

Board of Visitors Meeting Book

Norfolk State University

December 8-9, 2022

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AGENDA
BOARD OF VISITORS MEETING
Thursday, December 8, 2022

Times are approximate

Devon M. Henry, Rector
President Javaune Adams-Gaston, Ph.D.

Staff: Inda Walker, Clerk to the University President and Liaison to the Board of Visitors

Campus Location: Norfolk State University
700 Park Avenue, Norfolk, VA 23504
Student Center, Board Room, 3rd Fl., Suite 301

Zoom Webinar Participation
https://nsu-edu.zoom.us/webinar/register/WN_Mr_7frtQa6nGpzBheV7DQ

Lunch Available at 12:00 Noon

- 1:00 p.m. **Call to Order/Establish Quorum**..... Mr. Devon M. Henry, Rector
- 1:10 p.m. **Opening Remarks** Mr. Devon M. Henry, Rector
Dr. Javaune Adams-Gaston, President
- 1:20 p.m. **Consent Agenda** – Recommend Approval of the following minutes:
– October 13, 2022 Board Meeting Minutes
– October 14, 2022 Board Meeting Minutes
- 1:25 p.m. **Auditor of Public Accounts Report**.....Mr. Noah Johnson, Audit Supervisor
Auditor of Public Accounts (*Virtual Participation*)
- 1:45 p.m. **Faculty Representative to the Board** Dr. Geoffroy de Laforcade
- 2:00 p.m. **Student Representative to the Board** Indya Richards
- 2:15 p.m. **Academic and Student Affairs Committee Update** Ms. Mary L. Blunt, Chair
- 2:35 p.m. **BREAK**
- 2:45 p.m. **Audit, Risk and Compliance Committee Update**Bishop Kim W. Brown, Chair
- 3:05 p.m. **Strategic Finance Update**..... Mr. B. Keith Fulton, Chair
- 3:25 p.m. **Governance Committee Update** Mr. Dwayne B. Blake, Chair
- 3:45 p.m. **Public Comment**
- 4:00 p.m. **Adjournment**

All times are approximate and the Board reserves the right to adjust its schedule as necessary.
In compliance with the Virginia Freedom of Information Act, please be advised that during the course of this meeting there will be no opportunity for public comment (except where indicated).



BOARD OF VISITORS

700 Park Ave., HBW Suite 520, Norfolk, Virginia 23504
P: 757-823-8670 | F: 757-823-2342 | nsu.edu

BOARD OF VISITORS RECEPTION

CAMPUS LOCATION – UNIVERSITY HOUSE, 1 PRESIDENTIAL PARKWAY, NORFOLK, VA 23504
PRIVATE EVENT WITH INVITED STUDENTS AND ADMINISTRATORS - NO BUSINESS DISCUSSED
4:15 P.M. TO 5:30 P.M.

The Norfolk State University Board of Visitors will meet December 8, 2022 in person.

The meeting will be accessible via the Zoom Webinar app. The open session of the meeting can be accessed through the app using the following link to register:

December 8, 2022 at 1:00 p.m.

https://nsu-edu.zoom.us/webinar/register/WN_Mr_7frtQa6nGpzBheV7DQ

Registering will allow participants to attend virtually or by phone. Information on public comment is provided on the registration form. Public comment should address only the items listed on the agenda.

If there is any interruption in the broadcast of the meeting, please contact 757-823-8676.

All times are approximate and the Board reserves the right to adjust its schedule as necessary. In compliance with the Virginia Freedom of Information Act, please be advised that during the course of this meeting there will be no opportunity for public comment (except where indicated).

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We see the future in you.

BOARD OF VISITORS

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Times are approximate

AGENDA
BOARD OF VISITORS MEETING

Friday, December 9, 2022

Devon M. Henry, Rector

President Javaune Adams-Gaston, Ph.D.

Staff: Inda Walker, Clerk to the University President and Liaison to the Board of Visitors

Campus Location:

Norfolk State University
 700 Park Avenue, Norfolk, VA 23504
 Student Center, Board Room, 3rd Fl., Suite 301

Zoom Webinar Participation

https://nsu-edu.zoom.us/webinar/register/WN_BEtFEP8oRo2Y1MImNgwltw

Breakfast available at 8:00 a.m.

- 8:30 a.m. **Call to Order/Establish Quorum**..... Mr. Devon M. Henry, Rector
- 8:35 a.m. **Opening Remarks** Mr. Devon M. Henry, Rector
 Dr. Javaune Adams-Gaston, President
- 8:45 a.m. **State of the University**..... Dr. Javaune Adams-Gaston, President
- 9:15 a.m. **BOV/NSUF Liaison Committee** Dr. Harold Watkins, Jr.
- 9:35 a.m. **Action Items**
 – Recommend Approval of Annual Executive Summary of Board’s Activity and Work
 – Approve BOV Policies #07 Risk Assessment and #09 Incident Response Policy
- 9:55 a.m. **Break**
- 10:05 a.m. **MOTION – CLOSED MEETING – Pursuant to §2.2-3711A. 1, 4, 7, and 8, Code of VA**
- 11:25 a.m. **OPEN MEETING**
 – Closed Meeting Certification
 – Other Actions/Motions
- 12:00 p.m. **Lunch**
- 12:30 p.m. **OLD BUSINESS**
- 12:40 p.m. **NEW BUSINESS**
 – Emails for BOV Members
- 12:50 p.m. **PUBLIC COMMENT**
- 1:00 p.m. **ADJOURNMENT**

All times are approximate and the Board reserves the right to adjust its schedule as necessary. In compliance with the Virginia Freedom of Information Act, please be advised that during the course of this meeting there will be no opportunity for public comment (except where indicated).

BOARD OF VISITORS

700 Park Ave., HBW Suite 520, Norfolk, Virginia 23504
P: 757-823-8670 | F: 757-823-2342 | nsu.edu

The Norfolk State University Board of Visitors will meet December 9, 2022 in person.

The meeting will be accessible via the Zoom Webinar app. The open session of the meeting can be accessed through the app using the following link to register:

December 9, 2022 at 8:30 a.m.

https://nsu-edu.zoom.us/webinar/register/WN_BEtFEP8oRo2Y1MImNgwltw

Registering will allow participants to attend virtually or by phone. Information on public comment is provided on the registration form. Public comment should address only the items listed on the agenda.

If there is any interruption in the broadcast of the meeting, please contact 757-823-8676.

All times are approximate and the Board reserves the right to adjust its schedule as necessary. In compliance with the Virginia Freedom of Information Act, please be advised that during the course of this meeting there will be no opportunity for public comment (except where indicated).

**BOARD OF VISITORS
FULL BOARD MEETING
October 13, 2022
MINUTES**

1. Call to Order/Establish Quorum

Mr. Devon Henry, Rector, called the NSU Board of Visitors meeting to order at approximately 1:02 p.m., welcoming everyone to this year's Homecoming, stating "Welcome back to Sparta."

A quorum was established with an 11-0 Roll Call vote. Below is a list of individuals that joined the meeting.

Participants – Board Members

Mr. Devon M. Henry, Rector
Mrs. Heidi Abbott
Mr. Dwayne B. Blake
Ms. Mary L. Blunt, Vice Rector
Bishop Kim W. Brown, Secretary
Dr. Katrina Chase
The Honorable James W. Dyke, Jr.
Mr. Conrad Hall
Mr. James Jamison
Mr. Delbert Parks
Dr. Harold Watkins, II

Virtual Participation

Mr. Delbert Parks

Non-Participants – Absent Board Members

Mr. BK Fulton

Participant – Faculty Representative to the Board

Dr. Geoffroy de Laforcade, Professor of History and Interdisciplinary Studies

Participant – Student Representative to the Board

Ms. Indya Richards, SGA President*

Participant – Counsel

Ms. Pamela F. Boston, University Counsel and Senior Assistant Attorney General
Mr. James Wright, Associate University Counsel and Senior Assistant Attorney General

BOARD OF VISITORS

Full Board Meeting

October 13, 2022

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Participants – NSU Administrators and Staff

Dr. Javaune Adams-Gaston, President

Dr. Justin L. Moses, Vice President for Operations and Chief Strategist for Institutional Effectiveness

Dr. DoVeanna Fulton, Provost/Vice President for Academic Affairs

Dr. Gerald Ellsworth Hunter, Vice President and Chief Financial Officer, Finance and Administration

Mr. Eric W. Claville, J.D., M.L.I.S., Executive Advisor to the President, Governmental Relations

Mr. Clifford Porter, Vice President, University Advancement

Dr. Andrew T. Carrington, Assistant Vice President for Finance and Administration

Ms. Tanya S. White, Chief of Staff

Dr. Dawn Hess, Chief Compliance Officer

Mrs. Derika Burgess, Chief Audit Executive

Mrs. Kimberly Gaymon, Scheduler/Financial Services Specialist

Mr. Christopher M. Gregory, Information Technology Specialist, OIT

Dr. Leonard E. Brown, Vice President, Student Affairs*

Ms. Melody Webb, Athletics Director*

Ms. Phillita Peebles, Compliance and Audit Administrative Assistant

Ms. Inda Walker, Clerk to the University President/Board Liaison

Observers – NSU Administrators and Staff

Dr. Karen H. Pruden, Assistant Vice President for Human Resources

Mr. Anton Kashiri, Facilities Management

Ms. Aurelia T. Williams, Vice President for Academic and Faculty Affairs

Chief Brian Covington, NSU Police Department

Mr. DeAndre' L. Hyman, NSU Police Department

Mr. James Stevens, Information Security Officer/OIE

Ms. Davida Williams, Auxiliary Services

Mr. Dennis Jones, Executive Budget Director

Ms. ReNecia Thornton, Housing and Residence Life

Dr. Faith Fitzgerald, Assistant Vice President, Division of Student Affairs

Dr. Karen Pruden, Assistant Vice President Human Resources

Dr. Ivana Rich, Athletics

Ms. Dominique Harrison, Admissions

Dr. Juan Alexander, Associate Vice President, Enrollment Management

Mr. Dennis Jones, Budget

Ms. Karla Amaya Gordon, Controller's Office

2. Approve BOV Policy 18

Mr. Dyke gave an overview of the changes to Policy 18 stating that the General Assembly made some changes to the policy. The key points are that we can continue to have virtual

BOARD OF VISITORS

Full Board Meeting

October 13, 2022

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meetings, we can have two (2) all virtual meetings per calendar year, however, we cannot have two (2) consecutive all virtual meetings. We will continue streaming full board meetings but we will not stream committee meetings. The reasons for a member having to attend virtually have been expanded to include that if a member resides at least sixty (60) miles or more from a meeting, which is an exception for virtual participation. The resolution presented addresses these issues.

Additional updates include:

The General Assembly also passed legislation requiring that the university website include:

1. a listing of all board members, including the name of the Governor who made each appointment and the date of each appointment;
2. a listing of all committees created by the board and the membership of each committee;
3. a schedule of all upcoming meetings of the full board and its committees and instructions for the public to access such meetings;
4. an archive of agendas and supporting materials for each meeting of the governing board and its committees that was held;
5. an email address or email addresses that allow board members to receive public communications pertaining to board business.

Dr. Adams-Gaston and her team will make an update at the next full board meeting as to how they are going to implement the mandates.

The legislation also requires that the BOV:

Submit and make available on the institution's website the annual financial statements for the fiscal year ending the preceding June 30 and the accounts and status of any ongoing capital projects to the Auditor of Public Accounts for the audit of such statements pursuant to § 30-133.

General Assembly legislation now requires that the Board semi-annually consult with faculty on matters of interest. The BOV is required to:

Solicit the input of representatives of the institution's faculty senate or its equivalent at least twice per academic year on topics of general interest to the faculty and in advance of decisions to be made on the search for the institution's new chief executive officer.

Mr. Dyke suggests that this responsibility be delegated to the Governance Committee since there is no guidance pertaining to how to move forward, and since this is part of the governance structure. He suggests that we wait until the next Board Meeting to report back and make a definite decision after we have gotten some guidance and then make determinations as to how to proceed. SCHEV training is the following week.

Motion was made by Conrad Hall to accept the resolution as presented as pertaining to Policy 18, Electronic Meetings, seconded by Dwayne Blake. Board unanimously approved with an 11-0 roll call vote.

3. Virtual Participation

Motion was made by Heidi Abbot and seconded by Dwayne Blake to allow Delbert Parks to participate virtually because of medical reasons. The Board voted and unanimously approved with an 11-0 roll call vote. .

4. Opening Remarks.....Rector Henry

Rector Henry recognized homecoming and what it means to those who have matriculated through this great university, whether a year ago, or ten years ago, or forty years ago, and the commonality is the love for Norfolk State and we are happy to see one another doing well. People come back and join with their former peers and classmates to have a good time and just be a Spartan.

Opening Remarks..... Dr. Adams-Gaston

Dr. Javaune Adams-Gaston stated that she appreciates this Board and she is so grateful for the board members, faculty, and staff at this great university. She never forgets that the board members do this because they care and without dollars attached. And what we are looking at is always what is in the best interest of our students, faculty, and staff. Thank you.

Homecoming is an exciting time for the university and it reminds us that we have been here for eighty-seven years and we have individuals who have done amazing things. She is pleased that we have the board here for Homecoming. She gave special thanks to Indya, SGA President, and her team who are doing a significant job as they are spearheading this Homecoming. Student Affairs is doing an excellent job under the direction of Dr. Leonard Brown.

Dr. Adams-Gaston highlighted the Mr. & Mrs. NSU event, stating that the entire event was spectacular.

5. Welcome and Introduction of New Board of Visitors Members Rector Henry

Rector Henry added that he has always felt that we have a strong and talented board and that on July 1, we became even more stronger, more talented, and even more engaged. He recognized the new board members:

- Mr. Gil Bland
- Dr. Katrina Chase, a Spartan
- Mr. Conrad Hall
- Mr. Jay Jamison, a Spartan

He also stated that we have had some strong and talented SGA Presidents and we are expecting great things from Indya, who is also a track and field superstar. The board will support Indya as she continues to be the voice for the students.

6. Approve May 5, 2022 Board Retreat Committee Meeting Minutes

The May 5, 2022 Board Retreat minutes were approved with an 12-0 Roll Call Vote, motioned by The Honorable James Dyke and seconded by Mary Blunt.

The May 6, 2022 Board Meeting minutes were approved with an 12-0 Roll Call Vote, motioned by Dr. Harold Watkins and seconded by Dwayne Blake.

7. Academic and Student Affairs Update..... Mary Blunt, Chair

Indya Richards, SGA President, stated that the SGA has been working with the students that are coming in to make sure they are comfortable and working with Dr. Leonard Brown to make sure that mental health is at the forefront. The SGA has been working to get a presidential roundtable with the different organizations on campus to see what the students need and how they can all help in the best way possible. Also, working on Homecoming, and working with the Police Department to make sure that everyone knows the do’s and don’ts for safety. The first town hall meeting will take place on Thursday October 22, 2022.

Dr. Geoffroy de Laforcade, Faculty Senate Representative to the Board, stated that faculty reimbursement was discussed and noted delays in reimbursements which is causing the faculty to be delayed in managing some of their other responsibilities. Dr. Hunter was solicited and administration is working to improve the process.

The implementation of the Sabbatical Policy and its possible overhaul: the Senate Taskforce has been created and is led by Dr. Fairfax. Comparisons have been undertaken by Morgan State, Hampton University, Charles Drew, Copen State, Virginia State, and Howard University. It has been determined that the policy needs to be more specific. Suggestions for improvement include a Sabbatical Leave Committee. A framework for the sabbatical process is also needed as it is part of professional development.

Dr. Porter was solicited to discuss campus announcements. Updates are that announcements are to be made daily in separate mechanisms. The goal pursued is simplification.

Counseling & Mental Health Support for Students

Counseling and Mental Health support for our students continue to be a need as a result, we are looking at some creative options, to include TimelyMD, which is a virtual option for mental health screening and counseling.

