2016-2022 Six-Year Capital Outlay Plan. Mr. Marcus so moved, and Mr. Lawrence seconded the motion and the motion was unanimously adopted. A copy of the report and the resolution approving the University's 2016-2022 Six-Year Capital Outlay Plan is attached hereto as **Attachment I** and is made a part hereof.

Approval of Committee Goals

Dr. Siddiqi stated that the Committee needed to formally approve the Committee goals for the 2015-2016 academic year, and asked for a motion to approve the committee goals as follows:

- (1) conduct a Higher Education Finance 101 Orientation for all Board members;
- (2) in conjunction with the Academic Affairs Committee, prepare a cost/benefit analysis of all programs offered;
- (3) in conjunction with the Academic Affairs Committee, conduct a review of teaching and research faculty compensation level and strategies;
- (4) conduct a review and discussion of alternative tuition models.

Mr. Marcus so moved and Mr. Lawrence seconded and the goals were unanimously adopted. A copy of the resolution is attached hereto as **Attachment J** and is made a part hereof.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Michele N. Schumacher
Secretary to the Board of Visitors