



**RADFORD UNIVERSITY
BOARD OF VISITORS
BUSINESS AFFAIRS & AUDIT COMMITTEE MEETING
ONE JAMES CENTER
901 E. CARY STREET, 2ND FLOOR CONFERENCE ROOM 2-G
RICHMOND, VIRGINIA
2:00 P.M.
FEBRUARY 3, 2014**

APPROVED

MINUTES

COMMITTEE MEMBERS PRESENT

Mr. Matthew B. Crisp, Chair
Mr. Michael A. Wray, Vice Chair
Mr. Michael S. Hurt
Ms. Georgia Anne Snyder-Falkinham
Mr. Linda K. Whitley-Taylor, Rector
Ms. Mary W. Campbell, Vice Rector

COMMITTEE MEMBERS ABSENT

Mr. Stephan Q. Cassaday

BOARD MEMBERS PRESENT

Mr. Anthony R. Bedell
Ms. Callie Dalton
Dr. Kevin R. Dye
Mr. Milton C. Johns
Mr. Randy J. Marcus
Ms. Alethea "A.J." Robinson
Dr. Jerry M. Kopf, non-voting faculty advisory representative
Ms. Katrina Koussis, non-voting student advisory representative

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 and Chief Communications Officer
Mr. Danny M. Kemp, Vice President for Information Technology and Chief Information 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
Dr. Matthew Dunleavy, Interim Director of Academic Affairs

Dr. William Kennan, Vice Provost of Academic Affairs
Radford University information technology staff

Mr. Ronald C. Forehand, Senior Assistant Attorney General, Commonwealth of Virginia
Ms. Stephanie Hamlett, Senior Assistant Attorney General, Commonwealth of Virginia

Ms. Karen Helderman, Information Systems Development Specialty Team Director and Radford
Audit Project Manager, Auditor of Public Accounts
Ms. Betsy Wilson, Senior Audit Specialist-Capital Asset Management and Radford Audit In-
charge, Auditor of Public Accounts

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

Ms. Michele N. Schumacher, Secretary to the Board of Visitors

CALL TO ORDER

Mr. Matthew B. Crisp, Chair, called the meeting to order at 2:01 p.m. in Conference Room 2-G,
One James Center, 901 E. Cary Street, 2nd Floor, Richmond, Virginia.

APPROVAL OF AGENDA

Mr. Crisp asked for a motion to approve the February 3, 2014, meeting agenda as published. Ms.
Georgia Anne Snyder-Falkinham made the motion and Mr. Michael A. Wray, Vice Chair, seconded
the motion and the motion carried unanimously.

APPROVAL OF MINUTES

Mr. Crisp asked for a motion to approve the minutes of the November 7, 2013, meeting of the
Business Affairs & Audit Committee, as published, and noted that the minutes of the January 10,
2014, meeting would be approved at the next meeting. Mr. Michael S. Hurt made the motion and
Ms. Snyder-Falkinham seconded the motion, and the motion carried unanimously.

REPORT FROM THE AUDITOR OF PUBLIC ACCOUNTS

Ms. Karen Helderman, Commonwealth of Virginia Information Systems Development Specialty
Team Director and Audit Project Manager for Radford University, with the Auditor of Public
Accounts presented information regarding the upcoming audit of the university's fiscal year 2013
financial statements. She discussed the responsibilities of the auditors and management as well as
the planned scope and timeline of the audit.

Mr. Crisp thanked Ms. Helderman for her report.

REPORT FROM THE UNIVERSITY AUDITOR

Ms. Margaret McManus, University Auditor, presented an oral report on the University's Discretionary Fund review for the quarter ended December 31, 2013. She noted that one hundred percent of expenditures were reviewed and all were found in compliance with the Board of Visitors' guidelines. Ms. McManus also presented a follow-up audit status report which is attached hereto as *Attachment A* and is made a part hereof.

Mr. Crisp thanked Ms. McManus for her report.

REPORT ON THE GOVERNOR'S INTRODUCED 2014-2016 BIENNIAL EXECUTIVE BUDGET

Ms. Lisa H. Ridpath, Associate Vice President for Finance and Administration, provided the Committee with an overview of the Governor McDonnell's proposed 2014-2016 biennial executive budget. A copy of the report is attached hereto as *Attachment B* and is made a part hereof.