Two Year Residency Requirement

The university is looking at a one and two year residency requirement to stay on campus. This is an initiative that is in process and more information is forthcoming this spring.

Enrollment Management

Student enrollment has increased thanks to the efforts of the Enrollment Management Team in conjunction with partners across the institution. The focus now and beyond will be on retention. The Fall 2022 goal was to enroll and clear 5600 students. The goal was exceeded by nearly 200. Enrollment currently stands at 5,805. A 6% increase from where we were last year. 1311 of these students are freshmen, which is a 20% increase from last year's first-year enrollment. The final enrollment figure reported for Census Data is 5783.

Faculty Workload Initiative

Dr. DoVeanna Fulton brought updates.

Objective: To Assist NSU leadership in understanding current faculty workload and designing an equitable process so that the implementation of the workload policy facilitates faculty productivity and appropriate financial impacts for strategic progress. There are five phases:

- Data Collection
- Presentations for administrators and faculty to explore usefulness of models.
- Designing input mechanisms and instruction.
- Process the data with 1 or 2 models for units. Prepare detailed reports for the Provost, Deans, and Department Chairs for each model.
- Process the data for faculty with selections for weighing.

Work to date:

- Developed list of peers from SCHEV, Task force, and schools that had available policies.
 - Peers: Albany State, Bowie State, Colorado State-Pueblo, Delaware State, Grambling State, North Carolina Central
 - Aspirational peers are already R2 universities: California State, Hampton State, Howard, Jackson State, Louisiana Tech, Morgan State, North Carolina A&T, University of North Carolina at Wilmington, Prairie View A&M, Colorado-Colorado Springs
- Gathered general information from iPEDS, state reports, and faculty handbooks.

BOARD OF VISITORS

Full Board Meeting

October 13, 2022

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- Evaluated practices for workload among peers and aspirational peers.
- Talked to leaders at three (3) aspirational peers
- Analyzed multiple semesters of NSU actual teaching assignments.

Findings among peers:

- Most start at 12 hours/semester except they appear to have more systematic releases
- Most said tenure and tenure track faculty in departments that have graduate students are more likely to teach 9 hours/semester. Common exceptions included the following:
 - weigh graduate courses by 1.33 or 1.5
 - all administrators and departmental advisors release 3-9 hours
 - all can reduce up to 3 hours for thesis or dissertation advising
 - allowance for research, accreditation, or curricular innovation
 - allowance for negotiations with a provost for how many overall releases they can give
 - all have methods of reporting/certifying the department loads and individual faculty member loads
- Several institutions weigh labs, student teaching, private lessons, or clinic hours at 0.67 for every scheduled hour/week

Which Model is Best for NSU?

Headcount

9/31 Comply

Have 24.425 too many faculty with many in the wrong place

Prorated

22 to 23/31 Comply

Need 17.975 more faculty, and many numbers in the wrong place

SCHEV

24 to 27 Comply

Need 81.6 more faculty, with only 7 departments having enough (or too many)

NSU Handbook

23/31 Comply

Need 30.8 more faculty, and many numbers in the wrong place

We are now conducting searches for forty (40) full time faculty, and expect that we will be 100% successful in the search. Hiring the forty (40) will still leave us down because of the great resignation and enrollment is growing.

Research Compensation Analysis Initiative

Objective is to assess research compensation practices at NSU to provide an enhanced culture that supports innovative research by all faculty and a streamlined workflow for compensation operations across the University. Attain has completed its review and the policy recommendations are now under review. We need the policy to ensure that we incentivize our faculty for research.

The next steps will be to identify technological platforms, develop implementation plans, and train faculty and staff schedulers.

Pairing a faculty member is advantageous, however, sometimes we do not have enough faculty. The university is working on a faculty mentoring program. We must be careful that mentoring does not go south.

It is important to have a community, even if it is not someone in your discipline.

General Education Curriculum Reform

Objective is to improve student success in Gateway Courses; provide General Education that Meets 21st Century Demands; and Develop T-Shape Professionals.

Serves as the gateway for the university's undergraduate student and it needs transformation. The curriculum is still stuck in the 20th Century. The course is inadequate to stimulate learning.

Promotion and Tenure Application Timeline

- Feb 15 Applicants submit portfolios
- Feb 28 Chair and Peer Evaluations Completed
- March 4 Dept. Recommendations submitted to the College/school Dean
- March 15 Deans submit department recommendations to the University Review Committee
- March 31 University review Committee submits recommendations to the provost.

They are working on a digital process for annual faculty evaluations.

8. Audit, Risk, and Compliance Committee UpdateBishop Kim W. Brown, Chair

Dr. Dawn Hess brought Compliance Committee update.

University Compliance Assessments for 2022-2023 Calendar items include:

- Researcher Compensation and Conduct
 - To be scheduled

BOARD OF VISITORS

Full Board Meeting

October 13, 2022

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- Privacy and Data Security (Cyber Security)
 - Began July 2022
- Environmental, Health & Safety
 - Began April 2022
 - Gap closure plan developed July 2022

Environmental, Health and Safety compliance assessment have been completed.

EHSRM Gap Closure Plan includes:

- Current Condition
- Target Condition
- Action Plan
- Responsible individual
- Due date
- Recommended improvements and best practices - A university wide training program has been developed and is being implemented.

Privacy and Data Security (Cyber Security) – Compliance Assessment began July 2022

- Gramm Leach Bliley Act (GLBA)
 - Privacy Rule
 - Safeguards Rule
- General Data Protection Regulation (GDPR)
- Payment Card Industry Data Security Standard (PCI DSS)
- Information Security Standard (All subparts)
- Federal Information Security Management Act (FISMA)

Derika Burgess brought the Internal Audit update.

This summer of 2022 Internal Audit reviewed the NSU Police Department, and some of the things reviewed were:

- Reviewed controls over custody and disposal of property and evidence.
- Holding areas were toured to determine if the storage was adequate.
- Sampled property and evidence in custody using high risk items, personal data, and biological evidence between July 2018 – July 2022.
- Obtained camera footage from evidence room.
- Verified if custody and disposal are in accordance with standard operating procedures, local and state policy, and professional standards.

Because NSUPD could not ensure compliance with applicable standards nor account for the status of all inventories in their control, the review earned an unsatisfactory rating. About 44% of items were not available during the review. There are a lack of

controls, and significant staff vacancies. Since the review, NSUPD has provided and completed corrective actions well before the required due date.

As the new police chief, Covington is working hard to build and maintain connections with local police departments as we prepare for professional accreditation by 2024.

Regarding the bomb threats, juveniles have been identified as the persons responsible. They are also looking at the bomb threats as a terrorist threat. As of now, no one has been charged.

Chief Covington was given a round of applause as the newly appointed Chief of Police at Norfolk State University.

9. Strategic Finance Committee Update..... Mr. Dwayne Blake, Acting Chair

Dwayne Blake sat in for BK Fulton and there were no major concerns that needed to be brought before the Board. Following are the updates:

FY2022 Preliminary Financial Report

Total Actual Revenue for the fiscal year was \$263 Million and Actual Expenses totaled \$237.7 Million, which resulted in a Positive Projected year-end Fund Balance of \$25.3 Million. The Use of Funds as of June 30, 2022, includes expenses for instruction, research, public service, academic support, student services, institutional support, operations and maintenance, student financial assistance, sponsored programs, auxiliary enterprises, and local funds.

Higher Education Emergency Relief Fund (HEERF) Update

As of June 30, the University received \$102.6 Million directly from the federal government and \$8 Million from the Commonwealth of Virginia for a grand total of \$110.6 Million. As of June 30, 2022, \$73.7 was expended with a balance of \$36.8 Million. The University has begun major projects to expend the remaining balance by end of FY 2023.

Capital Six-year Plan

Includes COVID Projects Update, Maintenance Reserve Projects Update, Capital Projects Update, Shepherd’s Village, and the Campus Edge Master Plan. The Six-year Plan has to be updated and Acting Chairman Blake presented a resolution for the Full Board to adopt.

A quick recap of the resolution is no increase in tuition. As a result, the percentage amounts will be applied to the previously approved plan, which will generate a lower amount for the

planned FY24 tuition. The goal is to sync the Six-year Plan to align with revised projections. The resolution is necessary for the Board to memorialize those changes.

It was suggested by Heidi Abbot that a one-page summary report be made available to the Board members for ease of interpretation.

All other updates are in the package.

Motion was made by Heidi Abbot and seconded by The Honorable James Dyke for the Board to adopt the FY22 updated Resolution. The Board unanimously approved with a 11-0 Roll Call Vote.

10. Governance Committee Update Mr. Dwayne Blake, Chair

- The Committee met on August 30, 2022. Mr. Blake welcomed the new member, Dr. Katrina Chase.
- SCHEV training is coming up next week in Richmond and we have Board Members planning to attend.
- Eric Claville will be updating the skills matrix so that we are aware of the skills that we have and the skills that we need.
- The Governance Committee has topics that will be discussed during the Closed Session.

11. Old Business – There was none.

12. Public Comments – there were no public comments.

13. New Business

Rector Henry introduced a former classmate, Marvinna Robinson, who was attending homecoming and has an amazing story that she shared. She has a degree in statistics, worked on Wall Street, and then started a champagne company. She is the owner of one of the few women Black owned champagne companies in the world, Stuyvesant Champagne. She has been in NY Times and on MSNBC. Today was historic for her, as she finalized distribution in Virginia.

Saturday is football game day and there are new policies in place for safety reasons. A clear bag has been provided for each board member. Please spread the word so that all can enjoy the celebrations.

15. Adjournment – The meeting concluded at approximately 4:05 p.m.

Respectfully submitted,

Inda Walker, Board Liaison

Bishop Kim Brown, Secretary
Board of Visitors

NORFOLK STATE UNIVERSITY BOARD OF VISITORS
ROLL CALL VOTE October 13, 2022

Item	Mrs. Abbott	Mr. Blake	Mr. Bland	Ms. Blunt	Bishop Brown	Dr. Chase	Honorable Dyke	Mr. Fulton	Mr. Hall	Mr. Henry	Mr. Jamison	Mr. Parks	Dr. Watkins	Totals
Quorum	Present	Present	Present	Present	Present	Present	Present	Absent	Present	Present	Present	Present	Present	11-0
Motion to approve Policy 18 updates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes		Yes	11-0
Motion to approve virtual participation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes		Yes	11-0
Motion to approve May 5, 2022 Meeting Minutes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes	Yes	Yes	12-0
Motion to approve May 6, 2022 Meeting Minutes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes	Yes	Yes	12-0
Motion to approve FY2022 Updated Resolution	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes	Yes	Yes	12-0

**BOARD OF VISITORS
FULL BOARD MEETING
October 14, 2022
MINUTES**

1. Call to Order/Establish Quorum

Mr. Devon Henry, Rector, called the NSU Board of Visitors meeting to order at approximately 8:43 a.m., stating that there were technical difficulties.

A quorum was established with an 11-0 Roll Call vote. Below is a list of individuals that joined the meeting.

Participants – Board Members

Mr. Devon M. Henry, Rector
Mrs. Heidi Abbott
Mr. Dwayne B. Blake
Ms. Mary L. Blunt, Vice Rector
Bishop Kim W. Brown, Secretary
Dr. Katrina Chase
The Honorable James W. Dyke, Jr.
Mr. Conrad Hall
Mr. James Jamison
Mr. Delbert Parks
Dr. Harold Watkins, II

Virtual Participation

Mr. Delbert Parks

Non-Participants – Absent Board Members

Mr. BK Fulton

Participant – Faculty Representative to the Board

Dr. Geoffroy de Laforcade, Professor of History and Interdisciplinary Studies

Participant – Counsel

Ms. Pamela F. Boston, University Counsel and Senior Assistant Attorney General
Mr. James Wright, Associate University Counsel and Senior Assistant Attorney General

Participants – NSU Administrators and Staff

Dr. Javaune Adams-Gaston, President
Dr. Justin Moses
Dr. DoVeanna Fulton, Provost/Vice President for Academic Affairs
Dr. Gerald Ellsworth Hunter, Vice President and Chief Financial Officer, Finance and Administration

BOARD OF VISITORS

Full Board Meeting

October 14, 2022

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Mr. Eric W. Claville, J.D., M.L.I.S., Executive Advisor to the President,
Governmental Relations

Mr. Clifford Porter, Vice President, University Advancement

Ms. Tanya S. White, Chief of Staff

Dr. Dawn Hess, Chief Compliance Officer

Mrs. Derika Burgess, Chief Audit Executive

Mrs. Kimberly Gaymon, Scheduler/Financial Services Specialist

Mr. Christopher M. Gregory, Information Technology Specialist, OIT

Dr. Leonard E. Brown, Vice President, Student Affairs*

Ms. Melody Webb, Athletics Director*

Ms. Phillita Peebles, Compliance and Audit Administrative Assistant

Ms. Inda Walker, Clerk to the University President/Board Liaison

Observers – NSU Administrators and Staff

Dr. Karen H. Pruden, Assistant Vice President for Human Resources

3. Virtual Participation

Motion was made by Honorable James Dyke and seconded by Dwayne Blake to allow Delbert Parks to participate virtually because of medical reasons. The Board voted and unanimously approved with an 11-0 roll call vote.

2. President’s Update/Presentation..... Dr. Adams-Gaston

Dr. Adams-Gaston stated that there were issues with the university’s internet network and NSU’s Office of Information Technology (OIT) was working to identify the cause of the network issue; specifically, if the cause was related to ransomware or a cyber-attack. The highest IT people at Cox are working to get things back up and running. In the meantime, OIT has been able to do a partial override, which has allowed us to continue with university business. OIT has been able to get hotspots up and running for the Board.

This is the world that we live in. We live in a world where there is always something and we try and be ready for those things that are not the norm. The team must understand that everyone at the university works for the university, and not for their departments but for NSU and betterment of our students, faculty, staff, and our community.

This is our homecoming celebration, and we welcome our alums back to Sparta. This is the first year that they have crowned a queen for the Athletic Foundation and they raised \$25,000 amongst the four runners. We continue to see our investment through our alumni pay off for us.

Dr. Adams-Gaston acknowledged her executive team and the extended cabinet members. She had them stand for a round of applause, stating that they work as a team and they are

training their teams to do that. For many years, people at NSU have been working in silos, which leads to finger pointing instead of problem solving.

Dr. Adams-Gaston stated that she wanted to provide a look into how we build an HBCU for the modern world at Norfolk State University because this is our time, this is our future.

PRESIDENTIAL PRIORITY NUMBER ONE – Access, Opportunity, and Success

ACCESS

Teaching Excellence:- The Center for Teaching and Learning supports the various roles of a faculty member at NSU and we have been able to attain \$300,000 for FY23 and FY24 to Improve the Center for Teaching and Learning.

In terms of Career Ready courses, we have newly approved courses by BOV:

Ph.D. in Computer Science
Master of Public Health (M.P.H.)
B.A. in African American Studies
Master of Health Informatics
Master of Public Health

We have also developed the Undergraduate Research Assistant and Mentoring program, secured \$105,000 from the Lumina Foundation as part of the Talent Innovation and Equity grant to pilot the program.

Regarding On-Demand Student Advising and Support, we have developed a new model for advising and new support programs that include telehealth, wellness center, counseling, and covid testing.

OPPORTUNITY

Rigorous and supportive learning environment- Stith Student Success Center- created additional opportunities for counselors to be available for students. Stith Success Center: The Dr. Patricia Lynch Stith Student Success Center's (PLSSSC) leadership, staff and student leaders strive to be the Ideal Spartan Unit and achieve excellence in operations, programs and services aimed at student success. Our mission statement guides us towards these ideals.

Promote student learning and degree completion by providing academic support services and programs that inform, empower, and facilitate student success, including studying abroad. We want students to have experiences that can transform their lives.

SUCCESS

Student Retention - The Office of Academic Engagement Offers the Bridge Program - The Summer Bridge programs at NSU are designed to strengthen students' academic skills, enhance their understanding of essential student support resources, develop a sense of belonging, and bolster student success. The program activities are complemented with activities to ensure students engage in immersive and meaningful experiences to be successful Spartans.

