

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS  
FACILITIES, FINANCE AND AUDIT COMMITTEE  
MEETING MINUTES  
2:00 p.m.; Thursday, March 8, 2018  
Board Room, Virginia Hall, Room 310**

**CALL TO ORDER**

Mr. Michael Flemming, Committee Chair, called the meeting of the Virginia State University (VSU) Board of Visitors (Board) Facilities, Finance and Audit Committee (Committee) to order in the Board Room of Virginia Hall on the campus of Virginia State University at approximately 2:00 p.m.

**ROLL CALL**

A quorum was present.

Mr. Wayne Turnage called in from the remote location as indicated in the meeting notice: 441 4<sup>th</sup> Street, N.W. #918, Washington DC 20001. It was moved and properly seconded for Mr. Turnage to participate by telephone. The motion carried by unanimous vote.

*Committee Members Present:*

Mr. Michael Flemming  
Mr. Charlie Hill  
Mr. Paul Koonce (*absent*)  
Mr. James Stegmaier (*absent*)  
Mr. Wayne Turnage (*electronic means*)  
Mr. Gregory Whirley  
Mr. Huron Winstead

*Administration Present:*

Dr. Makola M. Abdullah, President  
Mr. Hubert Harris, Vice President, Administration  
Ms. Sheila Alves, Chief Audit Executive  
Mr. Kevin Davenport, Vice President, Finance  
Mr. Osubi Craig, Special Asst. to President for Special Projects and Strategic Initiatives  
Dr. Annie C. Redd, Special Asst. to President/Board Liaison

**Legal Counsel Present:**

Ms. Ramona Taylor, Asst. Attorney General/University Legal Counsel

**Others Present:**

Mr. Travis Edmonds, IT Specialist

**Facilities, Finance and Audit Committee Meeting Minutes**  
**March 8, 2018**  
**Page 2**

**APPROVAL OF AGENDA**

The Committee approved the agenda as printed.

**APPROVAL OF MINUTES**

The Committee approved the minutes from the January 18, 2018 meeting.

**REPORTS AND RECOMMENDATION**

**Division of Finance**

Mr. Kevin Davenport prefaced his remarks by thanking the Committee for suggesting that the Finance team conduct thorough reviews of the Composite Financial Index (CFI). The exercise proved to be a learning experience for Mr. Davenport and his entire staff. The review was extremely timely especially with input from the new comptroller, who provided a different perspective on the CFI. The staff ultimately made adjustments to the CFI to reflect a more comprehensive picture of the institution's finances.

Mr. Davenport introduced the Composite Financial Index (CFI) Trend Data with an explanation of the ratios in the composite score, weighting, and purpose of the CFI. The ratios in the composite score include the primary reserve ratio (available reserves), viability ratio (debt in relationship to available reserves), return on net assets ratio (overall change in wealth), and net operating revenues ratio (effectiveness of operations). Financial strengths and weaknesses are exposed by the ratios and strategy is suggested by the composite score. Discussion followed with an in-depth review of the university balance sheet and income statement for the past 5 years.

Committee members expressed opinions that the in-depth review and discussion of the University's finances were helpful to them and to the Board in fulfilling its fiduciary duty. The Committee discussed adopting a policy or a resolution to require regular review of the CFI and other financial statements. Mr. Flemming agreed to draft a resolution for the Board to adopt at the April meeting. The draft will be circulated to the committee members for their review.

The Committee discussed 23.1-307(D) of the Code of Virginia, Public institutions of higher education: tuition and fees. The regulation states that *no governing board of any public institution of higher education shall approve an increase in undergraduate tuition or mandatory fees without providing students and the public a projected range of the planned increase, an explanation of the need for the increase, and notice of the date and location of any vote on such increase at least 30 days prior to such vote.* The Committee considered the statement to be


Facilities, Finance and Audit Committee Meeting Minutes  
March 8, 2018  
Page 3

posted on the University's website announcing the proposed tuition and fee increases. The Committee expressed satisfaction with the notice, which will be posted 30 days prior to the April 26-27 Board meeting. The proposed tuition increase will be discussed at the next committee meeting prior to the April meeting.

Mr. Davenport presented the Annual Debt Report which is a requirement of the Debt Management Policy approved by the Board in 2006. The Policy provides guidance for issuing and managing university debt and requires annual reporting of debt to the Board. The Committee also reviewed the Multipurpose Center Audited Financial Statements as of June 30, 2017.

**ADJOURNMENT**

There being no further business, Mr. Flemming adjourned the meeting of the Committee at approximately 4:00 p.m.

  
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Michael Flemming, Chair

4-12-18  
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Date