

**West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
September 10, 2015
10:30 a.m. – 11:30 a.m.
Agenda**

1. Call to Order and Roll Call
2. Election of Committee Chair Action
3. Election of Presiding Officer in Absence of Committee Chair Action
4. Verification of Appropriate Notice of Public Meeting Action 2
5. Review and Approval of Agenda Action 1
6. Review and Approval of Minutes of Previous Meeting Action 3
7. University Recommendations and Reports
 - 7.1 BOG Budget Report – Fiscal Year 2015 (Ending June 30, 2015) Information 6
 - 7.2 BOG Budget Report – July Information
8. Next Meeting Date – *October 29, 2015*
9. Adjournment

West Virginia State University Board of Governors
Finance Committee

Date/Time: 9/10/2015 -- 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 September 10, 2015 Board of Governors meeting

Notes:

This is a compliant meeting.

Meeting was approved : 8/31/2015 3:56:07 PM

**West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
Minutes
June 18, 2015**

1. Call to Order and Roll Call

Mr. Swingle called the meeting of the West Virginia State University (WVSU) Board of Governors Finance Committee meeting to order at 10:31 a.m. and presided over the meeting in the absence of the chair.

Present: Mr. Konstanty, Mrs. Squirts, Mr. Susman, and Mr. Swingle. Mr. Williams participated by phone. Several members of the administration, faculty, and staff were present.

2. Verification of Appropriate Notice o Public Meeting

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

3. Review and Approval of Agenda

Mr. Konstanty motioned to approve the agenda, and it was seconded by Mr. Susman. The motion passed.

4. Review and Approval of Minutes of Previous Meeting

Mr. Susman motioned to approve the minutes of the previous meeting, and Mr. Konstanty seconded the motion. The motion passed.

5. University Recommendations and Reports

5.1 BOG Budget Report for April

Mr. Swingle asked Vice President for Business and Finance Melvin Jones to report on the University's budget. Vice President Jones said the report was a cash-basis report, and the figures listed therein are through April 30, 2015. The income target for April 2015 is 83.33 percent, and the University is at 83.61 percent.

Vice President Jones provided the percentages for all of the areas: Academic Affairs (83.42 percent), Student Affairs (106.96 percent), President's Office (61.52 percent), University Relations (86.17 percent), Physical Facilities (72.39 percent), University Advancement (84.17 percent), Finance (87.97 percent), and College Wide (63.13 percent). Vice President Jones referred to various footnotes for several of the areas. Notes 3 and 4 indicate personnel, as well as significant expenses for supplies and other services in Student Affairs; Athletics scholarships have not been allocated to the President's Office (note 5); Physical Facilities transfers were not made at the

time of the April report (note 6); and College Wide is below budget due to a reserve to cover overtime, temporary, and student employment (note 9).

Vice President Jones reported that expenses are at 80.79 percent, and the University expects to end the year in the black. Mr. Susman inquired about the budget projection for the end of the fiscal year. Vice President Jones responded that the University projects to end the year with a balanced budget. Through Committee discussion, there was a consensus that the internal budget reductions, controlling incurred bills, and requiring preapproval of expenditures were all contributing factors.

For the auxiliary accounts, Vice President Jones said the Student Union Operations account has positive net activity with a balance of \$81,405. The Housing, Dining Food Services, Parking, and Faculty Housing accounts are also trending positively. The Athletics accounts remain in a deficit. Mr. Konstanty asked about efforts to address the Athletics accounts. Vice President Jones said one example is that purchase requests for equipment, uniforms, etc. that are not absolutely necessary will be delayed. President Hemphill said the administration is looking at ways to begin growing revenue in Athletics. A question was raised about how the University's Athletics budget compares to other institutions within the conference, and President Hemphill said WVSU is the lowest in terms of amounts budgeted for athletics expenditures. Vice President Jones reported that the Bookstore account experienced a down turn and currently has negative net activity. Vice President Jones believed the decline in student enrollment that occurred a few years ago has begun to impact the Bookstore; the area is reducing costs and only has two full-time employees. Mr. Swingle asked about inventory, and Vice President Jones stated a security and materials inventory is conducted once a year, but it is not a financial inventory. The Purchasing and Accounts Payable department will be conducting an asset audit in the Bookstore.