- Student Pathways & Academic Formation strategies support students' transition to the institution as well as enhance their holistic development to improve post graduate outcomes.
- Increase Graduation Rates: Fall, launch a Student Transformation Initiative aimed at promoting a comprehensive student experience that begins once a student is admitted to Norfolk State and lasting until they graduate and beyond.

Objectives:

- Promote academic success: increase student retention, increase graduation rates, prepare students for excellence in their careers or further academic pursuits.
- Methods to engage students: increased early arrival programs for all interested students, proactive advising and mentorship, new living learning programs, professional development, and the implementation of tools to promote classroom success. .
- Link Academic Success to Career Success: Greater Norfolk Council program- 3 years for NSU and now have other schools to join to include Old Dominion University, Tidewater Community College, and Virginia Wesleyan to use the model NSU created.

PRESIDENTIAL PRIORITY NUMBER TWO – Collaboration, Continuous Improvement, and Professional Development

COLLABORATION

- Breaking down silos involves culture shaping.
- Shared Governance means regular meetings and communications to address concerns with faculty and meetings with the President's Executive Council.
- Data Transparency – James Stevens, the Policies Director, works to ensure that programs have been implemented to ensure regulatory compliance.
- Ensuring university-wide understanding of information security protocols. One step forward was implementing Duo Mobile.

CONTINUOUS IMPROVEMENTS

- Data Driven Decision Making - NSU has partnered with Ruffalo Noel Levitzto to
 - Create a strategic blueprint for enrollment management, which will be implemented in the Fall of 2022.
- Professional Development
 - Human Resources has developed a business model to work with department in all areas.
- Prioritize Faculty Development
 - Committees have been established to identify training opportunities for faculty to update their skills.

Cultivate a Sustainable Pipeline:

- **Pipeline 1- Faculty Workload Analysis and Model Development**
 - The Abura Group, LLC will assist Norfolk State University leadership in designing a workload policy to facilitate faculty productivity and the financial impact it will have on the University. The project will be conducted in five phases.
- **Pipeline 2 – NSU Research Compensation Assessment**
 - Phase 1 will entail working with the appropriate offices at NSU to discern the workload data.
 - Based on the collected data, 3-5 workload models will be proposed with advantages and disadvantages.
- **Pipeline 3 - General Education Curriculum Review**
 - More initiatives to support student and faculty success are digital faculty annual evaluations and course scheduling optimization.

- **Support of sponsored research**

Opportunities to identify ways for faculty to research and seek grants. Examples of sponsored research include:

1. A Coalition for the Virginia Cyber Navigator Internship Program
2. Child Care Access Means Parents in School Program (CCAMPIS)
3. Center of Excellence in Cybersecurity
4. CREST Center for Renewable Energy and Advanced Materials

5. Plasmon-Induced Electric Effects in Plasmonic Surfaces
6. Single Crystal Growth and Investigation of Novel Exotic Fermion
7. Fast Functional Imaging of Neural Networks with Nanoelectrode Arrays
8. NSU Meson Spectroscopy Studies with GlueX and CLAS12 at Jefferson Lab

PRESIDENTIAL PRIORITY NUMBER THREE: Affordable Access, Diversity, and External Partnership – We are one of Virginia’s most affordable institutions.

Reduce Student Costs through innovation:

- Spartan Innovation Academy provided iPads and Mac Pros for students, faculty, and staff, and we provide a Professional Learning Specialist, Ms. Jeri Brown.
- First Day Success Program
- Provided covid incentive for immunizations

Articulation Agreements:

- Appalachian School of Law 3+3 program
- UVA Law school
- Tidewater Community College
- Thomas Nelson Community College
- Northern Virginia Community College
- Partnership for Academic and Student Success (PASSport) Program with Paul D. Camp Community College
- Agreements with Old Dominion University
- Eastern Virginia Medical School

Expand International programs

- Two international programs discussed with opportunities for NSU.

Pursue partnerships:

- Sentara Healthcare- Public Health Program
- Nate Parker Foundation Film Institute
- Dominion Energy
- Micron Technology, Inc.
- Disney
- Netflix
- 2U
- Apple
- Amazon
- USAA
- Pharrell Williams Black Ambition Prize

PRESIDENTIAL PRIORITY NUMBER FOUR: Revenue Growth and Sustainability

Revenue Growth

- Some of our student success in 2021 is attributed to the MacKenzie Scott gift that provided financial support to 409 students. For many first-generation students, retention proves to be significant because of financial need. Over 81% of the students assisted required \$2,000 or less in assistance to remain enrolled. This designated fund will continue to assist annually with filling the gap for student support.
- Endowment from \$29M to \$89M, valued at 50% increase
- Increase in grant solicitation
- Upgrade monitoring systems
- Excellence in Research (EiR)
 - Novel Label-Free Optical Imaging Approaches for Early Breast Cancer
 - Impact of Cybersecurity Policies on Employees' Efficiency and Performance
 - Impact of Cybersecurity Policies on Employees' Efficiency and Performance Predictability
- ARO Acquisition of a Real-Time Laue Back Reflection X-Ray System and a Powder Pattern X-Ray Diffraction System for Education and Research in Crystallography
- NNSA Consortium for Research & Education in Materials Science and Photonics
- DOED Student Support
- DOED Norfolk State University Upward Bound
- NSF Cyber Service Training & Education at NSU
- NSF Renewal of the Cyber Service Training & Education SFS Scholarship Program
- Explore funding by attending NSU Day on the Hill.
- Connected the 6-Year Plan to the budget process

Retired the following programs:

- Master of Science (M.S.) Degree Program in Community/Clinical Psychology
- Master of Arts (M.A.) Degree Program in Pre-Elementary Education
- Master of Arts (M.A.) Degree Program in Visual Studies

Norfolk State University is a body built on pillars of success and they are:

- Student Success and Scholarship
- Organizational Excellence
- Shared Governance
- Fundraising and Endowment Growth
- External Engagement and Partnerships

Dr. Adams-Gaston thanked everyone for their part in making Norfolk State University the great institution that it is by stating that “this is our time, this is our mission, and this is our future and I thank you for being a part of that.”

Rector Henry invited Head Coach Robert Jones to come by and introduce himself to the Board of Visitors. Coach Jones has been named *Coach of the Year* for the last three (3) years and won the *Meac* Tournament for the past 2 years.

Coach Jones thanked Rector Henry for extending the invitation. He stated that he tries to make NSU proud in everything that the team does, he tries to be an ambassador for NSU. He always wears the NSU paraphernalia at every opportunity. NSU finished at number 16 in the rankings in the country. He wants NSU to be the first HBCU to get to the Sweet 16.

He stated that they had a back-to-school drive and gave away 250 book bags and other school supplies. This was their fifth annual back to school giveaway.

Closed Session: Vice Rector Mrs. Blunt read the following motion, seconded by Honorable Dyke, and with a 11-0 Roll Call Vote the Board unanimously approved.

Section 2.2-3711(A) 1, 4, 7, and 8 of the Code of Virginia, for the following purposes, pursuant to the noted subsections:

(1) Discussion of reports submitted by a high-level University employee at Norfolk State University, which includes, discussion of the subject matter of goals and performance, and for the purpose of consultation with legal counsel and briefing by staff members, and

(4) To discuss personnel matters, more specifically, appointments, promotions and performances, salaries as well as granting tenure and promotion to certain university employees, and further, to discuss the evaluation of performance of specific employees, and evaluation of performance of departments or schools, where such evaluation will necessarily involve discussion of the performance of specific individuals and certain university employees; and

(7) and (8): Consultation with legal counsel regarding specific matters requiring the provision of legal advice pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the university, including more specifically for legal counsel to give a status update on pending and potential litigation of which the Board should be made aware; along with any necessary consultation with legal counsel regarding matters noted in this motion; and further that the following remain for or attend, when called, the Closed Meeting: President, University Counsel, Outside Counsel, McGuire Woods Law Firm, Eric Claville, and Deborah Love, OAG Education Section Chief, and Justin Moses.

Reconvene in Open Meeting

Rector Henry read: Having reconvened in Open Meeting, we will now take a roll call vote on certification that (1) only public business matters lawfully exempted from open meeting requirements, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the Board. Any member of the Board who believes that there was a departure from the requirements

as stated above, shall so state prior to the vote, indicating the substance of the departure that in his, or her judgment, has taken place. The motion was unanimously approved with a 12-0 roll call vote.

Mary Blunt motioned that following the annual evaluation of the performance of the President that the Board awards the president the maximum bonus permitted under her contract and further directs that one half of the bonus amount be placed in deferred compensation and that the President's employment agreement be amended to increase the performance bonus to a maximum of fifteen percent of base salary for academic year 2022-2023 and a twenty percent of base salary for academic year 2023-2024 through the remainder of the contract term and that the Rector be operational in negotiating and executing the contract to accomplish this. Seconded by Dwayne Blake and with an 12-0 Roll Call Vote the Board unanimously approved.

14. Public Comment – there was none.

15. There was no old business or new business, therefore the meeting adjourned at 12:31 p.m.

Respectfully submitted,

Inda Walker, Board Liaison

Bishop Kim Brown, Secretary
Board of Visitors

NORFOLK STATE UNIVERSITY BOARD OF VISITORS
ROLL CALL VOTE OCTOBER 14, 2022

Item	Mrs. Abbott	Mr. Blake	Mr. Bland	Ms. Blunt	Bishop Brown	Dr. Chase	Honorable Dyke	Mr. Fulton	Mr. Hall	Mr. Henry	Mr. Jamison	Mr. Parks	Dr. Watkins	Totals
Quorum	Present	Present	Present	Present	Present	Present	Present	Absent	Present	Present	Present	Virtual	Present	11-0
Motion to approve Policy 18 updates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes		Yes	11-0
Motion to approve virtual participation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes		Yes	11-0
Motion to go into Closed Session	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes	Yes	Yes	12-0
Motion to Reconvene in Open Meeting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes	Yes	Yes	12-0
Motion to approve Presential bonus.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Absent	Yes	Yes	Yes	Yes	Yes	12-0

AUDITOR OF PUBLIC ACCOUNTS

Norfolk State University
Board of Visitors or Audit Committee – Entrance Conference Agenda
December 8, 2022

1. Introductions

2. Audit Objectives, Audit Plan and Audit Roles:

a. Discussion of Auditor of Public Accounts (APA) audit team and resources –

- i. Project Manager – David Rasnic
- ii. In-charge – Noah Johnson
- iii. Staff
 - 1. Ebony Wilkes
 - 2. Nathan Seifert
 - 3. Kimberly Morgan
 - 4. Melinda Crawford

b. Audit timing –Our Office’s workplan includes completing the universities that are material to the Commonwealth’s Annual Comprehensive Financial Report (ACFR) in the fall of each year (UVA, VCU, VT). Once we complete the ACFR, we begin to schedule audits of the remaining universities. Our Office’s goal is to have all completed by your May Board meeting.

c. Audit objectives – Our audit objectives are to determine if the financial statements present fairly the financial position, changes in financial position, and cash flows for the period in conformity with accounting principles generally accepted in the United States of America. We will also determine if disclosures in the financial statements are adequate and fairly stated, whether management has appropriately reviewed the financial statements, whether adequate internal controls exist over material account balances and transactions, and whether the agency is in compliance with applicable laws, regulations, and provisions of contracts or grant agreements. These objectives will enable us to provide an opinion to the university’s financial statements that will be included with the financial statements that are distributed by the university. We will also issue a report on internal controls and compliance that will include any findings or recommendations that we may issue as a result of the audit. We will follow up on any recommendations included in the prior year report to determine whether the institution has addressed any previously communicated deficiencies, as applicable.

d. Statewide single audit support – Federal funding received by institutions in the Commonwealth of Virginia is subject to the Single Audit Act. Code of Federal Regulations, Title 2, Section 200 described the requirements for compliance and the associated audit requirements. HEERF funds are a major program and are subject to audit for the fiscal year 2022 audit. Any recommendations or noncompliance meeting reporting thresholds will be included in the institution’s audit report and the statewide Single Audit report. The Research and Development cluster is considered a major program under the audit requirements of 2 CFR 200 for fiscal year 2023, The Student Financial Aid cluster will be considered a major program during the fiscal year 2024 audit. HEERF funding expenses are subject to audit for the fiscal year 2022 audit. Any recommendations or noncompliance meeting reporting thresholds will be included in the institution’s audit report and the statewide Single Audit report.



- e. **Overview of the relationship between APA, internal audit, and foundation auditors** – The APA is the Commonwealth of Virginia’s independent external auditor responsible for annual financial statement audits of public agencies and institutions, and various other required audits. The APA reports to the Virginia General Assembly. Internal Audit is responsible for the institution’s audit workplan as approved by the institution’s Board of Visitors. Foundation auditors are responsible for the financial statement audits of the various foundations. We make reference to the work of these auditors in our financial statement opinion, but we generally do not take responsibility for the work of these auditors. Most foundations are presented as discretely presented component units in the institution’s financial statements.

3. Discussion of Risk with Board Members

The APA encourages the Board of Visitors to provide input regarding the risks they perceive to the University in completing its mission. While Board members can direct their comments to the Audit Committee Chair or the Internal Audit Director to be forwarded to the APA Project Manager, we also plan to meet directly with the Audit Committee Chair. We will discuss the following issues:

- Any areas of fraud risk
- Any areas of institutional risk
- Any matters that the Board believes should be considered in planning

4. Terms of the Engagement ([See Attached Summary](#))



Terms of the Engagement

Responsibilities during the audit process:

Auditor's (APA) Responsibilities

Overall Audit Objectives

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards for financial audit contained in the *Government Auditing Standards*. The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion(s) about whether your financial statements are fairly presented, in all material respects, in conformity with U.S generally accepted accounting principles. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Accounting Principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB) require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We will apply certain limited procedures to the required supplementary information (RSI) in accordance with GAAS, which will consist of inquiries of management about the methods of preparing the RSI and comparing the RSI for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the following RSI based on these limited procedures:

- Management Discussion and Analysis (MD&A)
- Schedule of Employer's Share of Net Pension Liability
- Schedule of Employer Contributions
- Notes to the Required Supplementary Information
- Schedule of Employer's Share of OPEB Liability
- Schedule of Employer Contributions
- Notes to the Required Supplementary Information for the Group Life Insurance, Disability Insurance, Health Insurance Credit, Line of Duty, and Pre-Medicare Retiree programs



For the following other information, we will read the information for indications of material inconsistencies with the basic financial statements or the auditor's understanding, and material misstatements of fact or information that is otherwise misleading. We will not express an opinion or provide any assurance on the following other information:

- University Highlights

Audit Procedures - General

As part of an audit conducted in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable, rather than absolute assurance, about whether the financial statements are free of material misstatement whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they require auditors to provide reasonable assurance of detecting waste or abuse. An audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial activity.

We will also conclude, based on the audit evidence obtained whether there are conditions or events considered in the aggregate, which raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Audit Procedures - Internal Control and Compliance

We will obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate in writing to management and those charged with governance any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of compliance with the provisions of applicable



laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Audit Procedures – Group Audits

Our audit will include obtaining an understanding of the consolidated group, sufficient to assess the risks of material misstatement of financial information derived from significant components to design the nature, timing, and extent of further audit procedures, including the basis for the decision to make reference in our audit opinion to audits of significant components performed by other auditors.

Audit Procedures – Risk of Material Misstatement and Significant Risks

Our audit will identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. Significant risks represent events or transactions where inherent risk of material misstatement is elevated due to the likelihood and magnitude of potential misstatement. Based on our existing understanding of Norfolk State and its environment, and preliminary planning procedures performed as of the date of this memo, we have identified the following significant risks requiring special audit attention:

- Management Override of Control – management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is, nevertheless present at all entities.
- Improper Revenue Recognition

Audit planning and risk assessment is an iterative process throughout the audit. Therefore, we will communicate any additional significant risks identified throughout fieldwork that may warrant the attention of management and those charged with governance if and when those circumstances arise.

