

BOARD OF VISITORS
Finance Committee
December 10, 2004
President's Conference Room

Minutes

Mr. Bobby Vassar, Acting Chairperson, called the meeting to order at 8:45 a.m. Roll call indicated that the following committee members were in attendance:

Committee Members Present:

Ms. Teresa H. Carrington
Mr. Howard P. Kern, Chairperson (arrived at 8:50 a.m.)
Ms. Judith L. Rosenblatt
Mr. Bobby Vassar, Acting Chairperson

Other Board Members Present:

Mr. Jack L. Ezzell, Jr.

Members of NSU Staff Present:

Dr. Alvin J. Schexnider, Acting President
Mr. Kevin Appleton, Vice President for Finance and Business
Mr. Earlie Horsey, Executive Director of Planning and Budget
Mr. Patrick Kelly, General Counsel
Mr. Ernest Ellis, Director of Internal Audit
Dr. Joyce E. Bozeman, Assistant Vice President for Finance
Mr. Anton Kashiri, Associate Vice President for Facilities Management
Ms. Michelle Martin, Controller
Ms. Fannie Dixson, NSUAEOP President
Ms. Terricita E. Sass, Executive Director of Institutional Research and Enrollment Management
Ms. Sheila L. Walters, Recorder

1. Approval of Minutes

Mr. Vassar asked for a motion to approve the minutes for September 3, 2004.

Ms. Judith Rosenblatt motioned to approve the minutes from the September 3, 2004 meeting; the motion was seconded by Ms. Teresa Carrington and unanimously voted by the Finance Committee.

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2. Discussion Items

Student Account Receivables Update

Mr. Appleton stated that his presentation today was similar to the one he made on October 15th

to the Executive Committee of the Board, which had been designated as the oversight committee for student accounts issues. He said it included updated information. Mr. Appleton summarized past audit findings, student A/R trends, student A/R cycle, and student accounts receivables. Ms. Carrington expressed concern about the receivables trend. Mr. Appleton responded that we were aware of the solutions and causes.

Mr. Appleton reviewed the major changes that have occurred over the past year, which included identifying Student Financial Services as an area of major concern and the new appointments of the Vice President for Finance and Business (9/15/03), Acting Bursar (9/29/04) and Executive Director of Enrollment Management (1/04). Other changes discussed by Mr. Appleton were the enforcement of satisfactory academic progress for financial aid eligibility, student financial appeals, and changes in business practices. He said enforcement of the satisfactory academic progress began this fall and affected about 400 students, who subsequently had to file financial aid appeals. Mr. Appleton stated that approximately half of those appeals were approved. He also said that, effective with the fall semester, business practices were changed to require students to pay all outstanding balances before they were permitted to register for the current term. He said a new policy was being enforced that required all prior balances had to be paid with certified funds. Mr. Kern asked if there was a specific process for how new policies were communicated – particularly off campus. Mr. Appleton discussed several communications mechanisms that were utilized with students, which included town hall meetings, flyers, posters, email, and letters to students and parents.

Mr. Appleton reviewed current audit findings for the year that ended June 30, 2004 and solutions that will rectify the situation. He also discussed a Corrective Action Plan and stated that he was reviewing the overall organization of the Division of Finance and Business. Mr. Appleton stated that a consultant from Financial Aid Services, Inc. (FAS) was here this week and he expected a report in mid-January. Ms. Rosenblatt asked if FAS could assist with the actual implementation of their recommendations. Mr. Appleton said that they do provide such services; however, FAS indicated that if we focused our energies on reengineering some of these processes, obtain the appropriate technologies and have the interfaces in place, we could move forward to make this operation more efficient. There was some discussion about the interfaces. Ms. Carrington recommended that we consider using outside vendors such as Bank of America to perform some of the labor-intensive work. Mr. Kern suggested that we focus resources that might be devoted internally to collections within 120 days. Ms. Carrington said that intervention was needed within this timeframe before bills become past due, and to anticipate how many of the students will actually be able to follow through on their payments. Dr. Schexnider stated that this would be addressed in context of Enrollment Management and would be discussed by Mrs. Sass in her report later in the day.

Mr. Appleton discussed staffing enhancements that were a part of his Corrective Action Plan for Operations. He said that additional staff and interfaces were needed to handle the volume of transactions with the implementation of this payment policy. He also stated that student bills will require reformatting and that additional staff training was needed. He said that training was conducted this week on query and report writing.

Mr. Appleton discussed monitoring the results of financial aid awards and reported the total aid

package covered 5,423 students with over \$53,000,000. He said there was still about \$1.7 million that had not been posted for this fall. Dr. Schexnider said that 72% of NSU's students live off campus and that we needed to more aggressively close the communications and procedural gap. He said that this would be discussed more thoroughly when Ms. Sass gives her report later. Dr. Schexnider also stated that the Board would receive the Strategic Plan in the afternoon and that the committee would request that the January 15th date be accelerated.

Auxiliary Maintenance Plan

Mr. Appleton discussed the plan. He also introduced Anton Kashiri as the new Associate Vice President for Facilities Management and that he was consolidating Maintenance and Operations for Educational and General (E&G) and Operations Facilities.

Energy Savings Contract Ratification Recommendation

Mr. Appleton stated that it was ratified at the last Executive Committee meeting.

3. **Information Items** – Mr. Appleton discussed the financial information.

Financial Statements for year ended June 30th, 2004. – Mr. Appleton discussed the financial information for the year that ended on June 30, 2004.

Financial Status Information – Mr. Appleton reviewed the financial status items. He discussed the revenue/expense comparisons and the Division percentages of E&G expenditures. He also gave a capital projects update report on the status and completion dates for capital projects:

- Phase I Robinson Technology Renovation (Optical Engineering Lab); renovation completed with opening for instruction on 1/17/05.
- Teacher's Education Renovation; completion by 1/31/04.
- Robinson Technology Renovation Phase II; relocation and beginning of construction in 1/05; substantial completion by 5/06.
- Student Center Renovation and Addition; currently in the preplanning and preliminary design phase.
- Woods Science Roof Replacement; construction begins 2005 with completion by 4/05.
- Norfolk Community Hospital; various departments will be relocating on 1/15/05.
- Rise Center; construction will begin 4/05, with completion in 2006.

Student Housing Bond Financing Update – Mr. Appleton gave an update on student housing bond financing. He stated that Ambling was approximately \$4.5 million over budget and that the University was considering contingency plans in case it failed to meet the construction deadline.

Mr. Appleton informed the Committee that Thompson Hospitality was awarded the University's food service contract.

4. **Other Business** – No other business was brought before the Committee.

5. **Adjournment** - The meeting was adjourned at 9:52 a.m.

Respectfully Submitted,

Kevin Appleton
Vice President for Finance and Business

Mr. Howard P. Kern, Chairperson
Finance Committee