Members of the Committee inquired about the anticipated capacity in the residence halls next year, and Vice President Jones said the University expects to be at maximum capacity. President Hemphill stated enrollment is increasing, and the number of international students is growing. He said the residence halls have 350 beds, and the University currently has 305 housing contracts for fall 2015; the University is reinforcing the rule that requires freshman and sophomore students living outside a 50-mile radius to live on campus. Dr. Guetzloff asked about the health center not billing insurances, and it was noted that the administration has a plan to address this issue.

Mr. Jones provided an update on the gas wells. He said all of the lines have been tied into a single intake and have pressurization. The University can run 100 percent on its own natural gas, except during the peak months. The full impact of gas savings will be exhibited next year, which should be approximately \$80,000. Committee discussion was held on the properties along Route 25 that were recently

acquired by the Research and Development Corporation. The demolition is completed and both properties were cleared and graded by professionals. Vice President Jones updated the Committee on the former rehabilitation property. The University is actively pursuing damages from the demolition contractor that abandoned the job. In addition, the University secured grant funding that will allow for the property to be secured in its current state. The property will be included in the draft campus development plan, and the F. Ray Power building will become the Research and Development Corporation's headquarters. Vice President Jones said the facilities would be maintained the same as other campus buildings.

6. Next Meeting Date

September 3, 2015 (Tentative)

7. Adjournment

With there being no further business, Mr. Konstanty made a motion to adjourn the meeting, and it was seconded by Mr. Susman. The motion passed. The meeting adjourned at 11:05 a.m.

Respectfully submitted,

Crystal Walker
Executive Assistant to the President

University - E&G Budget
FY 2015 Budget / Actual Expenditures 06/30/2015

	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	10,380,591	0	100.00%	(1.)	100.00%
Tuition Revenue													11,869,873		11,869,873	10,477,695	1,392,178	88.27%	(2.)	0.00%
Other Revenue													0		607,000	612,277	(5,277)	100.87%	(10.)	0.87%
R&D Corp Indirect Funds													427,230	(219,353)	207,877	286,780	(78,903)	137.96%		37.96%
Sub Total of Revenues													22,677,694	(219,353)	23,065,341	21,757,343	1,307,998	94.33%		-5.67%
Academic Affairs	11,443,991	(567,422)	10,876,569	10,933,673	(57,104)	100.53%	260,726	0	260,726	205,473	55,253	78.81%	11,704,717	(567,422)	11,137,295	11,139,146	(1,851)	100.02%		0.02%
Student Affairs	1,347,804	(90,000)	1,257,804	1,745,331	(487,527)	138.76%	113,659	(11,343)	102,316	244,297	(141,981)	238.77%	1,461,463	(101,343)	1,360,120	1,989,628	(629,508)	146.28%	(3.) (4.)	46.28%
President's Area	1,233,064	(94,065)	1,138,999	1,111,256	27,743	97.56%	632,637	(55,000)	577,637	144,371	433,266	24.99%	1,865,701	(149,065)	1,716,636	1,255,627	461,009	73.14%	(5.)	-26.86%
University Relations	864,911	(81,330)	783,581	813,621	(30,040)	103.83%	299,167	(32,000)	267,167	251,006	16,161	93.95%	1,164,078	(113,330)	1,050,748	1,064,627	(13,879)	101.32%		1.32%
Phy Fac Net of Transfers	2,288,318	(141,041)	2,147,277	2,230,072	(82,796)	103.86%	620,229	0	620,229	713,012	(92,783)	114.96%	2,908,547	(141,041)	2,767,506	2,943,084	(175,578)	106.34%	(6.)	6.34%
University Advancement	417,479	0	417,479	428,722	(11,243)	102.69%	103,510	(30,000)	73,510	61,474	12,036	83.63%	520,989	(30,000)	490,989	490,195	794	99.84%	(7.)	-0.16%
Finance	1,335,065	(92,337)	1,242,728	1,516,916	(274,188)	122.06%	215,157	(20,000)	195,157	198,447	(3,290)	101.69%	1,550,222	(112,337)	1,437,885	1,715,363	(277,479)	119.30%	(8.)	19.30%
College Wide	134,086	0	134,086	0	134,086	0.00%	1,345,721	0	1,345,721	1,125,754	219,967	83.65%	1,479,807	0	1,479,807	1,125,754	354,053	76.07%	(9.)	-23.93%
Sub Total of Expenses	19,064,717	(1,066,195)	17,998,522	18,779,589	(781,067)	104.34%	3,590,806	(148,343)	3,442,463	2,943,835	498,629	85.52%	22,655,523	(1,214,538)	21,440,986	21,723,424	(282,439)	101.32%		1.32%
Grand Total													22,171	995,185	1,624,355	33,919				