Communication with Those Charged with Governance

We are responsible for communicating significant matters related to the financial statement audit that are, in the auditor's professional judgment, relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. GAAS and *Government Auditing Standards* do not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance.

Management’s Responsibilities

Our audit will be conducted on the basis that Management **acknowledge and understand that they have the following responsibilities:**



- Selection and application of accounting principles and preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- Identify and ensure compliance with applicable laws, regulations, contracts, and grant agreements
- Informing the APA about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements
- Informing the APA (and others as required by the Code of Virginia § 30-138) of knowledge of any allegations of fraud or suspected fraud affecting Norfolk State received in communications from employees, former employees, regulators, or others
- As received, forward copies of each federal audit performed on agency or institution programs or activities to the Auditor of Public Accounts as required by Chapter 1, §4-8.02a., of the 2021 Virginia Acts of Assembly. To forward these reports to the Auditor of Public Accounts, use APAFederal@apa.virginia.gov. If the federal report is only available in hardcopy or contains FOIA exempt information, DO NOT email the report, use this same email account to notify the Auditor of Public Accounts of the federal report and provide the contact information of the individual with the report.
- Informing the APA of any potential documents that are FOIA exempt
- Ensuring that financial information is reliable and properly recorded
- Making all financial records and related information available to the APA
- Providing the APA with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence
- Responding to audit findings and recommendations, as well as providing your planned corrective actions and the timing and format for providing that information
- Providing the APA at the end of the audit with a written letter confirming certain representations made during the audit
- Adjusting the financial statements to correct material misstatements and providing the APA with a representation that the effects of any uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
- Preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP;



(3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

- For Group audits, management is responsible for the following:
 - Informing the component's management of any matter that the group engagement team becomes aware that may be significant to the financial statements of the component, but of which component management may be unaware.
 - Implementing procedures to determine if there are subsequent events for components through the APA's audit report date.
 - Implementing procedures to identify and disclose the component's related parties and related party transactions.
 - Implementing policies and procedures related to the consolidation of group financial information.

Audit Committee

- Communicate with APA about audit scope
- Communicate with management and internal audit regarding progress
- Receive reports and findings from management and external audit

Other Elements of the Audit Process

Overall planned scope of the audit

- **Approach to internal control** – We review internal controls to identify those areas where we can replace substantive testing with transactional testing. We look for management to have written formal policies and procedures and check for the implementation of those procedures.
- **Concept of materiality** – We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to Norfolk State University.

Identification of potential fraud risks

- **Approach to fraud** – Most of our audit is focused on our opinion on the financial statements and materiality. Our primary interest related to fraud would be in how it may affect the financial statements and those controls that the financial statements rely upon. The audit is not designed to detect error or fraud that is immaterial to the financial statements. However, we review policies and procedures for fraud risk and may direct our testwork towards addressing fraud risk.



- **Responsibility for identifying fraud risks and fraud** – Auditing standards require us to assess fraud risk, interview management and staff about their knowledge of fraud and fraud risk, and review exceptions for indications of possible fraudulent transactions. Auditors should be looking for red flag fraud indicators. Even though government entities are not always profit oriented, the auditors remain vigilant about financial statement fraud.

- **Report fraudulent transactions as required by Code of Virginia § 30-138** - Agencies are responsible for reporting circumstances that suggest a reasonable possibility that a fraudulent transaction has occurred involving funds or property under their control, where an officer or employee of the state or local government may be involved. Items should be reported to the Auditor of Public Accounts, the State Inspector General, and the Superintendent of State Police.

Audit Reporting

We will issue a written report upon completion of our audit of the University's financial statements. We will make reference to the Component Auditor's audit of Norfolk State University Foundation, and Norfolk State University Research and Innovation Foundation our report on the Agency/University's financial statements. Our report will be addressed to the board of directors of Norfolk State University. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ACADEMIC AND STUDENT AFFAIRS



Norfolk State University
B.O.V. - Academic and Student Affairs Sub-Committee Meeting
November 16, 2022



Agenda

-
- **Student Affairs**
 - NSU Trio Program
 - Timely MD
 - Career Services
 - **Academic Affairs**
 - ONE School of Public Health
 - International Partnerships
 - Departmental Name Changes
 - **Enrollment Management**
 - Strategic Plan Update
 - **Athletics Update**
 - Strategic Assessment

The Division of Student Affairs

**BOV Committee Meeting
November 16, 2022**

**Dr. Leonard E. Brown
Vice President for Student Affairs**



Student Support Services (TRiO)

The Student Support Services (SSSP) is a federally funded program by the United States Department of Education. The program was established on the campus of Norfolk State University (NSU) in July 1971. The Norfolk State University Student Support Services Program is designed to provide an array of supportive services for 400 eligible participants. Each participant receives full service while matriculating at NSU. The purpose of the program is to promote retention and graduation from NSU. The current grant cycle is from 2020-2025

TRiO

280

- First Generation and Low Income
- 91% of all Pell Grant Recipients come from households with income less than \$24K

84

- First Generation (Only)
- 94% of all NSU students receive some form of Financial Aid

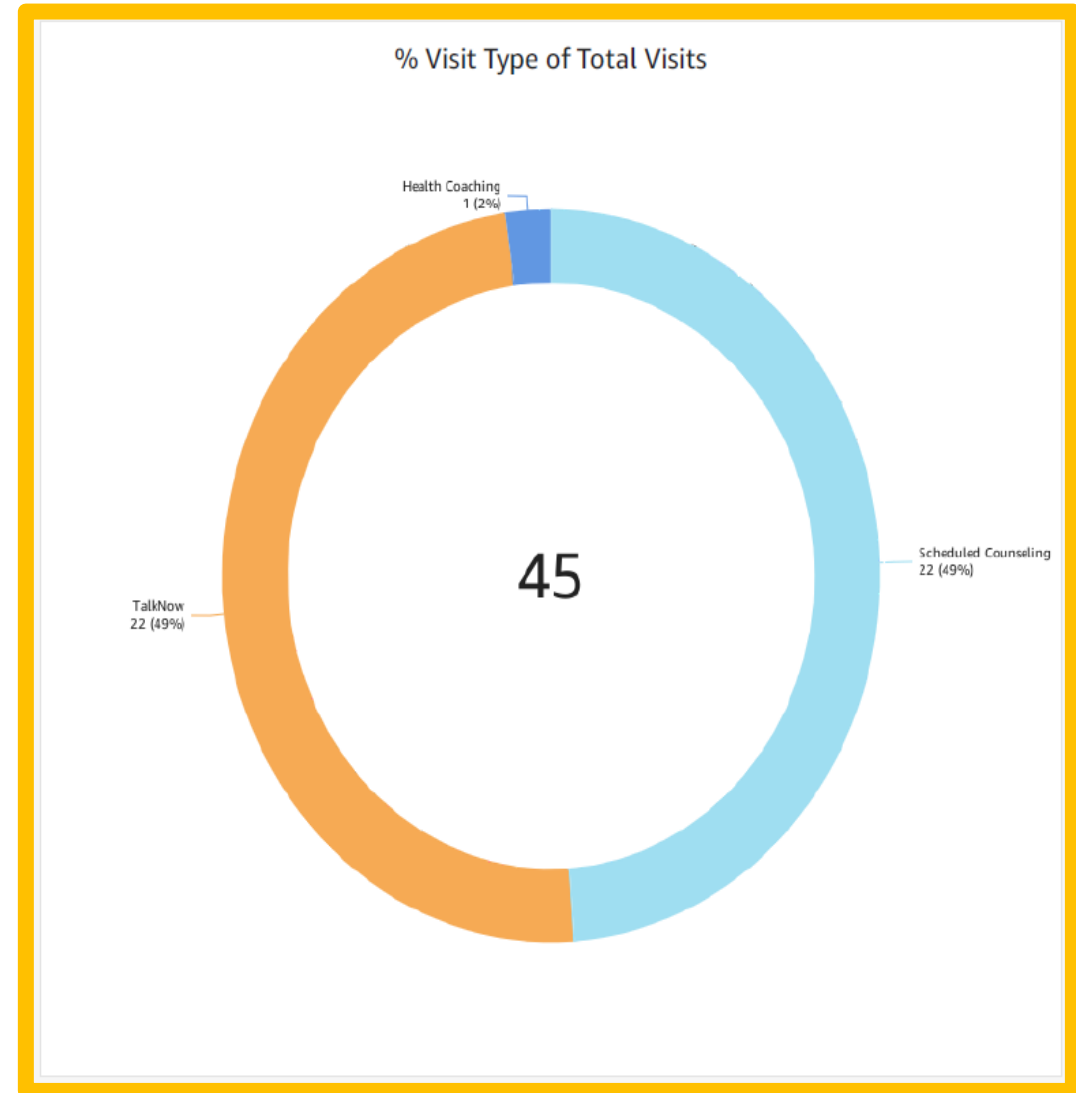
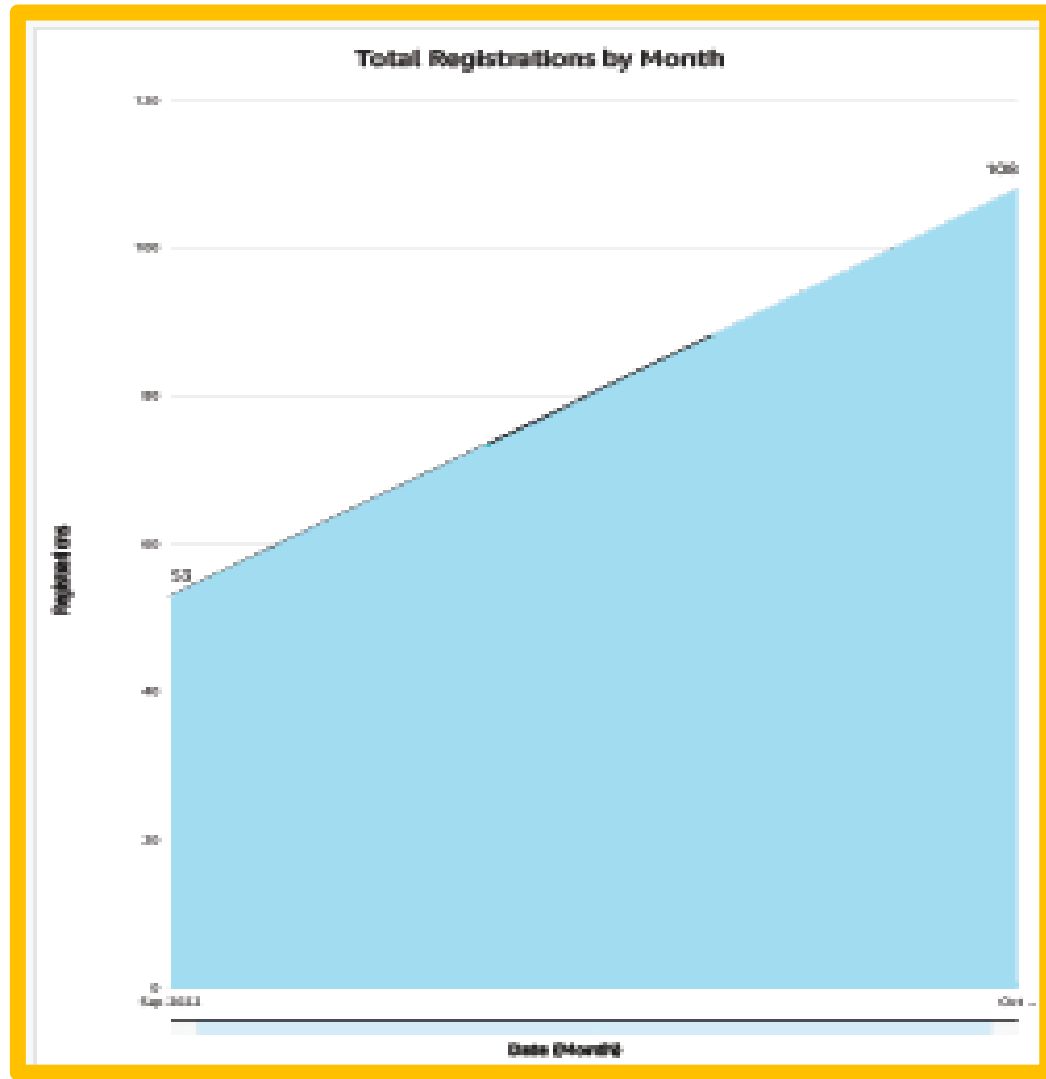
25

- Low Income (Only)

25

- Students who also receive Disability Services (Only)
- 66% of the 414 students currently being serviced by SSSP come to the University with a host of deficiencies and need for numerous interventions

