

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES, FINANCE & AUDIT
1:00 P.M.; THURSDAY, FEBRUARY 3, 2022
Gateway Dining & Event Center
(on the campus of Virginia State University)
(No Public Comment Period Scheduled)**

**DRAFT AGENDA
(as of 1/27/22)**

CALL TO ORDER Mr. William Murray, Vice Chair

ROLL CALL

INVOCATION

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

- Minutes from the November 18, 2021 meeting

PRESIDENT'S REMARKS Dr. Makola M. Abdullah

CLOSED SESSION(S)

- Proposal for sale of University Apartments at Ettrick
- Update on National Institute of Food and Agriculture (NIFA)
- Consultation with Legal Counsel

REPORTS AND RECOMMENDATIONS

- Division of Finance Mr. Kevin Davenport
Vice President, Finance & Administration/CFO

○ Approval Item: None

○ Information Items

- Statement of Sources and Uses for Quarter Ending December 31, 2021
- Comparative Cash Reserves as of December 31, 2021
- Report on Internal Controls for the Year Ended June 30, 2020
- Annual Debt Report
- Capital Projects Update
- Update on Proposed Tuition, Fees, Room and Board Rates for 2022-2023
- Update on Status of Investment Manager Request for Proposals (RFP)
- Level II Plan

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
FACILITIES, FINANCE AND AUDIT COMMITTEE
MEETING MINUTES
February 3, 2022**

CALL TO ORDER

Mr. William Murray, Vice Chair, called the Facilities, Finance, and Audit Committee meeting to order at approximately 1:00 p.m. in the Gateway Dining and Event Center.

ROLL CALL

A quorum was present.

Committee Members Present:

Mr. William Murray, Vice Chair
Mr. Michael Flemming
Mr. Raul Herrera
Mr. Charlie Hill (*electronic participation*)
Mr. Jon Moore (*absent*)
Mr. Wayne Turnage
Dr. Valerie Brown, Rector (*ex-officio*)

Others Board Members Present:

Mr. Glenn Sessoms (*electronic participation*)
Ms. Pamela Currey
Dr. Christine Darden
Shavonne Gordon

Administration Present:

Makola M. Abdullah, Ph.D., President
Dr. Donald Palm, Senior Vice President/Provost
Kevin Davenport, Vice President, Finance/Administration/CFO
Shawri King-Casey, Senior Advisor, EEC
Dr. Tia Minnis, Vice Provost, Academic Success, Planning & Inst. Eff.
Regina Barnett-Tyler, Assoc. Vice President, Student Success & Engagement
Dr. Gwendolyn Dandridge, AVP/Director, Communications
Tanya Simmons, Human Resources
Adrian Petway, AVP, Budget Office
Maurion Edwards, CIO/Technology Services
David Bragg, Chief of VSU Police Dept.
Alexis Brooks-Walter, Asst. Vice Provost, Enrollment
Dr. Annie C. Redd, Special Asst. to President/Board Liaison
Franklin Johnson, Jr., Alumni Relations

Legal Counsel Present:

Cynthia Norwood, Assistant Attorney General

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Others Present:

Yourdonus James, Director, Conference Services
Benjamin Houck, Finance
Rev. Delano Douglas, ACE
Tasha Owens, Internal Audit
Malika Blume, President's Office
Joyce Henderson, Real Estate Foundation
Pete Stith, Real Estate Foundation

The following Board member(s) participated by electronic means using Cisco WebEx.

- Mr. Charlie Hill, located in Hampton, VA, because of personal reasons due to a conflict.

INVOCATION

Rev. Delano Douglas asked for a moment of silence to remember Mr. Jay Stegmaier, who served as Chair of the FFA committee. Rev. Douglas noted that a more formal recognition would occur at the full board meeting at 11 a.m. Friday, February 4th.

APPROVAL OF AGENDA

William Murray, Vice Chair, asked for a motion to approve the meeting agenda. The Committee approved the agenda.

PREVIOUS MEETING MINUTES

The Vice Chair asked for a motion to approve previous meeting minutes, which the committee approved without revision.

CLOSED SESSION

The Vice Chair convened a closed meeting at 1:10 p.m. for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel pursuant to VA Code Section 2.2-3711 (A)(8). The Vice Chair requested President Makola M. Abdullah, Dr. Annie C. Redd, Board Liaison, Pete Stith, Joyce Henderson, Dr. Palm, Shawri King-Casey, Cindy Norwood to attend the closed meeting.

The Committee reconvened in open session at approximately 1:45 p.m. with a roll call vote that the Committee discussed or considered only those public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motion(s) by which the closed meeting was convened.

REPORTS AND RECOMMENDATIONS

Division of Finance & Administration

The Vice Chair called Mr. Davenport, who began by presenting the University's cash position. He showed a breakdown of endowed assets, including the MacKenzie Scott gift. He presented the carry forward balances and CARES act funds, noting the intent to file for a one-year extension on the CARES act funds.

