

RADFORD UNIVERSITY
BUSINESS AFFAIRS & MARKETING COMMITTEE

February 7, 2012, 1:00 p.m.
One James Center
2nd Floor, Board Room 2G
Richmond, Virginia

APPROVED

MINUTES

COMMITTEE MEMBERS PRESENT

The Honorable J. Brandon Bell, Chair
Mr. Mark R. Pace, Vice Chair
Mr. Darius A. Johnson
Mr. Stephen A. Musselwhite, Rector
Ms. Wendy S. Tepper
Mr. Ronald R. Wesley
Ms. Linda K. Whitley-Taylor

BOARD MEMBERS PRESENT

Ms. Nancy E. Artis
Mr. Matthew B. Crisp
Mr. H. Rene Fonseca
Mr. Thomas E. Fraim, Jr.
Mr. Milton C. Johns
Ms. Megan Rhodes (non-voting advisory student representative)
Dr. Richard A. Roth (non-voting advisory faculty representative)

OTHERS PRESENT

Mr. Richard Alvarez, VP for Finance & Administration and CFO
Ms. Kim Chiapetto, Secretary to the Board of Visitors
Mr. Ron Forehand, Senior Assistant Attorney General
Ms. Penelope W. Kyle, President
Ms. Margaret McManus, University Auditor
Dr. Sam Minner, Provost and VP for Academic Affairs
Mr. James Noel, Assistant Attorney General
Mr. Andrew Powell, Audit Director, Auditor of Public Accounts
Ms. Lisa Ridpath, Associate VP for Finance and Administration
Mr. Michael Sidell, Audit Specialist-Human Services Management, Auditor of Public Accounts
Ms. Kim Chiapetto, Secretary to the Board of Visitors

CALL TO ORDER

The Honorable J. Brandon Bell, Chair of the Committee, formally called the meeting to order at 1:00 p.m. on February 7, 2012, in One James Center, Richmond, Virginia.

APPROVAL OF AGENDA

The Honorable J. Brandon Bell, Chair, asked for a motion to approve the February 7, 2012, meeting Agenda as published prior to the meeting. Mr. Darius A. Johnson made the motion, Mr. Mark R. Pace seconded the motion, and the motion carried unanimously.

APPROVAL OF MINUTES

The Honorable J. Brandon Bell, Chair, asked for a motion to approve the minutes of the September 11, 2011, meeting of the Business Affairs and Marketing Committee, as distributed. Mr. Darius A. Johnson made the motion, Mr. Ronald R. Wesley seconded the motion, and the motion carried unanimously.

REPORTS/RECOMMENDATIONS

University Auditor Report

Ms. Margaret McManus, University Auditor, presented an oral report on the University Discretionary Fund review for the quarters ending September 30, 2011, and December 31, 2011. One hundred percent of expenditures were reviewed and all were found in compliance with the Board of Visitors' guidelines. Ms. McManus also reviewed the Charter for the Office of Audit and Advisory Services and her reporting relationship to the Committee. Additional information presented included a follow-up audit status report and audit reports on the revenue collection point reviews of Parking Meters and Snack Vending. A copy of the report was included as part of the committee notebook and is attached hereto as *Attachment A*.

Report from the Auditor of Public Accounts

The Auditor of Public Accounts (APA) made their annual presentation on the results of their audit. Mr. Andrew Powell, Audit Director, presented a summary of their audit for the fiscal year ended June 30, 2011. The University received an unqualified opinion with no material weaknesses or instances of noncompliance. Mr. Powell detailed one internal control finding and recommendation regarding improving Banner system access controls and explained the classifications of audit findings. He commended the Controller's Office for taking prompt action on the recommendation. He also noted that auditors tested 100 percent of transactions instead of utilizing sampling techniques. Ms. Nancy E. Artis and Mr. Darius A. Johnson recognized the efforts of the University's staff to have so few comments given the broad scope of the audit. Mr. Powell also referenced the APA's Agreed-Upon Procedures work in Intercollegiate Athletics. A copy of the report was included as part of the committee notebook and is attached hereto as *Attachment B*.

Mr. Stephen Musselwhite, Ms. Nancy Artis, Mr. Matthew Crisp, Mr. Thomas Fraim, Ms. Linda Whitley-Taylor, Mr. Ron Forehand, and President Kyle left the meeting at 1:20 p.m. to attend the Governance and Administration Committee meeting.

Governor's Proposed 2012-2014 Executive Budget Recommendations

Ms. Lisa Ridpath, Associate Vice President for Finance and Administration, provided an overview of the Governor's budget recommendations for the upcoming biennium. The Governor's proposed budget includes roughly \$100 million each year of the biennium for institutions of higher education in support of the goals of the recently enacted Higher Education Opportunity Act of 2011. Proposed general fund increases for Radford University include almost \$3 million to support the goals of the Top Jobs Act such as base operations, degree incentives, enrollment growth, retention, and need-based undergraduate financial aid. Crossover occurs in mid-February and will provide more insight on the budget items proposed. A copy of the report was included as part of the committee notebook and is attached hereto as ***Attachment C***.