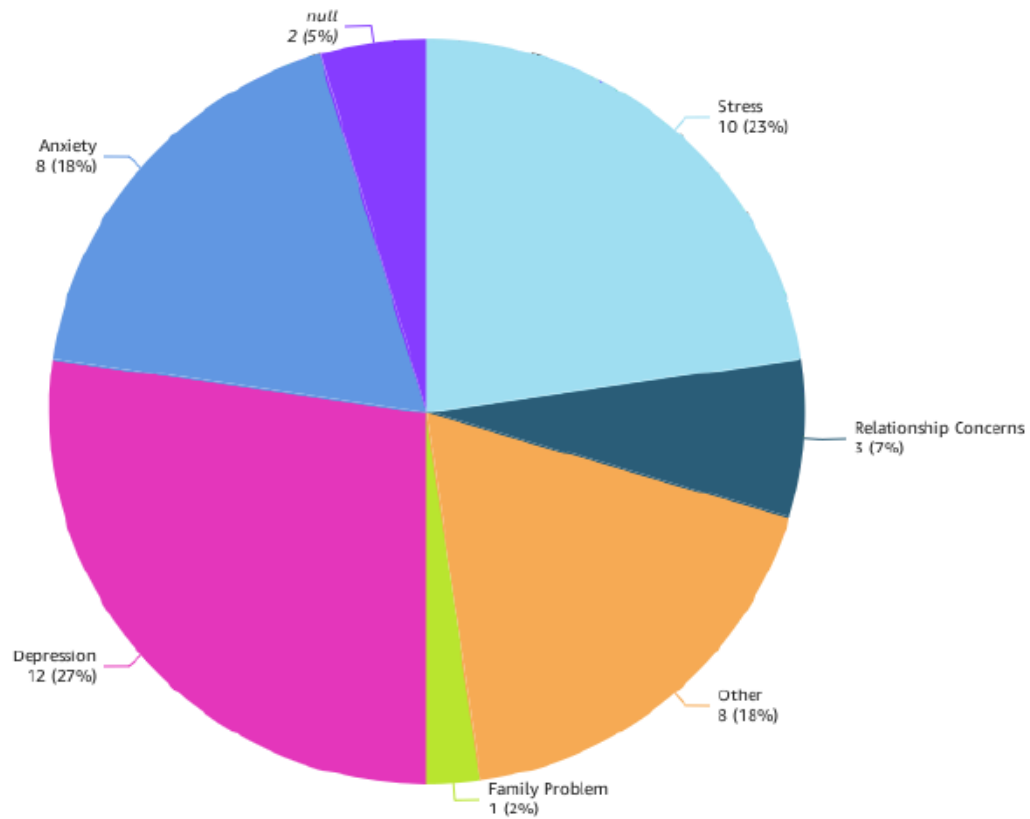
Timely Care



Timely Care

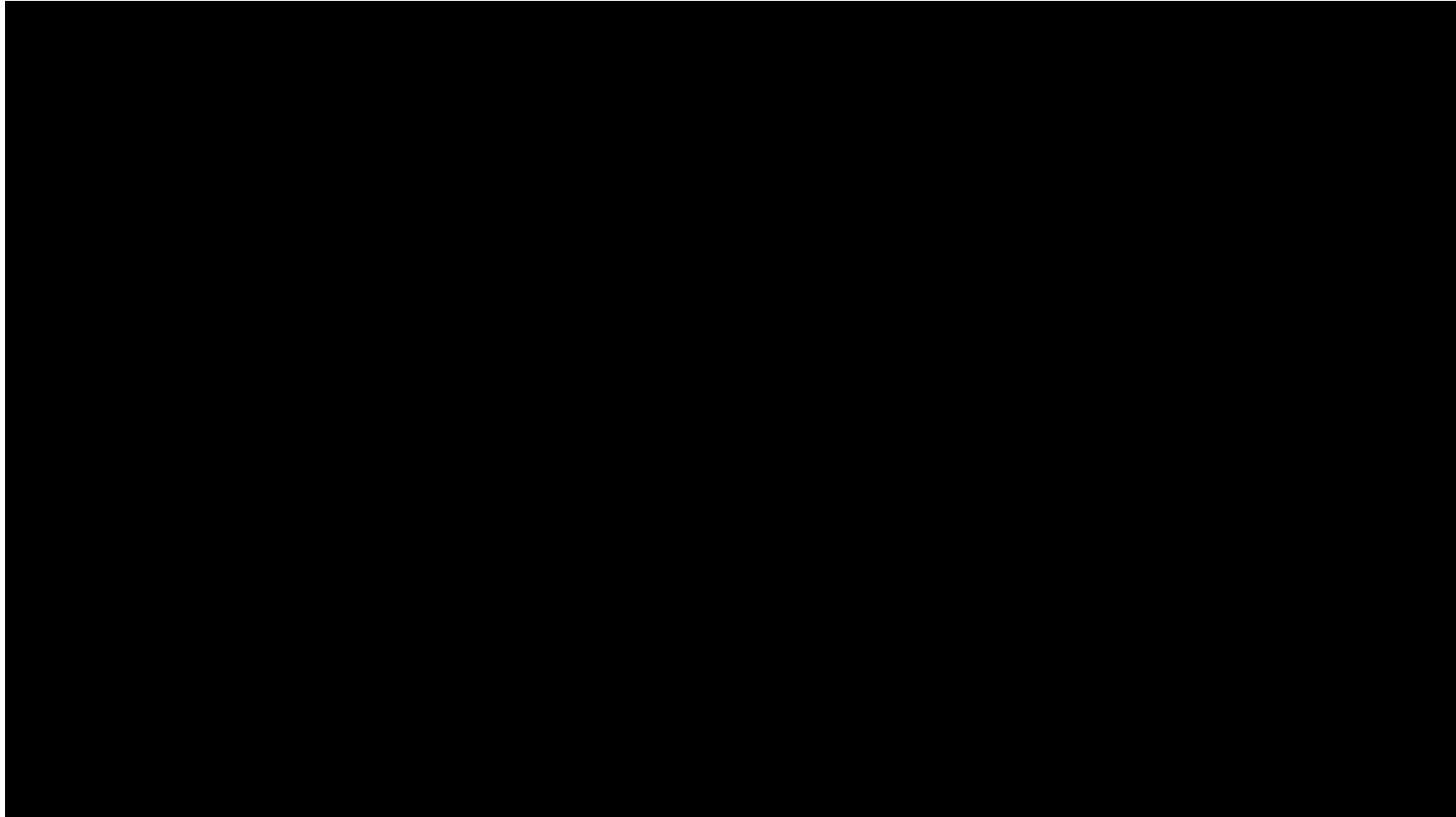
Reason for Mental Health Visit

TimelyCare only



Stress Relationship Concerns Other Family Problem Depression Anxiety null

Career Services





Thank You

Academic Affairs Division

DoVeanna S. Fulton, Ph.D.

Provost & Vice President for Academic Affairs



ONE School of Public Health

- Fall Update





International Partnerships



Departmental Name Changes





Enrollment Management Update

Dr. Justin Moses
Vice President for
Operations & Institutional
Effectiveness

Enrollment Management Strategic Plan

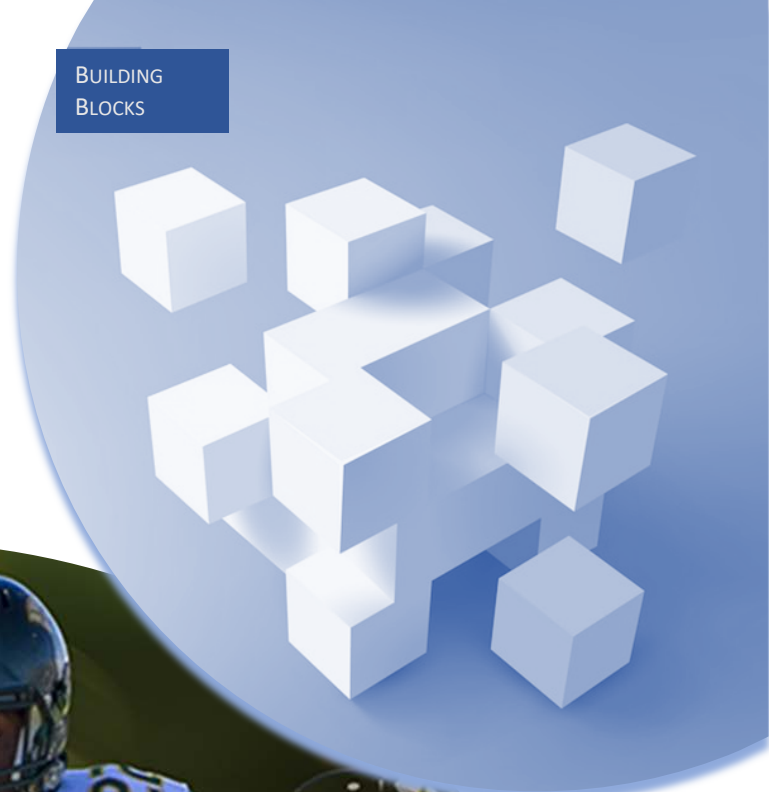


1. Preparation and Data Analysis
2. Strategy and Action Plan Development
3. Plan Formation and Goal Setting
4. Track Progress and Goals

Enrollment Strategic Plan – Recommended Strategies

- Organizational Silo Reduction and cross divisional collaboration
- Targeted retention efforts to support enrollment goals
- Increased automation
- Campaign highlighting student and alumni success
- Development of comprehensive and centralized data warehouse
- Establishment of proactive and intrusive advising approach



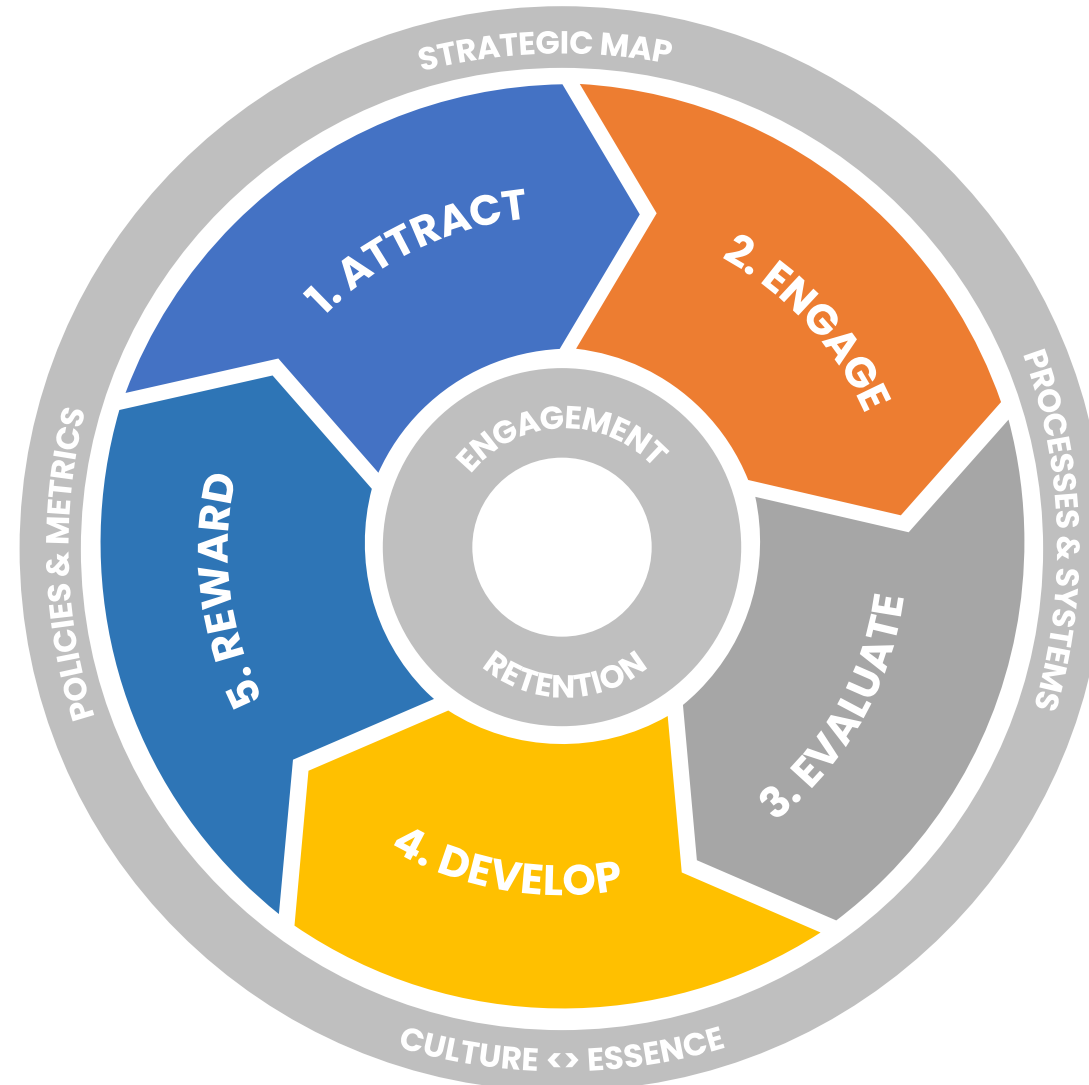


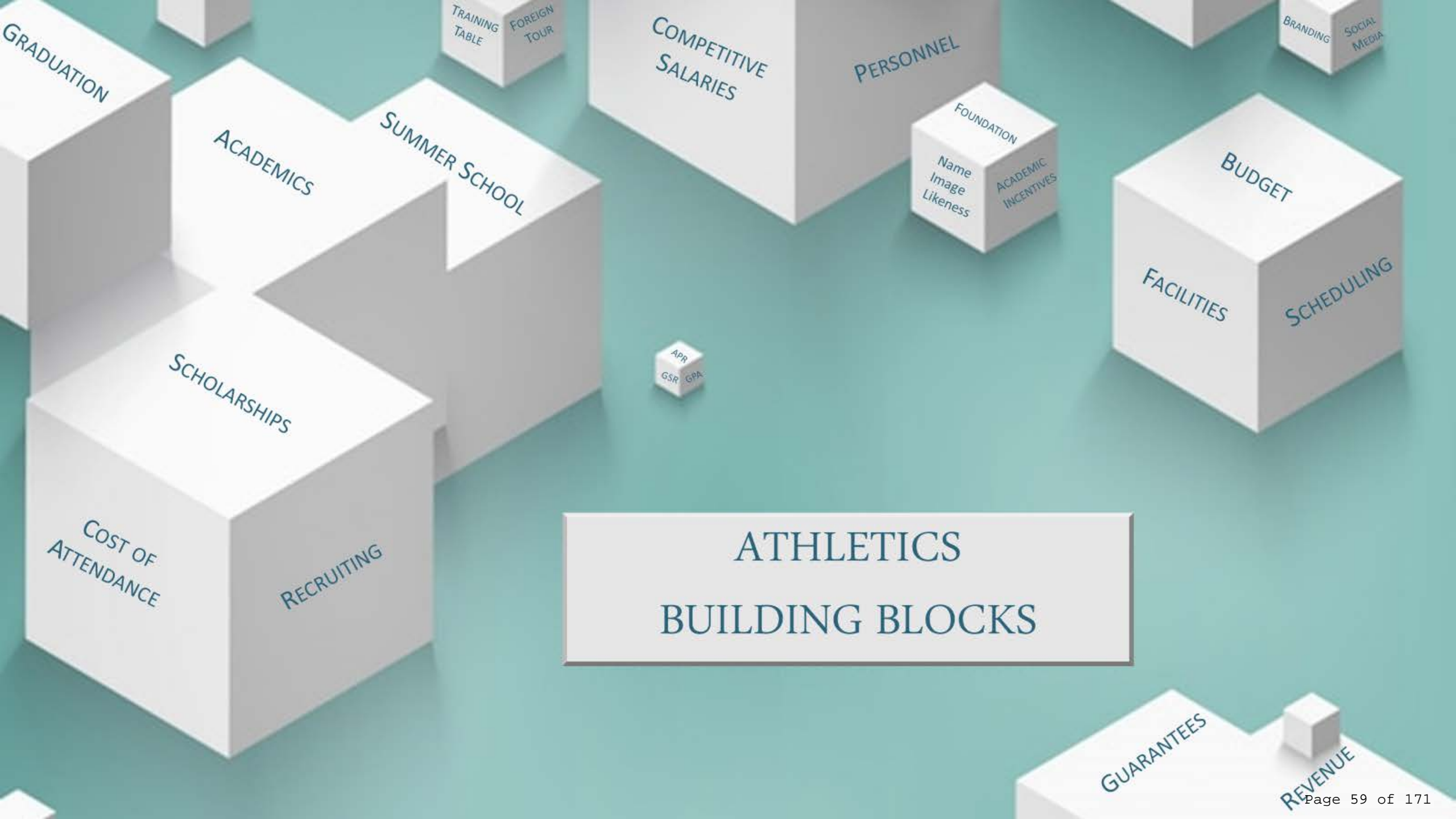
ATHLETICS



ATHLETICS STRATEGIC ASSESSMENT

Building Blocks





ATHLETICS BUILDING BLOCKS



NORFOLK STATE UNIVERSITY

700 Park Avenue | Norfolk VA 23504
(757) 823-8600

AUDIT, RISK, AND COMPLIANCE COMMITTEE



NORFOLK STATE UNIVERSITY

Audit, Risk and Compliance Updates

Agenda

- I. University Compliance
 - A. NSU Compliance Ecosystem Update
 - B. Compliance Assessment Plan Update 2022-2023
 - C. Data Security and Privacy Assessment Updates
 - D. Contents of Gap Closure Plans
- II. Internal Audit
 - A. Degree Clearance Updates
 - B. Emergency Preparedness

