



RADFORD UNIVERSITY
BOARD OF VISITORS
BUSINESS AFFAIRS & MARKETING COMMITTEE MEETING
9:00 a.m.
May 10, 2013
Board Room, Martin Hall
Radford University

APPROVED

MINUTES

COMMITTEE MEMBERS PRESENT:

Mr. Darius A. Johnson, Chair
Ms. Nancy E. Artis, Vice Chair
The Honorable J. Brandon Bell
Mr. Stephan Q. Cassaday
Dr. Kevin R. Dye
Ms. Linda K. Whitley-Taylor, Rector
Mr. Milton C. Johns, Vice-Rector

BOARD MEMBERS PRESENT:

Mr. Anthony R. Bedell
Ms. Mary Waugh Campbell
Mr. Matthew B. Crisp
Ms. Sandra C. Davis
Ms. Ruby W. Rogers
Ms. Georgia Anne Snyder-Falkinham
Mr. Michael A. Wray
Dr. Laura J. Jacobsen, non-voting faculty advisory member
Ms. Emily Redd, non-voting student 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 Communications & Marketing and Chief Communications Officer
Dr. Sam Minner, Provost and Vice President for Academic Affairs
Ms. Margaret McManus, University Auditor

Ms. Lisa H. Ridpath, Associate Vice President for Finance & Administration
Mr. Chris Willis, Assistant Vice President for Finance & Administration and Chief Facilities Officer
Mr. Ronald C. Forehand, Senior Assistant Attorney General, Commonwealth of Virginia
Ms. Karen Helderman, Information Systems Development Specialty Team Director and Radford Audit Project Manager, Office of the Auditor of Public Accounts, Commonwealth of Virginia
Ms. Michele N. Schumacher, Secretary to the Board of Visitors

CALL TO ORDER

Mr. Darius A. Johnson, Chair, formally called the meeting to order at 9:00 a.m. on May 10, 2013.

APPROVAL OF AGENDA

Mr. Johnson asked for a motion to approve the May 10, 2013, meeting Agenda as published prior to the meeting. Ms. Nancy E. Artis made the motion. Mr. Stephan Q. Cassaday, seconded the motion, and the motion carried unanimously.

APPROVAL OF MINUTES

Mr. Johnson asked for a motion to approve the minutes of the January 28, 2013, meeting of the Business Affairs & Marketing Committee, as distributed. Mr. Cassaday made the motion, Ms. Artis seconded the motion, and the motion carried unanimously. A copy of the approved minutes is attached hereto as *Attachment A*, and is made a part hereof.

REPORTS AND RECOMMENDATIONS

Report from the Auditor of Public Accounts

Ms. Karen Helderman, Information Systems Development Specialty Team Director and Radford Audit Project Manager with the Auditor of Public Accounts for the Commonwealth of Virginia, presented information regarding the audit of the University's fiscal year 2011 - 2012 financial statements which had been completed, noting that the written report should be issued shortly. She noted that for fiscal year 2011 - 2012, the financial statements were presented fairly, in all material respects; there were no internal control findings requiring management's attention; and there were no instances of noncompliance or other matters required to be reported under Government Auditing Standards. Ms. Helderman noted that one of the areas that the audit focused on was the University's controls over its information technology area and the audit also resulted in no internal control findings for that area.

Ms. Helderman reported that the Auditor of Public Accounts also completed procedures on Intercollegiate Athletics' revenues and expenses to evaluate the University's compliance with National Collegiate Athletic Association (NCAA) requirements. She noted that the report was completed in December 2012 and that no issues requiring management's attention were identified.

University Auditor's Report

Ms. Margaret McManus, University Auditor, presented an oral report on the University's Discretionary Fund for the quarter ended March 31, 2013. She reported that 100% of expenditures were reviewed and all were found in compliance with the Board of Visitors' guidelines. Ms. McManus also informed the Committee about the Office of the State Inspector General (OSIG), which was created by the General Assembly in 2012, and its relationship to the internal audit function. She described the three primary tasks with which OSIG has been charged: operating the State Fraud, Waste, and Abuse Hotline, conducting performance reviews of state agencies which includes institutions of higher education, and recommending standards for internal audit programs across the state. She further noted that the recent OSIG Directive requires internal audit directors to forward copies of all audit reports to OSIG.

