

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Finance, Audit, Governance and Compliance Committee Meeting
Wednesday, November 17, 2021
3:00 p.m. – 5:00 p.m.**

**Wright State University
Neuroscience Engineering Collaboration Building
101**

Minutes

Present: D. Fecher, T. Gunlock, B. Langos, A. Platt, D. Asarpota, R. Shah

Guests: S. Edwards, G. Sample, B. Kawosa, D. Borowy, S. Todd, B. Sparks, S. Mickey-Boggs, M. Grushon, M. Stankas, D. Lamp, E. Bennett

1. Call to Order

Trustee Doug Fecher, chair, called the November 17, 2021 meeting of the Finance, Audit, Governance and Compliance Committee to order at 3 p.m. and welcomed the board members present as well as guests.

Trustee Fecher requested from Chair Gunlock to appoint a board member to the FAGC since there wasn't a quorum. Chair Gunlock appointed Trustee Langos to the committee for this meeting.

Trustee Fecher asked the secretary, Shari Mickey-Boggs, to call the roll. There was a quorum (3,0,0).

2. Proof of Notice of Meeting

The chair noted that the meeting was called by written notification; a quorum was present.

Chair's Statement was read:

The Wright State University Board of Trustees is a public body subject to the Ohio Open Meetings Act. It operates on a fixed agenda to those attending the meeting. Persons wishing to address the Board in its public session should submit a written request to the Board of Trustees' office 72 hours in advance of the meeting in order to be placed on the agenda. However, all

persons address the Board at the invitation of the Board and are subject to time limitations and other guidelines established to maintain the good order of the meeting.

3. Conflict of Interest Statement

Trustee Fecher read the conflict of interest statement.

It is of the utmost importance to ensure that all university decisions are free from any real or perceived conflicts of interest.

Therefore, please be mindful of all obligations with which you have been charged as a Trustee of Wright State University, and take the steps you deem appropriate to perform your duties fairly and impartially.

4. Disposition of Previous Minutes

There were no minutes to approve.

5. Committee Chair Comments

Trustee Fecher stated that the October FAGC was moved to November so that we could have financial statements with data through October 31st, the first quarter of our fiscal year, and we do have those statements. We will be discussing them during this meeting.

6. Chief Operating Officer Comments

Mr. Sample mentioned that there are a few items of note in terms of informational updates. From an audit perspective, the university has concluded the ITN and Trustee Fecher participated as the chair of the committee. We have engaged formally with Baker Tilly and they will be performing our internal audit services for the next year. Commensurate with that, we're also now getting ready to prepare a search for a new internal auditor and Trustee Fecher will be chairing that search as well. I have to note that our Director of Compliance, Kelly Tittle, has left the organization and moved to another university. We are moving the compliance division as was planned into the Office of General Counsel and Mr. Culley will begin the search for a new compliance officer to fill that void.

Also, just as a matter of update, we just exercised the consulting agreement with Campus Bookstore Consultants. This is a firm that is nationally known and actually just finished work at Dr. Edward's former institution, App State, and they are helping us take a look at our existing contractual relationship with Barnes and Noble, and we will be bringing something to the board in

early March or April in terms of recommendations for how we move forward. This is a substantial business relationship that we have. This is the entity that provides all the books to our students. It's a large contract and we're trying to envision how this should look moving forward, so we can be more state of the art and less traditional in our approach.

7. Monthly Financial Performance Reports

FY2021 to 2022 Financial Analysis #2

FY2022 Revenues

Anticipated Tuition and Fee revenue for FY 2022 is expected to exceed the approved budget by \$2M. We had anticipated a reduction of 9.4% and it ended up being 6%.

FY2022 Expenses

We're looking at \$132 million versus the budgeted \$130 million a bit further down and expenses for compensation. We budgeted \$162M and that been adjusted to \$160M. That's based on some FY22 assets related to the voluntary buyout for faculty.

The reserve number, we originally budgeted use of reserves at \$11M and it's now adjusted to \$7M with the two changes that we discussed.

FY2021 to FY2022 Actual Comparison #4

Total revenue percentages are tracking similarly overall from 2021 to 2022. Expenses are at 23% of the 2022 adopted budget versus 31% in 2021. Facilities and administration and the other revenues, are tracking higher than they did last year. We need to work with RSP and auxiliaries to adjust those anticipated year end numbers and we will be able to see that on our March report after we collaborate with areas to make updates.

Expenses

Information and communications are just timing differences, it's a reversal of the timing difference from last month and then some timing differences for the invoices and marketing for the Ohmann Group and Ring Digital.

On the debt line, the entries are still in progress for this year, so it's zero right now.

FY2021 to FY2022 Single Month Comparison #5

This report presents the results for the month of September for the current and previous year.