Footnotes:

- (1.) 100.00% is the target for June 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. They were paid from remaining Gen Rev Funds (see All Funds Tab).
- (6.) Physical Facilities' Central Services salaries & benefits for June have not been transferred yet.
- (7.) University Advancement's YTD actual salaries & benefits are more than the budget due to the use of student workers.
- (8.) Significant Finance supplies & other services expenses include:
 - RESERVE ACCOUNT PITNEY BOWES \$ 25,000 (October)
 - CLIFTONLARSONALLEN LLP \$ 12,819 (October)
 - CLIFTONLARSONALLEN 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.) Other Revenue added March 2015, breakdown as follows: \$300,000 - Projected Income from English as a Second Language (ESL) program, \$307,000 - Other revenue such as online courses and OASIS rent.

University - All Funds
FY 2015 Budget / Actual Expenditures 06/30/2015

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 6/30/2015
0373 State Appropriations: For University and Land Grant Match		10,380,591 <u>1,673,390</u>				
	0	12,053,981	9,402,697	2,648,564	12,051,261	2,720
4611 Tuition and Fees: 50 some sub-funds						
	583,849	13,057,033	8,603,199	3,837,053	12,440,252	1,200,630
4612 Auxiliary Fees: Bookstore, Housing, Dining Athletics, Public Safety						
	247,635	6,708,305	1,268,805	5,054,749	6,323,554	632,387
4613 Capital Fees: Capital Activity Transfers from HEPC						
	188,488	1,423,777	0	1,403,475	1,403,475	208,791
4614 State Grants:						
	381,099	497,364	198,695	212,071	410,766	467,697
8775 Federal Funds:						
	126,669	1,140,545	740,322	393,829	1,134,151	133,063
Grand Total						2,645,288

Note:

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

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

Fund Number	Fund Name	6/30/2014 Fund Balance	6/30/2015 Fund Balance	FY 15 Net Activity
2361	Student Union Operation	(186,513)	(30,941)	\$ 155,572
2371 - 2374	Housing	(1,401,010)	(864,826)	\$ 536,184
2381	Dining Food Services	(746,379)	(834,014)	\$ (87,635)
2800	Athletics Current	(675,406)	(813,037)	\$ (137,631)
2801 - 2980	Athletic Enhancement Funds	150,095	(4,919)	\$ (155,014)
2580	Faculty Housing	21,492	(17,830)	\$ (39,322)
2562	Parking	(200,345)	12,220	\$ 212,565
2511	Bookstore	3,285,702	3,185,734	\$ (99,969)
	Fund 4612 Balance	\$ 247,635	\$ 632,387	\$ 384,752

Balance in All Funds Report

632,387