University Compliance Office Program Development

★ = Integrated & On-Going

○ = Currently Implementing

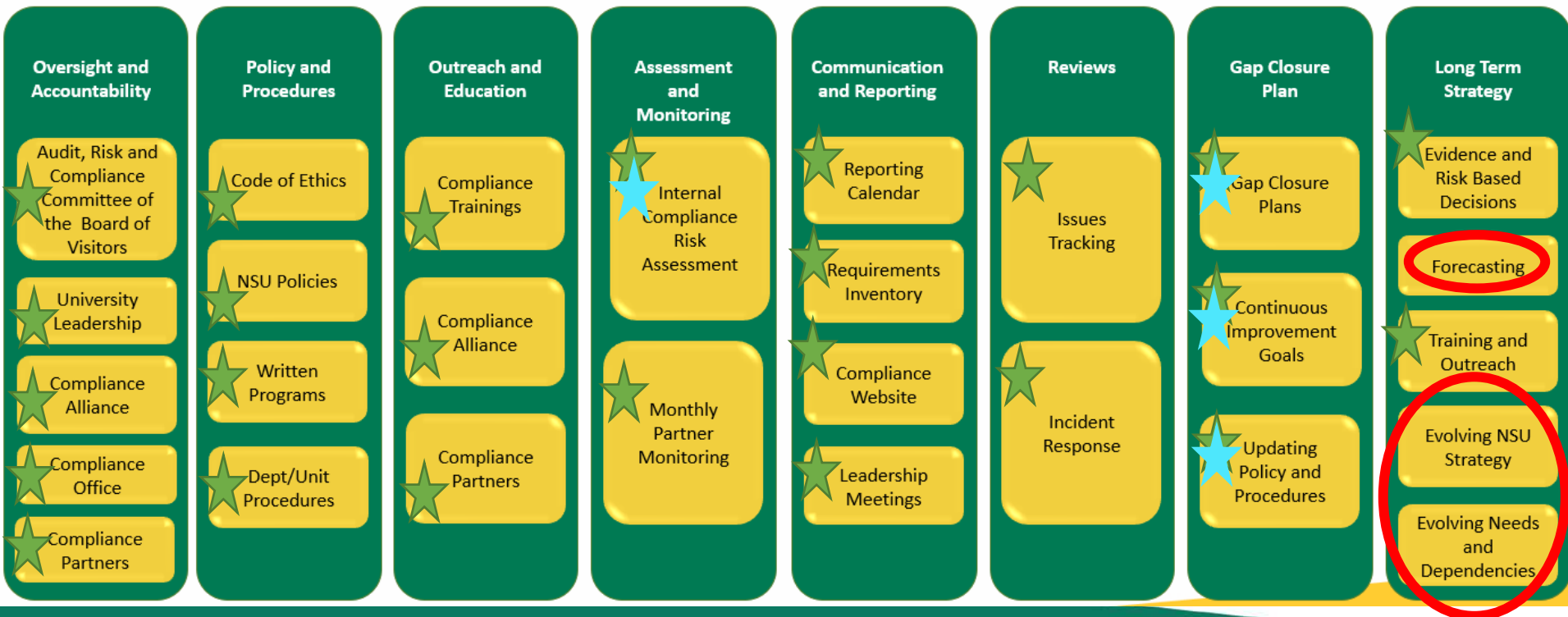
○ = Developing

★ = Details on additional slides



NORFOLK STATE UNIVERSITY

NSU Compliance Ecosystem



Compliance Assessment Plan 2022-2023

- ✓ Environmental, Health & Safety – Implementing Gap Closure Plan. Anticipated closure February 2023
- Privacy and Data Security (Cyber Security) – Currently Assessing
- Researcher Compensation and Misconduct – Developing Protocols

CONTROLS ASSESSED

Oversight and
Accountability

Regulatory
Reports

Compliance
Management

Other Key
Concerns

OUTCOMES

- ✓ Compliance status by **title**
- ✓ **Overall** compliance status of area/department
- ✓ NSU compliance **ecosystem** status
- ✓ **Title** compliance gaps and related concerns
- ✓ Overall **department** compliance gaps and related concerns
- ✓ **Title compliance-related risk** assessment
- ✓ Overall **department compliance-related risk** assessment
- ✓ Gap closure plans

Privacy & Data Security Compliance Assessment to Date

Assessment completed with no current gaps

- **Family Educational Rights and Privacy Act (FERPA) - not including HB1**
 - The University must establish policies and procedures requiring the release of the educational record of a dependent student, as defined by the federal Family Educational Rights and Privacy Act (FERPA, 20 U.S.C. § 1232g), to a parent at his/her request. Each educational agency or institution shall annually notify students currently in attendance, of their rights under FERPA.
 - Best practice recommendation – document **simple** procedures within Registrar's office (completed)
- **American with Disabilities Act (ADA) – Web Content Accessibility**
 - Ensuring that those with disabilities have inclusive access to websites and web applications.

Gaps identified and closure is under development with updating existing Policies/Procedures/Processes

- **Gramm Leach Bliley Act (GLBA - Privacy Rule and Safeguards Rule)**
 - This law applies to how higher education institutions collect, store, and use student financial records (e.g., records regarding tuition payments and/or financial aid) containing personally identifiable information.
 - Developing or updating policies which contain provisions related to GLBA:
 - Data Retention,
 - Logging and Monitoring,
 - Incident Response (BoV policy), and
 - Privacy
- **Information Security Standard (All subparts)**
 - Closing gaps on risk assessments and contingency planning
 - Updating Data Classification System (Admin policy)
 - Conducting Risk Assessments (BoV policy)
 - Performing Contingency Planning (Incident Response BoV policy)

Privacy & Data Security Compliance Assessment to Date

Still Assessing – Currently lacking policy/process/procedure

Developing Recommendations and Best Practices

- **General Data Protection Regulation (GDPR)**

- EU law with mandatory rules for how organizations use personal data - rules for data protection and privacy for all individuals physically within the EU (citizenship is irrelevant).
 - International student, prospective student, distance learning student, alumnus, donor, vendor.

- **Payment Card Industry Data Security Standard (PCI DSS)**

- A cybersecurity standard backed by all the major credit card and payment processing companies that aims to keep credit and debit card numbers safe.

Assessment has not yet begun assessment

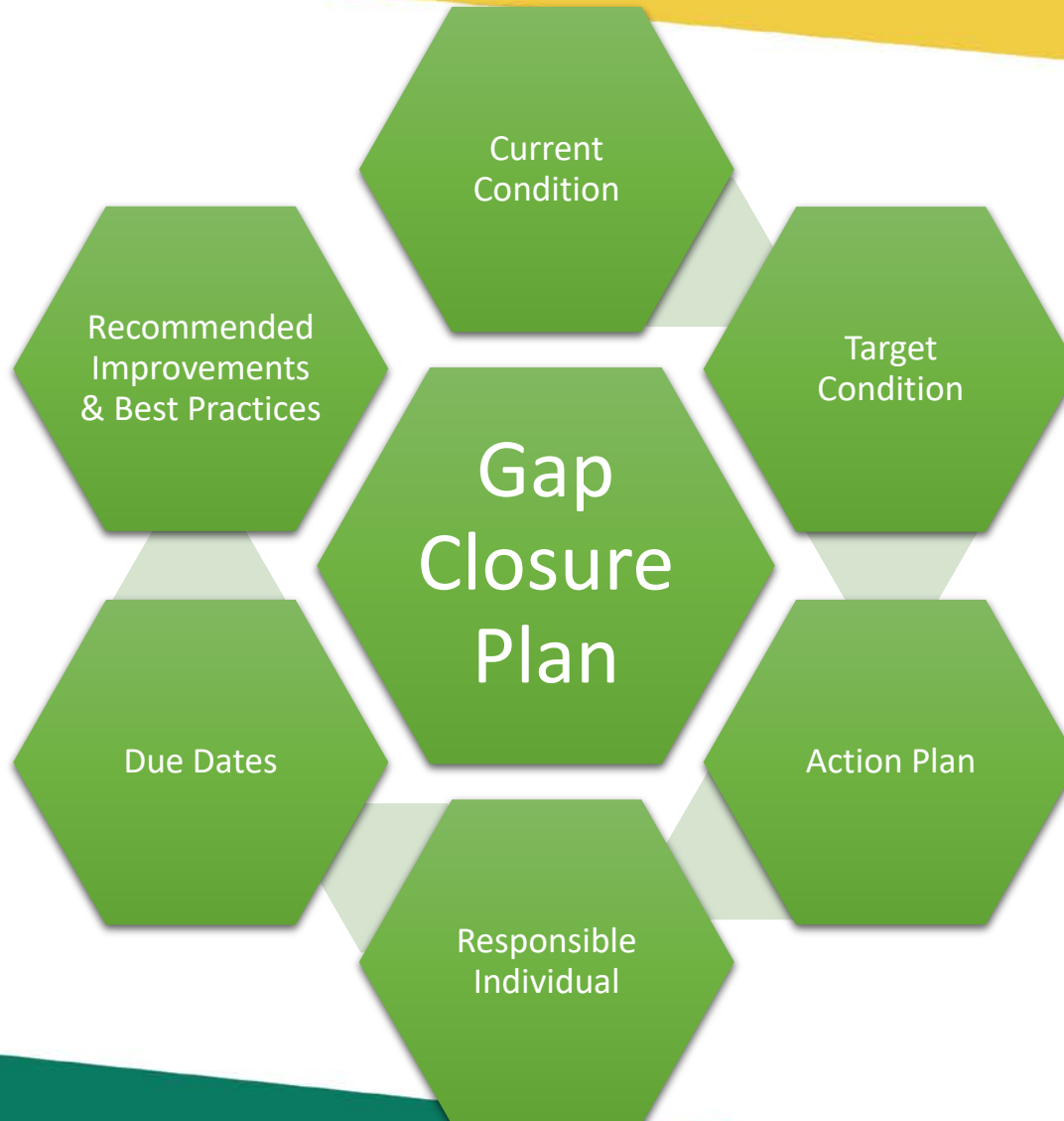
- **Federal Information Security Management Act (FISMA)**

- Requires the University:
 - 1) implement security programs and policies;
 - 2) assess risk; and
 - 3) periodically test controls.

- **FERPA HB-1 - Virginia House Bill 1 2018 (§23.1-405)**

- Prohibits a university from disclosing a student's email address, physical address or telephone number under the exception of the Family Educational Rights and Privacy Act (FERPA) for directory information or the Virginia Freedom Information Act (FOIA) unless the student has affirmatively consented in writing to the disclosure.

Gap Closure Plans



November
2022

NSU
Office of the Registrar
Audit Presentation
ARC Committee

Degree Clearance Audit

<u>Dept</u>	<u>Finding</u>	<u>Issue Rating</u>	<u>Finding Details</u>	<u>Management Action plan</u>	<u>Status</u>	<u>Update</u>
Office of the Registrar	1	MRIA	University Catalog Requirements The University Course Catalogs are posted on the university website. However, the information for degree requirements is not consistently applied as part of the academic evaluations.	After each University Curriculum Committee meeting update the current academic catalog to make changes for all courses and curriculums approved each spring verses during the semester	Closed	Future improvements: separate templates for each academic program will be created. Focus has temporarily shifted to increasing staff. Office is currently running at 1/2 capacity.
	2	MRIA	Academic Evaluations Graduating students are not consistently completing the required writing competency exam prior to graduation.	Academic departments have removed the writing exam requirement from all programs: The most recent 202-2021 academic catalogs reflects this change	Closed	Writing competency has been added as a course requirements in lieu of an exit exam
	3	MRIA	Matriculation Policy The academic evaluations do not reflect the actual catalog date of the student's year of admission or readmission.	Move from a 2 year to single year catalog. This will require entry and re-entry dates be recorded with greater accuracy.	Closed	Catalogs are available online and now run form 2019-2020; 2020-2021; 2021-2022, etc.
	4	MRIA	Commencement Policy Policy requirements such as advisor signatures and due dates for commencement applications are not consistently enforced.	Update Commencement Participation Policy to reflect the desired requirements that includes application and deadlines	Pending	Updated policy is currently being reviewed in the Office of the Provost.

Degree Clearance Audit

<u>Dept</u>	<u>Finding</u>	<u>Issue Rating</u>	<u>Finding Details</u>	<u>Management Action plan</u>	<u>Status</u>	<u>Update</u>
Office of the Registrar	5	MRIA	Grade Changes Grade changes are made days before and months after the Fall 2019 graduation date. Requests for Correction or Omission of Grade Report was not submitted by Faculty before changes were made.	Grade changes are no longer fulfilled by email. They are sent to the Omission Grade Change Committee. The committee consists of Registrar, Vice Provost and 10 faculty members	Closed	Rationale for submitting a grade changes are not only required for graduating seniors, but all students
	6	MRA	Grade Reports Grade reports are not provided for all students. Current practice does not address mini-courses.	Develop a 3-week grade report for mini terms	Closed	Registrar has created an announcement to inform faculty of new grade reports for mini terms starting this semester. Fist 3-week grade report was released on 11.07.2022.
	7	MRA	Degree Deadlines Deadline dates published across campus provide conflicting deadlines.	Create one master calendar for each commencement period used for all communications regardless of the format.	Pending Verification	All graduation due dates have been consolidated into a single master calendar and made available on the Registrar's web page. Web page is currently under construction and will soon reflect Spring 2023 graduation dates.
	8	MRA	Management Oversight There is limited reporting and formal oversight over the degree clearance process.	Registrar has access to AVP of enrollment Management during Director's meetings. Here Registrar and may discuss overrides and exceptions concerning degree clearance.	Pending Verification	Meeting topics will include training, policies and procedures once staffing levels are brought back up previous levels. Several attempts to add new hires have been unsuccessful.

Emergency Preparedness

- 2020-2022 Run. Hide. Fight.
- Fall 2021 Managing Critical Incidents
- Spring 2022 Active Shooter
- Nov 29th - Beyond Student Emergency Preparedness and Response



STRATEGIC FINANCE COMMITTEE

BOARD OF VISITORS (BOV)

STRATEGIC FINANCE COMMITTEE MEETING

Wednesday, November 16, 2022, 10:30 am

BK Fulton, *Chair*

Dwayne B. Blake

The Honorable James W. Dyke, Jr.

Conrad Hall

Jay Jamison

Delbert Parks



**BOARD OF VISITORS
STRATEGIC FINANCE COMMITTEE MEETING
AGENDA**

BK Fulton, Chair
November 16, 2022
Time: 10:30 am

Campus Location

Norfolk State University
700 Park Avenue, Norfolk, VA 23504
Student Center, Board Room, 3rd Fl., Suite 301

- I. Call to Order/Establish Quorum**
- II. Recommend Approval of Electronic Participation**
- III. Recommend Approval of the August 31, 2022, Committee Minutes**
- IV. Discussion Items**
 - A. Quarterly Financial Report
 - B. ARMICS Update
 - C. SAIL Update
 - D. Clery Report Update
 - E. Legislative Update
 - F. Human Resources Update
 - G. Information Technology Update
 - BOV Policies
 - BOV UISP #07 Risk Assessment
 - BOV UISP #09 Incident Response Policy
 - H. University Advancement Update
- V. Closed Meeting – Pursuant to §2.2-3711A.1, 4, 7 and 8, Code of Virginia**
- VI. Open Meeting**
 - Closed Meeting Certification
- VII. Adjournment**

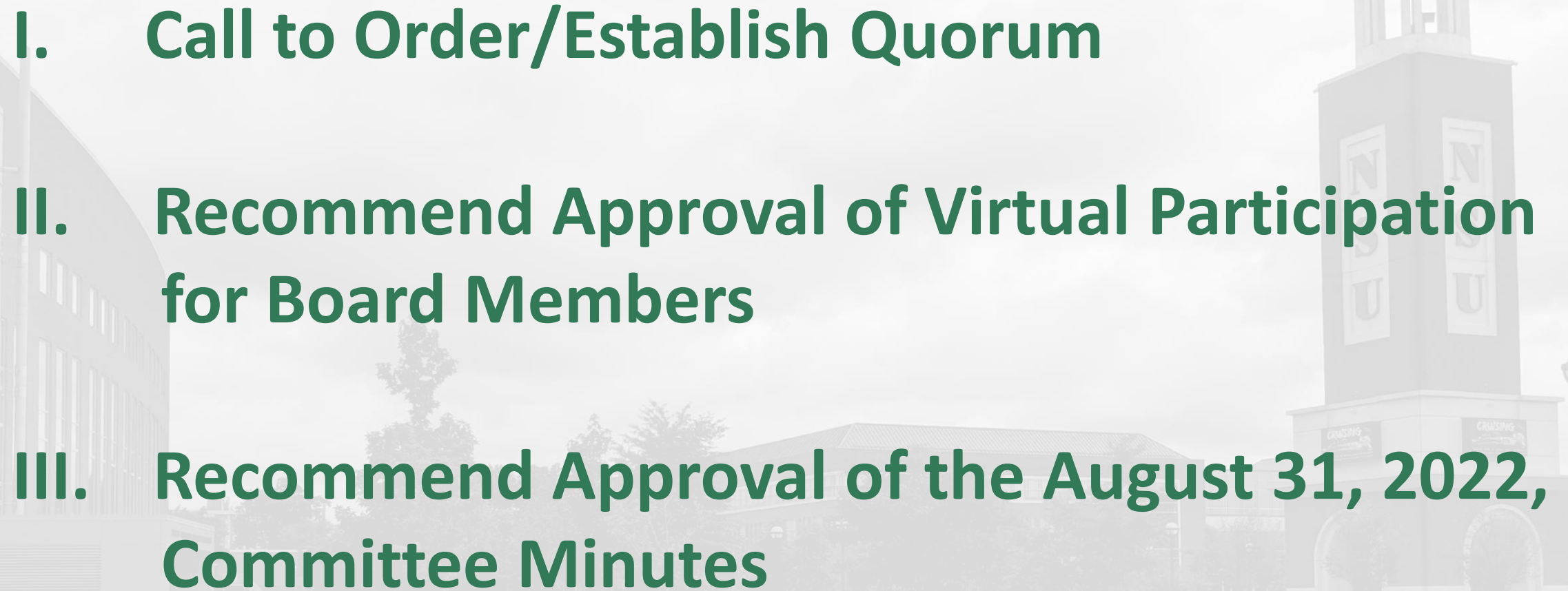
Strategic Finance Committee

BK Fulton, Chair
Dwayne B. Blake
The Honorable James W. Dyke, Jr. (Virtual)
Conrad Hall
Jay Jamison
Delbert Parks

*Staff: Dr. Gerald E. Hunter, VP for Finance and Administration & CFO
Dr. Justin L. Moses, VP for Operations & Chief Strategist for Institutional Effectiveness
Clifford Porter, VP for University Advancement*

The President participates in all Committee meetings.