Ms. McManus briefly discussed six internal audit reports that had been distributed recently and then presented a follow-up audit status report, which is attached hereto as **Attachment B** and is made a part hereof. Finally, Ms. McManus presented the Committee with the report on the external quality assurance review of her department that is conducted every 5 years. She reported that Radford University's Internal Audit Department received the highest rating for conformance with internal audit standards. She also noted that there were four recommendations outlined in the report, two for the Board and the President and two for her department, specifically noting the name "Audit" should be incorporated into the name of the Board of Visitors committee charged with oversight of the audit function; the staff size of the internal audit department should be increased; there should be a link between the responses to the annual risk assessments that internal audit conducts and the audit plan that is developed to provide more clarity; and a balanced scorecard of performance measures should be created and provided to the President and the Board.

Capital Project Update

Mr. Chris Willis Assistant Vice President for Finance & Administration and Chief Facilities Officer, provided the Committee with an update on the University's Capital Projects, which is attached hereto as **Attachment C** and is made a part hereof.

General Assembly Update

Ms. Lisa Ridpath, Associate Vice President for Finance & Administration, provided information regarding legislation considered during the 2013 session of the General Assembly, noting that the University received approximately \$400,000 of additional funding for financial aid. She also noted that two capital projects were approved: planning funds for the construction of a new academic building and a scope change for a residence hall capital project from new construction to renovation. A copy of the General Assembly update provided by Ms. Ridpath is attached hereto as **Attachment D** and is made a part hereof.

2012 Write-Offs Report

Ms. Lisa Ridpath also delivered to the Board the write-off report which is required to be done annually. The report documents compliance with the delegated authority to write-off up to \$25,000 per quarter. A copy of the write-offs report is attached hereto as **Attachment E** and is made a part hereof.

ACTION ITEMS

Recommendation to Write-off Past Due Accounts

The Business Affairs & Marketing Committee reviewed and discussed the adoption of a resolution to write-off past due accounts receivables in the amount of \$205,842.02, which amount exceeds the delegated authority of the Vice President for Finance and Administration. Ms. Ridpath noted that this amount consists of past due accounts totaling \$162,596.38 that were referred to the Office of the Attorney General and are deemed uncollectible and past due accounts of \$43,245.66 that have been returned by the University's third party collection agencies and are deemed uncollectible.

Mr. Johnson asked for a motion to recommend to the Board the Resolution to Write-off Past Due Accounts. Ms. Artis so moved, and The Honorable J. Brandon Bell seconded, and the motion was unanimously adopted. A copy of the Resolution to be presented to the full Board is attached hereto as **Attachment F** and is made a part hereof.

Recommendation to Construct Student Fitness and Wellness Center (Project #17563) VCBA 9(d) Financing

The Committee then discussed the University's intent to issue bonds for the planning and construction of the Student Fitness and Wellness Center through the Virginia College Building Authority (VCBA) Pooled Bond Program. Mr. Johnson asked for a motion to recommend to the Board the Resolution for the Virginia College Building Authority Financing Authorization for the Construct Student Fitness and Wellness Center (Project Code 17563). Mr. Bell so moved and Ms. Artis seconded, and the recommendation was unanimously approved. A copy of the Resolution to be presented to the Board of Visitors is attached hereto as **Attachment G** and is made a part hereof

Recommendation to Renovate Residence Halls (Project # 17565) - General Obligation Bond Program 9(c) Financing

The Committee then discussed the University's intent to issue 9(c) Higher Education General Obligation Bonds for the planning and renovation of a Residence Hall Umbrella capital project. Mr. Johnson asked for a motion to recommend to the Board the Resolution to Renovate Residence Halls (Project Number 17565) General Obligation 9(c) Financing be recommended to the Board of Visitors. Mr. Bell so moved and Ms. Artis seconded, and the recommendation was

unanimously approved. A copy of the Resolution to be presented to the Board of Visitors is attached hereto as ***Attachment H*** and is made a part hereof.

Recommendation to approve the Six-Year Capital Plan

Mr. Alvarez reviewed the Six-Year Capital Outlay Plan 2014-2020 with the Committee, noting that the Plan is required to be updated on a scheduled basis and contains a list of capital projects that the University would like to do in the future. President Penelope W. Kyle indicated that the Six-Year Capital Plan is not static and does change over time. After discussions, Mr. Johnson asked for a motion to recommend to the Board the Resolution approving the Radford University Six-Year Capital Outlay Plan for 2014-2020. Ms. Artis so moved and Mr. Bell seconded, and the recommendation was unanimously approved. A copy of the Resolution to be presented to the Board of Visitors is attached hereto as ***Attachment I*** and is made a part hereof.

ADJOURNMENT

With no further business to come before the Committee, Mr. Johnson, Chair, adjourned the meeting at 10:12 a.m.

Respectfully Submitted,

Michele Nieroda Schumacher
Secretary to the Board of Visitors