2012 General Assembly Session Update

Ms. Lisa Ridpath provided a summary of proposed legislation potentially impacting institutions of higher education. Several topics being tracked include enhanced higher education benefits for military personnel and their dependents, procurement related initiatives, safety and security legislation and new defined retirement options for state employees. A copy of the report was included as part of the committee notebook and is attached hereto as ***Attachment D***.

Level II Update

Ms. Lisa Ridpath provided an update on the University's desire to renew its Memoranda of Understanding (MOU) with the Commonwealth of Virginia for Level II Authority in the functional areas of Information Technology and Procurement. In order to have a unified renewal date for all MOUs, Radford worked collaboratively with the other Level II institutions to propose renewal MOU's that are consistent in format and content. The Secretary of Finance is coordinating the renewal process with the other Secretaries as appropriate. As information becomes available, the Board will be notified. A copy of the report was included as part of the committee notebook and is attached hereto as ***Attachment E***.

ACTION ITEMS

Resolution requesting approving the Small, Women, and Minority-Owned (SWaM) Plan for 2013-2017

Ms. Lisa Ridpath presented the University's Small, Women, and Minority-Owned (SWaM) Plan for fiscal years 2013 through 2017. She explained that the plan runs concurrently with the Level II MOU renewal for the functional area of Procurement and serves as a master plan that outlines the University's aspirational targets. Ms. Ridpath reviewed the methodology used to prepare the proposed targets which included discretionary spend projections, distribution of spend categories (i.e. goods and services versus capital outlay), historical spend in direct versus 2nd Tier reporting categories, SWaM vendor availability in our region, state contract renewals and expirations, and Institutional Performance Measures. The Committee discussed the proposed targets and methodology at length.

Mr. Richard Roth joined the meeting at 1:30 p.m. President Kyle re-joined the meeting at 1:40 p.m.

It was also discussed that the five-year SWaM Plan is submitted annually to the Virginia Department of Minority Business Enterprise (DMBE). Although the plan covers five years, it will be reviewed annually and revised as needed by the Board of Visitors based upon meeting current targets, projected discretionary spending, and state and University goals.

It was noted that for fiscal year 2011, Radford University's actual SWaM spending percentage was the highest of all Educational Secretariat agencies. Mr. Darius A. Johnson complimented the staff for exceeding stated goals and recognized the efforts of implementing procedures and programs to increase SWaM participation. He proposed increasing the minority-owned and women-owned targets in the later years of the plan to reflect more aspirational targets in line with the small business targets. He recommended revising fiscal years 2016 and 2017 targets for minority-owned to 10 and 12 percent respectively and for women-owned to 8 and 10 percent respectively.

Discussion ensued regarding the implications of the proposed revisions. Mr. Richard Alvarez explained that the University provides benchmarks to the state and they are considered on a "pass/fail" basis. Therefore, even if the University did better than everyone else in the state, but fell below its own benchmark, the University would receive a "fail" for that benchmark. He also noted that this affects the University's funding formulas. In response to a question, he commented that there is no downside now to increasing the targets in fiscal years 2016 and 2017, but cautioned that they must be monitored closely and reviewed each year. He acknowledged that the targets could be revised downward in future years, including fiscal year 2015, if needed.

A copy of the report was included as part of the committee notebook. The proposed amendment to the SWaM Plan was incorporated and the revised report is attached hereto as **Attachment F**.

Mr. J. Brandon Bell called for the recommendation of a Resolution (Attachment F) to approve Radford University's Small, Women, and Minority-Owned (SWaM) Plan for fiscal years 2013 through 2017 as amended. On a motion by Mr. Darius A. Johnson and seconded by Mr. Ronald R. Wesley, the recommendation was approved.

Mr. Rene Fonseca joined the meeting at 2:25 p.m.

Resolution certifying compliance with the Debt Management Policy

Ms. Lisa Ridpath explained that as part of Institutional Performance Standards reporting, the Secretary of Finance for the Commonwealth of Virginia requires an annual certification from the Board of Visitors that the University is in compliance with its Debt Management Policy. She provided an overview of the ratios, which demonstrated compliance with the policy. A copy of the report was included as part of the committee notebook and is attached hereto as **Attachment G**.

Mr. J. Brandon Bell called for the recommendation of a Resolution (Attachment G) certifying that Radford University is in compliance with its Debt Management Policy. On a motion by Mr. Ronald R. Wesley and seconded by Mr. Mark R. Pace, the recommendation was approved.

Resolution requesting approval of revisions to the Radford University Debt Management Policy

Ms. Lisa Ridpath explained that the University's Debt Management Policy was reviewed annually to ensure compliance with state guidelines and best practices. She provided the Committee with an overview of the proposed revisions which relate to formatting the policies and procedures in the new university-wide standard Policy template and revising the measure utilized when considering debt. The policy was originally approved in March 2007, with revisions in August 2007, and November 2010. A copy of the report was included as part of the committee notebook and is attached hereto as *Attachment H*.

Mr. J. Brandon Bell called for the recommendation of a Resolution (Attachment H) to approve the revisions to the Radford University Debt Management Policy as presented. On a motion by Mr. Darius A. Johnson and seconded by Mr. Ronald R. Wesley, the recommendation was approved.

ADJOURNMENT

With no further business to come before the committee, The Honorable J. Brandon Bell, Chair, adjourned the meeting at 2:35 p.m.

Respectfully Submitted,
Lisa H. Ridpath, Recorder