The Vice Chair emphasized the importance of receiving ongoing support from the Commonwealth of Virginia, reiterating that much of the recent increase in cash position is attributable to one-time funding. Mr. Davenport agreed, noting that we need to be very prudent in how we spend one-time funds.

Mr. Davenport highlighted changes to his report's format. He also discussed enrollment, noting that results have continued to exceed conservative budgeted enrollment projections. He went on to present revenue and expenditure targets, noting a projected \$42 million surplus for this year.

Mr. Davenport presented the sources and uses for auxiliary services, including a breakdown of the comprehensive fee. He drew attention to major expense items such as the Trojan Advance courses, various improvements to the campus, and a payment made to NIFA.

Mr. Davenport presented the tuition and fees schedule. He presented the goals for the \$500 increase in technology fee, including updating the technology in classrooms and assisting students in obtaining the necessary technology equipment. He stated that there were no questions during the public comment meeting held earlier that week.

Dr. Abdullah noted that the vote for the proposed increase cannot occur until 30 days after the public comment period, thus the need for an Executive Committee to meet. He asked for the Finance Committee's tentative support for this fee increase.

A visitor highlighted comments received by the SGA, indicating that they were understanding of the fee increase. The visitor pointed out that SGA representatives stated that normally they would prefer not to have a fee increase, but they recognized that there are weaknesses in IT systems, particularly WIFI.

SGA heard from the CIO and supports the fee increase on the grounds that these improvements will directly benefit students.

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A visitor asked about the amount of auxiliary reserves. Mr. Davenport stated that the target amount is approximately \$20 million, noting that there is currently \$55 million in reserves. He stated that he does not envision adding a great amount to reserves. The visitor asked about facilities and stadiums. Mr. Davenport replied that the president would like to invest in long-term initiatives. He outlined a general plan to use auxiliary balances in a phased approach to meet goals such as circulation improvements, a student center, work related to athletics, securing the campus perimeter, property acquisition, and building demolition.

Mr. Davenport noted that debt capacity will be opening up in two to three years. He highlighted some possible projects, including various updates to athletics, including a new scoreboard and a field with artificial turf.

In response to Dr. Abdullah's request for the Committee's tentative support for the \$500 technology fee increase, the Committee agreed to voice this support absent any new information in this intermediate 30-day window. The Vice Chair encouraged University leadership to start *pro-formas* and planning documents.

Mr. Davenport closed by informing the Committee that a second audit of the CARES money is wrapping up, noting that neither audit of these funds had any findings.

Division of Internal Audit

Ms. Owens presented the corrective action plan status. She highlighted weekly meetings with Ms. King-Casey and Ms. White, noting that these meetings have been productive and CAP items are starting to dwindle. She presented up-to-date information on the number of CAP items noting that six items have been resolved since the last report, bringing the total amount of open items down to 42. She noted that there were no new cases or OSIG hotline investigations to date.

Ms. Owens gave an overview of audit activities, including ongoing work with the Procurement Department and upcoming activities, such as risk assessment planning and approval of the audit charter and audit plan. She also highlighted the potential benefits that audit software could bring to the Internal Audit department.

Ms. Owens noted that Internal Audit staff attended the annual OSIG and IIA trainings. She also gave an update on Internal Audit's consulting services. She announced that Internal Audit will resume conducting audits soon, emphasizing that she wants to make sure that this plan is realistic given current staffing levels.

Dr. Abdullah thanked Ms. Owens for the collaborative relationship with management and for stepping up during a challenging time to get a lot of great work done.

Division of Compliance

Ms. White opened her presentation by discussing improvements made to compliance culture. She highlighted some recent accomplishments such as Capital Outlay meeting target dates, meeting SCHEV standards, and filing NIFA reports, and establishing a plan for final repayment of liabilities.

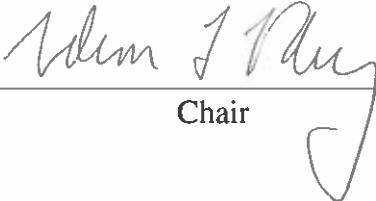
She summarized ongoing compliance efforts, noting that although we are still waiting for a final version of the FY21 APA audit, we do not anticipate any new items beyond what was presented in the last session. She brought attention to the Division of Compliance’s priority of establishing effective education and training.

Dr. Abdullah provided a formal introduction of Ms. White to the Committee, explaining that she works in the Division of Compliance for Ms. King-Casey. He recognized her exceptional work stepping in temporarily for Ms. King-Casey.

Update on Audit Subcommittee

The Vice Chair called the Rector to provide an update on the Audit Subcommittee. The Rector stated that the Subcommittee did not meet as a whole but took a directive from the Board to examine the approaches of other universities with respect to Internal Audit. She noted the priority of understanding what an audit charter governing document should include. Noting the wealth of feedback that has been returned so far, she was thankful to Dr. Abdullah for volunteering Ms. King-Casey to help distill this information.

Approved:



Chair

4-21-22

Date