The difference in tuition and fees is a timing difference, this year due to drops for enrollment based on non-pay and non-attendance happened in August last year compared to September this year.

We are also looking at expenses in the contract in labor, we are paying a contractor for the Interim Provost salary versus being in the compensation line. Also from the last schedule the marketing firm Ohmann and Ring and then the reversal of the Ohio Link from last month.

Cash Investments

Mr. Borowy began by showing results through October and that reserves continue to remain strong. Total cash and investments at the end of October were \$159.1M which is a \$1.5M increase from September and \$56.2M increase from October of last year. The majority of the \$56.2M increase over last year is that we started the year \$43.4M higher. This is more impact from last years growth than this year.

Cash on hand is 229 days versus 239 days last year.

Looking at full year, forecasting \$3.4M use of reserves. A difference of \$6.6M that was previously projected. This is due to timing of COVID money received in 2022.

8. Approval of Contracts \$500,000 and Over

Trustee Fecher noted we will move on to approval of \$500,00 and over. These will be looked at today and move them forward if we agree to the board for approval.

Mr. Sample noted that are three contracts that are in front of the committee for consideration. Mr. Sample introduced Becky Sparks who is the Director of Bursar Services. She is a member of the finance team and when Steve Sherbet retired several years ago as a part of the restructuring of the university we did not fill that position, but Becky took on the additional role and responsibility, as did Don Borowy and I think the committee has been pleased with what they have seen. It has allowed the university to save some money and I also gave some people additional responsibility and moved them within the organization. We applaud both Becky and Don and thank them very much.

The first contract is TouchNet and is largely used by the bursar's office. It is the payment system, the student billing system, and the student refund system that we utilize and integrates with Banner. We are proposing a five-year renewal to that relationship. Michael Stankas was very involved in negotiating the contract and I applaud him for coming up with a contract over five years with no increases built into it. We spend approximately \$146,000 a year on this contract, so the total amount is \$731,500. Trustee Fecher inquired about why the last time this contract was bid was 2003. Mr. Sample stated that the board is no longer going to see a contract that goes longer than 5 years. Trustee Langos stated that as we make these decisions about longer term investments, we have to make sure that whatever strategy and roadmap that Michael Stankas puts together, you need to think about the integration of these investments you are making now into those existing architectures because you could wind up changing architectures overall on an IP platform like an ERP system and this not integrate well.

The second contract is Student Legal Services, Inc. for the amount of \$1.7M with the annual spend is going from \$320,000 to \$350,000. This is an optional fee that students pay so that they have access to a full range of student legal services. The recommendation is coming forward in terms of a \$5 increase to the fee that students would pay that's being supported by student government. These are legal services that are afforded to Wright State students, it could be anything from a traffic citation, filling out a will and getting recommendations on some financial decisions. It should be noted that this service has not increased over the last 10 years and is a flat rate.

The last contract is for Siemens Industry, Inc. and this group helps us with our building automation systems, which is all of our HPC systems, etc. This is a state term contract, so we do not negotiate this at the local level. It's negotiated at the state level and the universities have access to it, so we take advantage of that. In addition, we do have the ability to negotiate a little bit in terms of the service coverage and even in this last go around, adding some services to this contract that will benefit from some data analytics that this firm can provide.

Mr. Fecher asked that the resolution be read.

Resolution 22-

Whereas in order for the university to conduct business on an ongoing basis and provide products and services in a timely manner, purchasers must be made. And whereas these expenditures may exceed \$500,000.

Therefore, be it resolved, that authorization is granted for the accompanying contracts.

Now before the Board of Trustees be and hereby approved to move this resolution to the full board for approval.

Mr. Fecher made the motion to accept the resolution and seconded by Mr. Langos.

A roll call vote was called and vote passed unanimously. (3,0,0)

9. Discussion of contracts \$150,000 to \$249,000

Mr. Fecher indicated approval of contracts from \$150,000 to \$249,000 was next on the agenda which were just for administration to report and committee review.

Mr. Sample shared that there is one contract which is DocuSign, Inc., this is software that allows us to sign PDF documents electronically.

This does not require committee approval due to it being under \$150,000 but the Board needs to be informed about it.

10. Other Business

Mr. Fecher mentioned again that this year the Board wants to review our financial governance policy in between now and the next meeting. We will get a document that will track that changes out to the Board for your input and reading. It is really important that the governance policy continues to evolve to meet the needs of the university. Prior to our current version, it was last looked at in 2003 and the version we are looking at now is 2016 or 2017.

Mr. Fecher mad a motion to adjourn and seconded by Mr. Langos. By unanimous voice vote, the meeting was adjourned.

Respectfully submitted by Suzy Zech and Shari Mickey-Boggs

Approved by Trustees on December 9, 2021; Motion made by Trustee Fitzpatrick and seconded by Trustee Conway with unanimous voice vote approval.