

**West Virginia State University Board of Governors
Finance Committee**

Date/Time: 4/23/2015 -- 10:30 AM

Location:

West Virginia State University, Erickson Alumni Center, Grand Hall, Institute, WV

Purpose: To conduct regular business of the Committee in preparation for the April 23, 2015 Board of Governors meeting

Notes:

This is a compliant meeting.

Meeting was approved : 4/6/2015 8:27:23 AM

West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
Minutes
March 19, 2015

1. Call to Order and Roll Call

Committee Chair Salyers called the meeting of the West Virginia State University Board of Governors Finance Committee to order at 10:30 a.m.

Present: Mrs. Jarvis, Mr. Konstanty, Mr. Salyers, Mr. Susman, Mr. Swingle, and Mr. Williams. Several members of the administration, faculty, and staff were present.

2. Verification of Appropriate Notice of Public Meeting

Mr. Salyers announced the Verification of Appropriate Notice of Public Meeting.

3. Review and Approval of Agenda

Mr. Swingle made a motion to approve the agenda, and it was seconded by Mr. Konstanty. The motion passed.

4. Review and Approval of Minutes of Previous Meeting

Mr. Konstanty made a motion to approve the minutes of the previous meeting, and it was seconded by Mrs. Jarvis. The motion passed.

5. University Recommendations and Reports

5.1 BOG Report for February 2015

Mr. Salyers asked Mr. Melvin Jones, the University's Vice President for Business and Finance, to report on the University's budget. Mr. Jones reminded the Committee that the February 28, 2015 report was a cash-basis report. Changes listed on the budget reduction column increased from \$755,500 to \$1.4 million, as well as a \$290,000 adjustment for revenue. In addition, Mr. Jones mentioned a new column, "Other Revenues," which includes projected income from the English as a Second Language (ESL) program, online courses, and OASIS rental space.

The income target for February 2015 is 66.7%, and the University is at 69.22%, which is slightly ahead of the target. On April 1, 2015, the University will receive a \$3 million appropriation from the State of West Virginia, the final transfer for the fiscal year.

Mr. Jones provided the percentages for all areas and noted some areas that are on budget: University Relations and Operations and University Advancement; below budget: Physical Facilities (see note 10); and above budget: Enrollment Management and Student Affairs (see notes 3 and 4), President's Area

(scholarships will be transferred later this month), and Business and Finance (postage of \$25,000 for Enrollment Management and Student Affairs, which will be transferred to appropriate departments), \$12,000 for the audit due to change in personnel and additional testing), and College-Wide (cable costs, inclement weather, and utilities).

Mr. Susman inquired about royalty income from the gas wells. Mr. Jones stated the gas well income will be issued after the third well is connected, and such funding will be housed in College-Wide line item within the University's budget.

Mr. Jones noted that the "Budget Reduction Column," contains benefits, salaries, and supplies, and 76% of those cuts are a result of reductions in salary and wages.

Mr. Salyers inquired about tuition and fees for the coming academic year. Mr. Jones responded the tuition and fees, as well as the University's Fiscal Year 2016 budget, will be presented during the April 23, 2015 meeting.

Mr. Jones reported the net activity on the Auxiliary Account is positive overall.

6. Reaffirmation of Accreditation by the Higher Learning Commission

Mr. Jones reported that he, along with Interim Assistant Vice President for Business and Finance Kristi Williams, met with Dr. Ed Magee of the West Virginia Higher Education Policy Commission to review the University's financial statements audit and report an adjustment of days of cash on-hand from 17 days to 43 days. As a result of the recalculation and subsequent increase, revised information will be provided to the Commission members, and Mr. Jones' staff will contact the auditors to discuss a possible revision to the audit.

President Hemphill advised that the University is working diligently to increase revenue and reduce expenditures in the last 35-50 days of this fiscal year in order to increase the days of cash on hand and the University's overall cash position. Mr. Williams applauded the University's work.