**All times are approximate and the Board reserves the right to adjust its schedule as necessary.
In compliance with the Virginia Freedom of Information Act, please be advised that during the course of this meeting
there will be no opportunity for public comment.**

- 
- I. Call to Order/Establish Quorum**
 - II. Recommend Approval of Virtual Participation for Board Members**
 - III. Recommend Approval of the August 31, 2022, Committee Minutes**

BOV Strategic Finance Committee

**Division of Finance
and Administration**

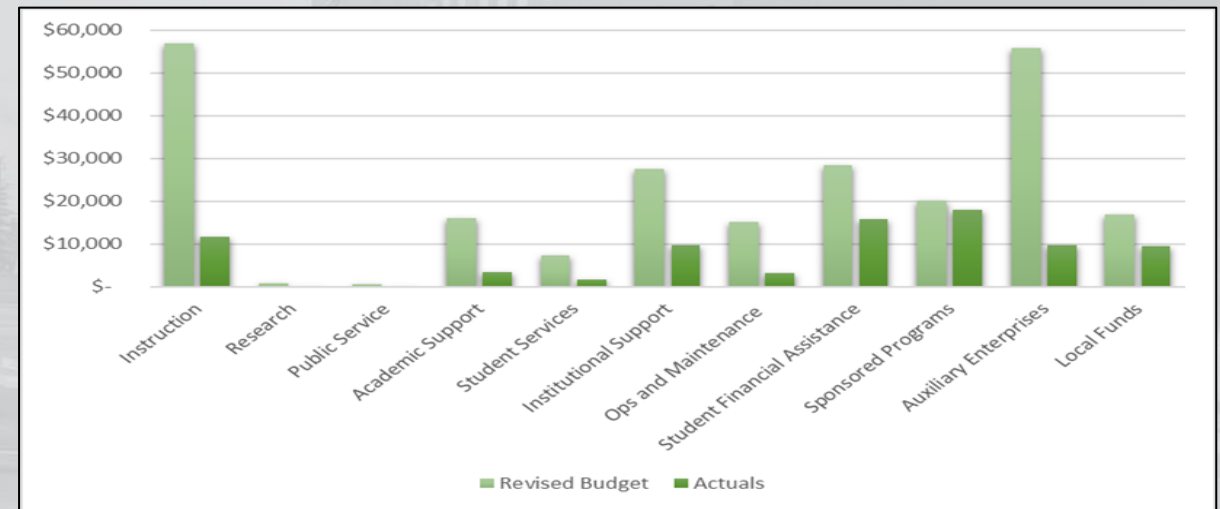
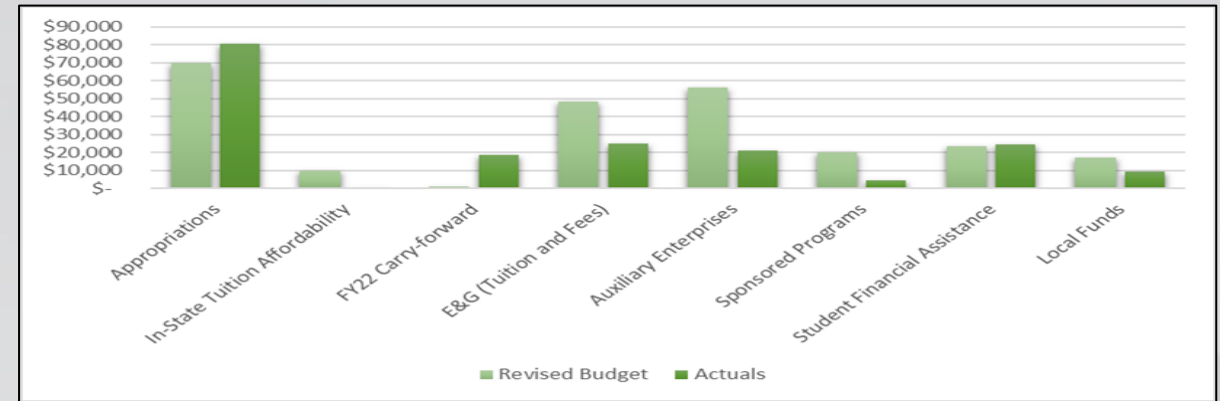
**Gerald Ellsworth Hunter, PhD
Vice President & Chief Financial Officer**



FY 2023 - Condensed Summary of Revenues and Expenses Budget Report - All Funds (Cash Basis) as of September 30, 2022 (Amounts in Thousands)

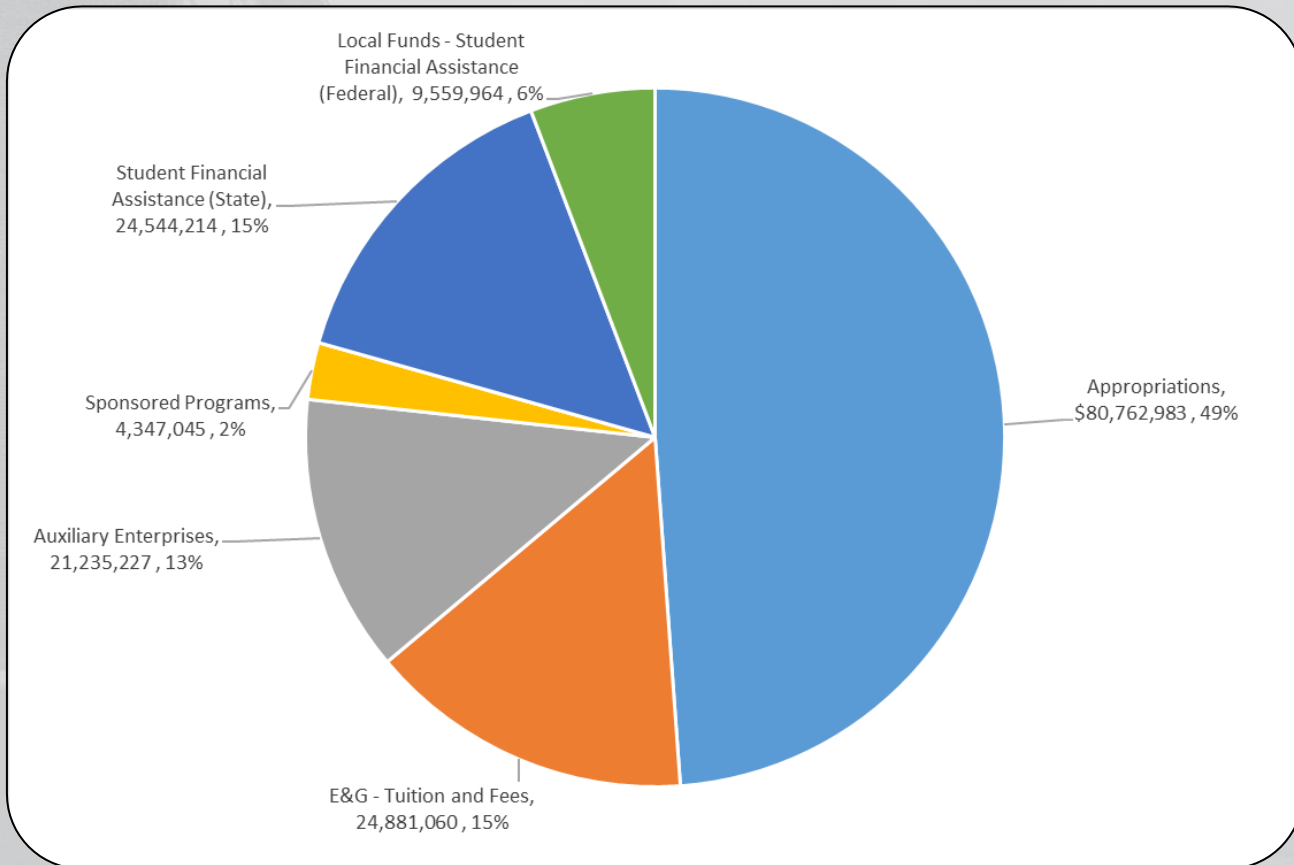
<u>Revenues</u>	<u>Authorized Budget</u>	<u>Actuals</u>	<u>% of Budget Collected</u>	<u>Year-end Projection</u>
Appropriations	\$ 69,759	\$ 80,763	116%	\$ 80,763
In-State Tuition Affordability	10,000	-	0%	10,000
FY22 Carry-forward	1,285	18,510	0%	18,510
E&G (Tuition and Fees)	48,579	24,882	51%	51,245
Auxiliary Enterprises	56,247	21,235	38%	57,207
Sponsored Programs	20,232	4,347	21%	20,232
Student Financial Assistance	23,294	24,544	105%	24,544
Local Funds	17,000	9,560	56%	17,000
Total Revenues	\$ 246,396	\$ 183,841	75%	\$ 279,501

<u>Expenses</u>	<u>Authorized Budget</u>	<u>Actuals</u>	<u>% of Budget Spent</u>	<u>Year-end Projection</u>
Instruction	\$ 56,816	\$ 11,732	21%	\$ 56,816
Research	884	209	24%	884
Public Service	642	125	19%	642
Academic Support	16,054	3,475	22%	16,054
Student Services	7,331	1,775	24%	7,331
Institutional Support	27,583	9,730	35%	27,583
Ops and Maintenance	15,180	3,247	21%	15,180
Student Financial Assistance	28,427	15,769	55%	28,427
Sponsored Programs	20,232	17,900	88%	20,232
Auxiliary Enterprises	55,871	9,733	17%	57,207
Local Funds	17,000	9,619	57%	17,000
Total Expenses	\$ 246,020	\$ 83,314	34%	\$ 247,356
Revenue Over Expenses	\$ 376	\$ 100,527		\$ 32,145



SOURCE OF FUNDS

Actuals through September 30, 2022

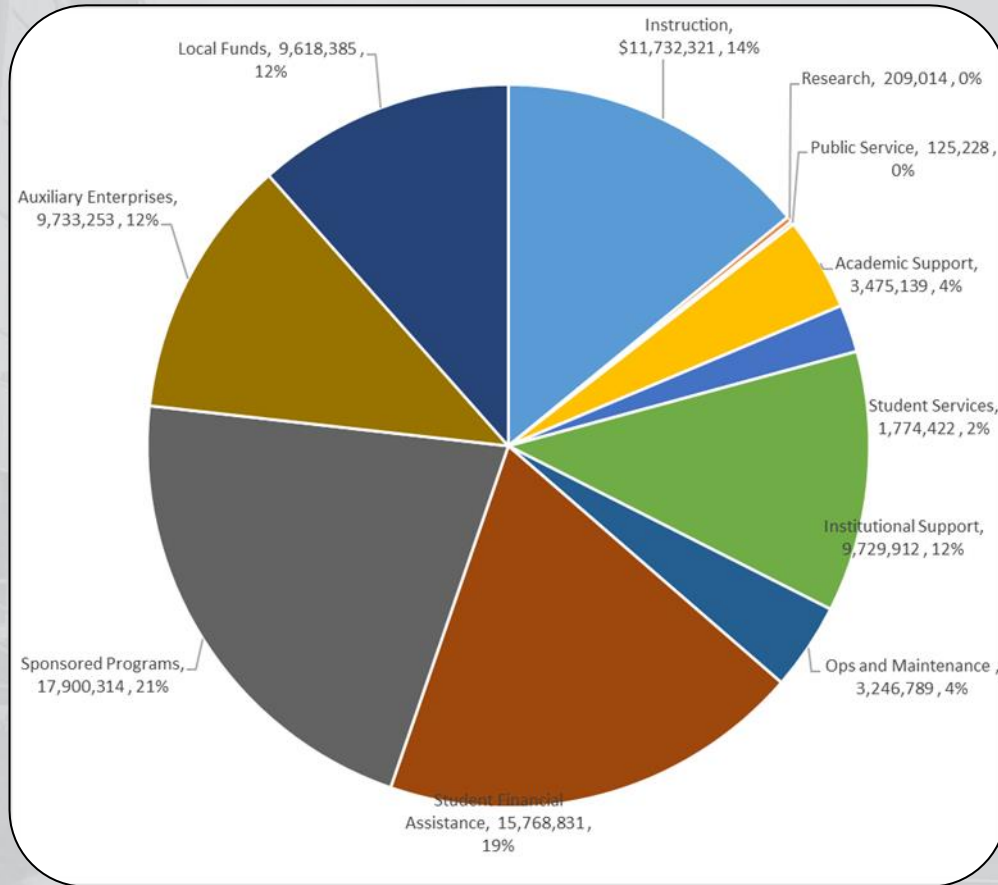


Revenues

	Actuals
Appropriations	\$ 80,762,983
E&G - Tuition and Fees	24,881,060
Auxiliary Enterprises	21,235,227
Sponsored Programs	4,347,045
Student Financial Assistance (State)	24,544,214
Local Funds - Student Financial Assistance (Federal)	9,559,964
Total Revenues	\$ 183,840,586

USES OF FUNDS

Actuals as of September 30, 2022



Expenses

Expenses	Actuals
Instruction	\$ 11,732,321
Research	209,014
Public Service	125,228
Academic Support	3,475,139
Student Services	1,774,422
Institutional Support	9,729,912
Ops and Maintenance	3,246,789
Student Financial Assistance	15,768,831
Sponsored Programs	17,900,314
Auxiliary Enterprises	9,733,253
Local Funds	9,618,385
Total Expenses	\$ 83,313,608

ARMICS - NSU UPDATES

Agency Risk Management and Internal Control Standards

- Annual assessment was conducted to provide *reasonable assurance* of the integrity of fiscal processes related to the submission of transactions to the Commonwealth's general ledger, submission of financial statement directive materials, compliance with laws and regulations, and stewardship over the Commonwealth's assets.
- NSU certified on September 29, 2022, to the Department of Accounts (DOA) that it can provide reasonable assurance as to the internal control over the recording of financial reporting requirements, compliance with laws and stewardship with respect to operational effectiveness over assets.
- No significant weaknesses were identified that required reporting to DOA.

SAIL Update

Spartan All-Inclusive Learning

Course material model that reduces the cost of materials for students and ensures students have **ALL** course materials prior to the first day of class. Instead of students purchasing materials *a la carte*, the cost is included in their tuition or as a charge. The NSU Bookstore provides each student with a convenient package for physical books and digital materials delivered directly to the Learning Management System (LMS).