REPORT ON THE 2014 GENERAL ASSEMBLY LEGISLATIVE UPDATE

Ms. Ridpath also provided a summary of proposed legislation potentially impacting institutions of higher education and referred the Committee to the 2014 General Assembly Session Legislative Update found in their materials. This update is attached hereto as *Attachment C* and is made a part hereof.

REPORT ON CAPITAL PROJECTS

Ms. Ridpath also referred the Committee to the Capital Project Update found in their Committee materials, and stated that she would not review the report unless there were any questions. A copy of the Capital Project Update is attached hereto as *Attachment D* and is made a part hereof.

Mr. Crisp thanked Ms. Ridpath for her reports.

ACTION ITEMS

Resolution certifying compliance with the Debt Management Policy

Ms. 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. Mr. Crisp called for the recommendation of a Resolution certifying that Radford University is in compliance with its Debt Management Policy. On a motion by Mr. Hurt and seconded by Mr. Michael A. Wray, the recommendation was unanimously approved. A copy of the report together with the proposed Resolution is attached hereto as *Attachment E* and is made a part hereof.

Resolution authorizing the transfer of land

Ms. Ridpath requested approval by the Board of Visitors at Radford University to transfer two parcels of land, received by the University through a bequest, to the Radford University Foundation in order to fulfill a donor's wishes as outlined in their Last Will and Testament. Mr. Crisp called for the recommendation of a Resolution Authorizing the Transfer of Land. On a motion by Mr. Hurt and seconded by Ms. Snyder-Falkinham, the recommendation was unanimously approved. A copy of the report together with the proposed Resolution is attached hereto as **Attachment F** and is made a part hereof.

Strategic Budget Outlook (continued from November 7, 2013 and January 10, 2014, meetings)

Mr. Crisp reminded the members of the Committee that the presentation to be given by Dr. Sam Minner, Provost and Vice President for Academic Affairs, is a continuation of the Strategic Budget Outlook presentations that Dr. Minner had given at the November 7, 2013, and January 10, 2014 Committee meetings. Dr. Minner then provided a report in which he reviewed three areas of academic priorities of the Academic Affairs division, specifically, an expansion of the chemistry program to allow the University to seek accreditation by the American Chemical Society (ACS); expansion of the online Bachelor of Science in Nursing (BSN); and expansion of the undergraduate Criminal Justice program. He also reviewed the estimated costs associated with these priorities. A copy of Dr. Minner's presentation is attached hereto as **Attachment G** and is made a part hereof.

As a result of Dr. Minner's presentation and the discussion of the Committee that followed, Mr. Crisp called for the recommendation of a Resolution to focus resources on the three areas of academic priorities recommended by Dr. Minner and the reallocation of funds within the Academic Affairs Division as described below:

- (1) recurring direct expenses of \$593,310 and recurring indirect expenses of \$269,457 and a one-time expense of \$64,000 for an expansion of the Chemistry program to allow the University to seek accreditation by the American Chemical Society (ACS), and to assist the program to better serve various units on campus, in particular the Forensics Science Institute and Criminal Justice majors who pursue an Interdisciplinary Minor in Forensic Studies, and to meet the increasing need for chemistry courses by non-chemistry majors, including natural science and health program students;
- (2) recurring direct expenses of \$632,226 and recurring indirect expenses of \$287,663 to the Criminal Justice undergraduate program to address the increasing interest and demand for this major, increase the potential to work collaboratively with other academic units at RU, and enable the program to enrich its pre-law programming; and
- (3) recurring direct expenses of \$364,454 and recurring indirect expenses of \$165,827 and a one-time expense of \$12,000 for an expansion of RU's online Bachelor of Science in Nursing (BSN) program, which is designed for working

professionals already employed as Registered Nurses (RNs) to address the current and projected increased demand for RN's with a BSN.

Mr. Hurt so moved and Mr. Wray seconded and the recommendation was unanimously adopted.

ADJOURNMENT

With no further business to come before the Committee, Mr. Crisp, Chair, adjourned the meeting at 4:06 p.m.

Respectfully submitted,

Michele N. Schumacher
Secretary to the Board of Visitors