Mr. Salyers made a formal request for staff to prepare a long-term plan outlining how the University will improve its overall cash position, thereby increasing days of cash on hand and cash reserves.

7. Next Meeting Date

June 18, 2015

8. Adjournment

With there being no further business, a motion was made by Mr. Konstanty to adjourn the meeting, and it was seconded by Mr. Williams. The motion passed. The meeting adjourned at 11:29 a.m.

Respectfully submitted,

Belinda W. Silas
Office Administrator

University - E&G Budget
FY 2015 Budget / Actual Expenditures 03/31/2015

	Salaries & Benefits					%	Supplies & Other Services					%	Total					Actual %	Notes	Target %
	FY15 Budget	Budget Reduction	Revised FY15 Budget	Fiscal YTD Actual	Difference		FY15 Budget	Budget Reduction	Revised FY15 Budget	Fiscal YTD Actual	Difference		FY15 Budget	Budget Reduction	Revised FY15 Budget	Fiscal YTD Actual	Difference			
State Appropriation													10,380,591		10,380,591	6,954,996	3,425,595	67.00%	(1.)	75.00%
Tuition Revenue													11,869,873		11,869,873	9,306,812	2,563,061	78.41%	(2.)	-8.00%
Other Revenue													0		607,000	362,777	244,223	59.77%	(11.)	-15.23%
R&D Corp Indirect Funds													427,230	(219,353)	207,877	166,638	41,239	80.16%		5.16%
Sub Total of Revenues													22,677,694	(219,353)	23,065,341	16,791,223	6,274,118	72.80%		-2.20%
Academic Affairs	11,443,991	(567,422)	10,876,569	8,131,769	2,744,800	74.76%	260,726	0	260,726	194,550	66,176	74.62%	11,704,717	(567,422)	11,137,295	8,326,319	2,810,976	74.76%		-0.24%
Student Affairs	1,347,804	(90,000)	1,257,804	1,098,605	159,199	87.34%	113,659	(11,343)	102,316	199,549	(97,233)	195.03%	1,461,463	(101,343)	1,360,120	1,298,154	61,966	95.44%	(3.) (4.)	20.44%
President's Area	1,233,064	(94,065)	1,138,999	833,559	305,440	73.18%	632,637	(55,000)	577,637	98,858	478,780	17.11%	1,865,701	(149,065)	1,716,636	932,416	784,220	54.32%	(5.)	-20.68%
University Relations	864,911	(81,330)	783,581	610,252	173,329	77.88%	299,167	(32,000)	267,167	194,456	72,711	72.78%	1,164,078	(113,330)	1,050,748	804,707	246,041	76.58%		1.58%
Phy Fac Net of Transfers	2,288,318	(141,041)	2,147,277	1,448,730	698,546	67.47%	620,229	0	620,229	527,807	92,422	85.10%	2,908,547	(141,041)	2,767,506	1,976,538	790,968	71.42%	(6.)	-3.58%
University Advancement	417,479	0	417,479	323,575	93,904	77.51%	103,510	(30,000)	73,510	51,867	21,643	70.56%	520,989	(30,000)	490,989	375,442	115,547	76.47%	(7.)	1.47%
Finance	1,335,065	(92,337)	1,242,728	976,207	266,520	78.55%	215,157	(20,000)	195,157	140,584	54,573	72.04%	1,550,222	(112,337)	1,437,885	1,116,792	321,093	77.67%	(8.)	2.67%
College Wide	134,086	0	134,086	0	134,086	0.00%	1,345,721	0	1,345,721	818,286	527,435	60.81%	1,479,807	0	1,479,807	818,286	661,521	55.30%	(9.)	-19.70%
Sub Total of Expenses	19,064,717	(1,066,195)	17,998,522	13,422,697	4,575,825	74.58%	3,590,806	(148,343)	3,442,463	2,225,957	1,216,507	64.66%	22,655,523	(1,214,538)	21,440,986	15,648,654	5,792,332	72.98%	(10.)	-2.02%
Grand Total													22,171	995,185	1,624,355	1,142,569				

