

West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
June 15, 2017
10:30 a.m. – 11:30 a.m.
Agenda

1. Call to Order and Roll Call – Committee Chair L. Vincent Williams, presiding
2. Verification of Appropriate Notice of Public Meeting 2
3. Review and Approval of Agenda 1
4. Review and Approval of Minutes of Previous Meeting 3
5. University Recommendations and Reports
 - 5.1 BOG Budget Report – *May*
6. Next Meeting Date – *To be determined*
7. Adjournment

West Virginia State University
Finance Committee

Date/Time: 6/15/2017 -- 10:30 AM

Location:

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

Purpose: To conduct the regular business of the Committee in preparation for the June 15, 2017 Board of Governors meeting.

Notes:

This is a compliant meeting.

Meeting was approved : 6/6/2017 8:11:02 AM

**West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center, Grand Hall
Minutes
April 27, 2017**

1. Call to Order and Roll Call

Mr. Swingle called the meeting of the West Virginia State University Board of Governors Finance Committee to order at 10:00 a.m.

Present: Mr. Lipscomb, Dr. Smith, Mr. Swingle, Mr. C. Jones, Mrs. Squirts, and Mr. Williams. Several members of the administration, faculty, and staff were also present.

2. Verification of Appropriate Notice of Public Meeting

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

3. Review and Approval of Agenda

Mr. Swingle asked for approval of the agenda. Dr. Smith moved to accept the agenda, and Mr. Lipscomb seconded that motion. The motion passed.

4. Review and Approval of Minutes of Previous Meeting

Mr. Swingle asked for approval of the minutes of the previous meeting. Dr. Smith made the motion, and it was seconded by Mrs. Squirts. The motion passed.

5. University Recommendations and Reports

5.1 BOG Budget Report – Yearend BOG Report

Mr. Swingle announced that due to the important budget issues to discuss, time would be limited on other matters. Mrs. Kristi Williams spoke about the March budget report as Board members looked over the handouts. The University collected approximately \$28 million of the projected \$37,135,663, which is on target for revenue at 75 percent. The E&G shows that from the projected amount for the year, 81 percent was collected. Mr. Swingle asked what the anticipated shortfall is for this year, and Mr. Jones responded that it would be at least \$1 million. Mr. Williams inquired about efforts to adjust the shortfall and balance the budget. Mr. Jones stated that the President and administration has undertaken new targets for all spending and income for the second semester; tuition has been reconfirmed for the second semester and the income items have also been reconfirmed. The purchasing card usage was limited per President Jenkins' request, and those numbers have decreased over the past two months. Business and Finance staff met with each vice president to go over expenditures for their respective departments. Mrs. Williams stated that the vice presidents were provided

with information on their spring budgets, then their January February and March actuals. Mr. Swingle reiterated that even with the constraints put in place, the University still shows \$1 million in the negative. Mr. M. Jones commented that there is no depreciation in the numbers. Mr. C. Jones inquired about chargebacks to other departments. Mr. M. Jones said the chargebacks are in place to make sure the cost represents the consumption of resources, therefore the money would be moved to that area in order to determine the true operating cost of that particular area.

5.2 Auxiliary Accounts

Mrs. Williams explained that the E&G accounts consist of general revenue and student tuition and fees, and in total the E&G budget is inline. The non-E&G accounts such as course fees, etc. is where the University is experiencing a deficit. Mr. Swingle asked why the University is over so much in the dining room services. Mrs. Williams responded that staff have been working with Thompson Hospitality and Accounts Payables to resolve issues with some of the invoices. Dr. Smith inquired about the status of repaying the interest rates, as it relates to cash flow. Mr. M. Jones said the interest is currently paid every month, which is \$5,000 a month or six percent. The plan for the loan, in order to pay on June 30 on a cash-basis, the University should have about \$5 million, which would allow for a substantial payment towards the loan. Mr. Swingle asked if a line of credit from a bank has been considered. Mr. Jones said staff are looking to work with Huntington Bank at this time.

Mrs. Williams explained the state appropriations and said the total revenue for the University Fiscal Year 2018 is estimated at \$39,382 million. For the E&G budget, the in-state tuition is going to be requested at a five percent increase and out-of-state, metro, and graduate tuition will remain the same as Fiscal Year 2017. High school students are not included in the E&G portion of tuition. Mr. M. Jones stated that five percent was the base, knowing the probability that the state appropriations will be reduced and in case tuition would have to be increased beyond that. To that end, he said the University is proposing that the Committee recommend to the full Board that the President have the latitude to increase the tuition up to 10 percent maximum because it is still unknown about the state budget. Mr. Swingle said students need to know what the costs are going to be in respect to financial aid, etc. and have some comparative increases. Mr. Williams moved that the Finance Committee make a recommendation to the full Board that the President be given the authority to increase in-state tuition and fees as warranted based upon the latest assessment of the state budget. Dr. Smith suggested a friendly amendment to remove the wording of "in-state." Mr. Williams accepted the suggestion by Dr. Smith. President Jenkins clarified that the request was that the Board approve the 5 percent increase and authorize him to increase up to 10 percent based on the finalized state budget. Mr. Williams agreed and modified his motion currently on the floor to include these amendments. The motion was seconded by Dr. Smith, and the motion passed.

6. Next Meeting Date

June 15, 2017

7. Adjournment

With there being no further business, Mr. Swingle asked for a motion to adjourn the meeting. Mr. C. Jones made a motion to adjourn, and it was seconded by Mr. Lipscomb. The motion passed. The meeting adjourned at 11:10 a.m.

Respectfully submitted,

Natasha Tyson
Executive Administrative Assistant
Business & Finance