Footnotes:

- (1.) 75.00% is the target for March activity.
- (2.) The fourth quarter state appropriation was received on April 1, 2015.
- (3.) Student Affairs' YTD actual salaries & benefits are more than the budget.
- (4.) Significant Student Affairs supplies & other services expenses include:
EDUCATION SYSTEMS INC \$ 32,500 (October) Web based tracking & communication software for prospective students
MORGANTOWN PRINTING & BINDING \$ 12,345 (October) Recruiting Material
ACT INC \$ 5,054 (December) Name Buy
- (5.) Athletic scholarships have not been allocated to the President's area.
- (6.) Physical Facilities' Central Services salaries & benefits for March have not been transferred yet.
- (7.) University Advancement's YTD actual salaries & benefits are more than the budget due to the use of student labor.
- (8.) Significant Finance supplies & other services expenses include:
RESERVE ACCOUNT PITNEY BOWES \$ 25,000 (October)
CUFTONLARSONALLEN LLP \$ 12,819 (October)
CUFTONLARSONALLEN LLP \$ 19,229 (December)
- (9.) College Wide salaries & benefits consist of a budgeted reserve to cover leftover lump sum positions (overtime, temporaries, and student employment).
- (10.) This report is based upon information from Banner and OASIS; however, the two financial systems have not been reconciled as of the date of this report.
- (11.) Other Revenue added March 2015, breakdown as follows: \$300,000 - Projected Income from English as a Second Language program, \$307,000 - Other revenue such as Online Course, OASIS rent

University - All Funds
FY 2015 Budget / Actual Expenditures 03/31/2015

Type of Funds	A	B	C	D	E	F
	Beginning Balance As of July 1, 2014	Total Revenue Actual	Salaries & Benefits Actual	Supplies & Other Services Actual	Total Expenses Actual	Ending Balance 3/31/2015
0373 State Appropriations: For University and Land Grant Match		6,954,996 <u>1,121,172</u>				
	0	8,076,168	6,444,400	919,306	7,363,706	712,462
4611 Tuition and Fees: 50 some sub-funds						
	583,849	11,023,097	7,032,533	2,898,949	9,931,482	1,675,464
4612 Auxiliary Fees: Bookstore, Housing, Dining Athletics, Public Safety						
	247,635	5,530,379	1,175,518	3,990,078	5,165,596	612,419
4613 Capital Fees: Capital Activity Transfers from HEPC						
	188,488	1,213,456	0	1,040,951	1,040,951	360,993
4614 State Grants:						
	381,099	212,745	120,627	147,738	268,365	325,479
8775 Federal Funds:						
	126,669	894,428	580,438	362,481	942,919	78,178
Grand Total						3,764,994

Note:

- Ending Balance = Columns A + B - E
- Shaded area funds have a net activity of zero

West Virginia State University
Auxiliary Account Activity for March 2015
Fund 4612

Fund Number	Fund Name	6/30/2014 Fund Balance	3/31/2015 Fund Balance	FY 15 Net Activity
2361	Student Union Operation	(186,513)	(53,524)	\$ 132,989
2371 - 2374	Housing	(1,401,010)	(1,137,882)	\$ 263,128
2381	Dining Food Services	(746,379)	(571,101)	\$ 175,279
2800	Athletics Current	(675,406)	(723,918)	\$ (48,512)
2801 - 2980	Athletic Enhancement Funds	150,095	8,125	\$ (141,971)
2580	Faculty Housing	21,492	52,590	\$ 31,099
2562	Parking	(200,345)	(184,934)	\$ 15,412
2511	Bookstore	3,285,702	3,223,061	\$ (62,641)
	Fund 4612 Balance	\$ 247,635	\$ 612,419	\$ 364,783
	Balance in All Funds Report		612,419	