- Gross Sales Approximately \$2 Million*
- Commission Approximately \$220 Thousand*

*As of September 30, 2022

Clery Report Update

THE ANNUAL SECURITY REPORT (ASR)

- Publication mandated by the *Clery Act* that institutions of higher education must publish and distribute by the required deadline (October 1) annually.
- It serves as a reflection of an institution's current existing policies and procedures.
- It requires different elements to convey that information.

STATEMENT OF POLICY

- Procedures for students and others to report criminal actions or other emergencies
- Security of and access to campus facilities and security considerations
- Campus law enforcement (enforcement authority; jurisdiction; accurate and prompt reporting; voluntary, and confidential (counselors))
- Possession, use, sale, and enforcement – alcohol & drugs
- Dating violence, domestic violence, sexual assault and stalking (DVSAS) prevention, response, and disciplinary procedures
- Emergency response and evacuation
- Missing student notification

Clery Report Update (Continued)

KEY THINGS COVERED IN THE ASR

- Criminal Offenses
- Hate Crimes
- VAWA (Violence Against Women Act) Offenses
- Arrests & Referrals for Weapons, Liquor, and Drug Law Violations

THE IMPORTANCE OF THE ASR

- Under the Clery Act, institutions are required to disclose information about certain crimes. It is enforced by the United States Department of Education, and institutions that do not comply could face a fine in excess of \$59,000 per incident.
- The annual security report provides students and their families, as higher education consumers, and university constitutes with accurate, complete, and timely information about safety on campus so that individuals can make informed decisions.



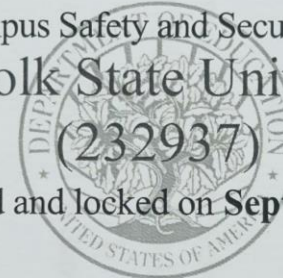
Clery Report Update (Continued)

Crime Statistics
Norfolk State University
Main Campus
Norfolk, Virginia 23504

CLERY CRIMES	On Campus			On-Campus Residence			Non-Campus			Public Property			Total			Unfounded
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021
Murder & Non-negligent / Manslaughter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Negligent Manslaughter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rape	6	1	4	5	1	2	0	0	0	3	0	9	9	1	13	0
Fondling	0	3	5	0	3	2	0	0	0	1	0	0	1	3	5	0
Incest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Statutory Rape	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Robbery	0	3	4	0	1	0	0	0	0	0	0	1	0	3	5	0
Aggravated Assault	0	1	0	0	1	0	0	0	0	0	1	0	0	2	0	0
Burglary	0	0	12	0	0	12	0	0	0	0	0	0	0	0	12	0
Motor Vehicle Theft	1	1	3	0	0	0	0	0	0	1	0	1	2	1	4	0
Arson	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VAWA OFFENSES																
Domestic Violence	1	4	2	1	0	2	0	0	0	4	4	1	5	4	3	0
Stalking	0	0	2	0	0	0	0	0	0	0	0	1	0	0	3	0
Dating Violence	0	2	14	0	1	12	0	0	0	0	1	2	0	3	16	0
ARRESTS																
Liquor Law Violations	0	1	5	0	1	1	0	1	0	0	1	1	0	1	6	0
Drugs Violations	0	2	7	0	0	3	0	0	2	1	1	1	1	3	10	0
Weapon Violations	1	2	5	1	0	1	0	0	0	1	2	0	2	2	5	0
DISCIPLINARY REFERRALS																
Liquor Law Violations	19	29	35	13	19	18	0	0	0	11	0	1	30	29	36	0
Drugs Violations	25	63	49	18	47	31	0	0	1	16	1	9	41	64	59	0
Weapon Violations	5	0	7	0	0	2	0	0	0	1	2	0	6	2	7	0

Campus Safety and Security Survey Completion Certificate

The Campus Safety and Security data for
Norfolk State University



were completed and locked on **September 29, 2022.**

Thank you for your participation in the 2022 data collection.

This certificate was prepared on **September 29, 2022**

Legislative Affairs Update





NORFOLK STATE UNIVERSITY

700 Park Avenue | Norfolk, VA 23504

www.nsu.edu



BOV Strategic Finance Committee

**Division of
Operations**

Dr. Justin L. Moses

Vice President for Operations &

Chief Strategist for Institutional

Effectiveness



**NORFOLK STATE
UNIVERSITY**



Human Resources

- Cardinal System Update
- Training Underway for Electronic Personnel Actions

Information Technology

- Spartan Innovation Academy – Student Distribution Complete for Fall semester
- Network Infrastructure Improvement Planning



Information Security

Incident Response Policy

- Addresses the scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance required to establish an acceptable level of incident response security controls at Norfolk State University. This includes, but is not limited to, any regulatory requirements that Norfolk State University is subject to, incident response best practices, and the requirements defined in this policy. The Incident Response Policy provides a consistent and effective approach to the management of information security incidents. It provides a framework by which NSU shall determine the scope and risk of an information security incident, respond appropriately to that incident, communicate the results and risks to all stakeholders, and reduce the likelihood of an incident from occurring or reoccurring.
- Meets the control requirements outlined in Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Information Security Policy SEC519 and Security Standard SEC501, Section 8.8 Incident Response Family, Controls IR-1 through IR-8, to include specific requirements for the Commonwealth of Virginia.



**UNIVERSITY INFORMATION SECURITY POLICY (UISP)
BOV UISP #09 (2022) Incident Response Policy**

Policy Title: Incident Response Policy

Policy Type: Board of Visitors

Policy Number: BOV UISP #09 (2022)

Approval Date: Month, Day, Year

Responsible Office: Office of Information Technology (OIT)

Responsible Executive: Vice President for Operations and Chief Strategist for Institutional Effectiveness

Applies to: All Norfolk State University (NSU) employees (classified, hourly, official representatives, and third-party vendors)

POLICY STATEMENT

The Incident Response policy addresses the scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance required to establish an acceptable level of incident response security controls at Norfolk State University. This includes, but is not limited to, any regulatory requirements that Norfolk State University is subject to, incident response best practices, and the requirements defined in this policy. The Incident Response Policy provides a consistent and effective approach to the management of information security incidents. It provides a framework by which NSU shall determine the scope and risk of an information security incident, respond appropriately to that incident, communicate the results and risks to all stakeholders, and reduce the likelihood of an incident from occurring or reoccurring.

This policy also meets the control requirements outlined in Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Information Security Policy SEC519 and Security Standard SEC501, Section 8.8 Incident Response Family, Controls IR-1 through IR-8, to include specific requirements for the Commonwealth of Virginia.

Table of Contents	Page Number
POLICY STATEMENT	1
DEFINITIONS	2
CONTACT(S)	3
STAKEHOLDER(S)	3
INCIDENT RESPONSE POLICY	3
EDUCATION AND COMPLIANCE	11
PUBLICATION	12
REVIEW SCHEDULE	12
RELATED DOCUMENTS	12



UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #09 (2022) Incident Response Policy

DEFINITIONS

Chief Information Officer (CIO): Oversees the operation of NSU Information Technologies. Responsible for policies, procedures, and standards for assessing security risks, determining the appropriate security measures, and performing security audits.

Information Security Incident: A violation or imminent threat of violation of information security policies, acceptable use policies, or standard security practices.

Data Custodian: Individuals or organizations in physical or logical possession of data for Data Owners. Data Custodians are responsible for protecting the data in their possession from unauthorized access, alteration, destruction, or usage.

Data Owner: The agency manager responsible for decisions regarding data and is responsible for evaluating and classifying sensitivity of the data, and any legal or regulatory requirements, and business needs.

Director of IT Security (DIS): The senior management designated by the CIO of NSU to develop Information Security policies, procedures, and standards to protect the confidentiality, integrity, and availability of information systems and data.

Encryption: The process or the means of converting original data to an unintelligible form so it cannot be read by unauthorized users.

Intrusion Detection Systems (IDS): An IPS detects an attack on a network or computer system. It uses signatures of known attack attempts to signal an alert. It also looks at deviations from the normal routine as indicators of an attack.

Intrusion Prevention Systems (IPS): An IPS prevents an attack on a network or computer system. It stops the attack from damaging or retrieving data and can block attacks in real time.

Keystroke Logging: Referred to as keylogging or keyboard capturing, it is the action of recording the keys struck on a keyboard, typically covertly, so that the person using the keyboard is unaware that their actions are being monitored.

Office of Information Technology (OIT): The Office of Information Technology (OIT) manages the administrative and academic information technology resources for Norfolk State University.

Personally Identifiable Information (PII): Information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual.

Sensitive Data: Any data of which the compromise, with respect to confidentiality, integrity, and/or availability, could adversely affect NSU interests, the conduct of NSU programs, or the privacy to which individuals are entitled.



UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #09 (2022) Incident Response Policy

CONTACT(S)

The Office of Information Technology officially interprets this policy. The Chief Information Officer is responsible for obtaining approval for any revisions as required by BOV Policy #1 (2014) *Creating and Maintaining Policies* through the appropriate governance structures. Questions regarding this policy should be directed to the Office of Information Technology.

STAKEHOLDER(S)

All NSU Faculty, Staff, Students, & Community

INCIDENT RESPONSE POLICY

OIT will review and update the Incident Response policy annually or more frequently if required to address changes.

A. INCIDENT RESPONSE

1. The Director of IT Security (DIS) shall or shall require its service provider document and implement threat detection practices that at a minimum include the following:
 - a. Designates an individual responsible for threat detection program, including planning, development, acquisition, implementation, testing, training, and maintenance.
 - b. Implements Intrusion Detection System (IDS) and Intrusion Prevention System (IPS).
 - c. Conducts IDS and IPS log reviews to detect new attack patterns as quickly as possible.
 - d. Develops and implements required mitigation measures based on the results of IDS and IPS log reviews.
2. The DIS shall or shall require its service provider document and implement information security monitoring and logging practices that, at a minimum, include the following:
 - a. Designation of individuals responsible for the development and implementation of information security logging capabilities, as well as detailed procedures for reviewing and administering the logs.
 - b. Standards that specify the type of actions an IT system should take when a suspicious or apparent malicious activity occurs.

UNIVERSITY INFORMATION SECURITY POLICY (UISP)
BOV UISP #09 (2022) Incident Response Policy

- c. Prohibits the installation or use of unauthorized monitoring devices.
 - d. Prohibits the use of keystroke logging, except when required for security investigations and a documented business case outlining the need and residual risk has been approved in writing by the Agency Head (or designee).
3. The DIS or designee shall document information security incident handling practices and shall incorporate its service provider's procedures for incident handling practices that, at a minimum, include the following:
- a. Designation of an Information Security Incident Response Team that includes personnel with appropriate expertise for responding to cyber-attacks.
 - b. Controls to deter and defend against cyber-attacks to best minimize loss or theft of information and disruption of services.
 - c. Proactive measures based on cyber-attacks to defend against new forms of cyber-attacks and zero-day exploits.
 - d. Information security incident categorization and prioritization based on the immediate and potential adverse effect of the information security incident and the sensitivity of affected IT systems and data.

B. INCIDENT RESPONSE TRAINING

1. The DIS or designee shall provide incident response training to users consistent with assigned roles and responsibilities:
 - a. After being assigned an incident response role or responsibilities.
 - b. When required by information system changes.
 - c. On an annual basis or more frequently if required to address an environmental change thereafter.

C. INCIDENT RESPONSE TESTING AND EXERCISES

1. The DIS or designee shall test and/or exercise the incident response capability on an annual basis or more frequently if required to address an environmental change using

UNIVERSITY INFORMATION SECURITY POLICY (UISP) **BOV UISP #09 (2022) Incident Response Policy**

organization-defined tests to determine the incident response effectiveness and document the results.

2. The DIS or designee shall coordinate incident response testing with organizational elements responsible for related plans (i.e., Business Continuity Plans, Contingency Plans, Disaster Recovery Plans, Continuity of Operations Plans, etc.).

D. INCIDENT HANDLING

1. The DIS or designee shall:
 - a. Implement an incident handling capability for security incidents that includes preparation, detection and analysis, containment, eradication, and recovery.
 - b. Coordinate incident handling activities with contingency planning activities.
 - c. Incorporate lessons learned from ongoing incident handling activities into incident response procedures, training, and testing/exercises, and implement the resulting changes accordingly.
 - d. Implement and coordinate incident handling capability for insider threats across all sensitive components or elements of the organization.
 - e. Correlate incident information and individual incident responses to achieve an NSU-wide perspective on incident awareness and response.
 - f. Identify immediate mitigation procedures, including specific instructions, based on information security incident categorization level, on whether or not to shut down or disconnect affected IT systems.
 - g. Establish procedures for information security incident investigation, preservation of evidence, and forensic analysis.
2. The DIS shall adhere to the following requirements where electronic records or IT infrastructure are involved. Also, where non-electronic records are involved or implied, the following are advisory in nature, but are strongly recommended:
 - a. Identify and document all NSU systems, processes, and logical or physical data storage locations (whether held by NSU or a third party) that contain personal or medical information.
 - i. Personal information means the first name or first initial with the last name in combination with and linked to any one or more of the

UNIVERSITY INFORMATION SECURITY POLICY (UISP) **BOV UISP #09 (2022) Incident Response Policy**

following data elements that relate to a resident of the Commonwealth of Virginia (COV) when the data elements are neither encrypted nor redacted:

1. Social security number.
 2. Driver's license number or state identification card number issued in lieu of a driver's license number.
 3. Financial account number, or credit card or debit card number, combined with any required security code, access code, or password that would permit access to a resident's financial accounts.
- ii. Medical information means the first name or first initial with the last name in combination with and linked to any one or more of the following data elements that relate to a resident of the Commonwealth when the data elements are neither encrypted nor redacted:
1. Any information regarding an individual's medical or mental health history, mental or physical condition, or medical treatment or diagnosis by a health care professional.
 2. An individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records.
- b. "Redact" for personal information means alteration or truncation of data such that no more than the following are accessible as part of the personal information:
- i. Five digits of a social security number.
 - ii. The last four digits of a driver's license number, state identification card number, or account number.
- c. "Redact" for medical information means alteration or truncation of data such that no information regarding the following is accessible as part of the medical information:
- i. An individual's medical history.

UNIVERSITY INFORMATION SECURITY POLICY (UISP)
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- ii. Mental or physical condition.
 - iii. Medical treatment or diagnosis.
 - iv. No more than four digits of a health insurance policy number, subscriber number.
 - v. Other unique identifiers.
- d. Include provisions in any third-party contracts requiring that the third party and third-party subcontractors:
- i. Provide immediate notification to NSU of suspected breaches.
 - ii. Allow NSU to both participate in the investigation of incidents and exercise control over decisions regarding external reporting.
- e. Provide appropriate notice to affected individuals upon the unauthorized release of unencrypted and/or un-redacted personal information or medical information by any mechanism, including, but not limited to:
- i. Theft or loss of digital media, including laptops, desktops, tablets, CDs, DVDs, tapes, USB drives, SD cards, etc.
 - ii. Theft or loss of physical hardcopy.
 - iii. Security compromise of any system containing personal or medical information (i.e., social security numbers, credit card numbers, medical records, insurance policy numbers, laboratory findings, pharmaceutical regimens, medical or mental diagnosis, medical claims history, medical appeals records, etc.).
- f. NSU shall disclose the breach of the system's security if encrypted information is accessed and acquired in an unencrypted form, or if the security breach involves a person with access to the encryption key.
- g. If a Data Custodian is the entity involved in the data breach, they must alert the Data Owner so that the Data Owner can notify the affected individuals.

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- h. In the case of a computer (i.e., public kiosk, individually owned, or NSU resource) found to be infected with malware that exposes data to unauthorized access, individuals that may have had their information exposed due to use of that computer must be alerted in accordance with data breach rules. NSU shall notify the CIO when notification of affected individuals has been completed.
- i. Provide notification that consists of:
 - i. A general description of what occurred and when.
 - ii. The type of Personally Identifiable Information (PII) that was involved.
 - iii. What actions have been taken to protect the individual's personal information from further unauthorized access.
 - iv. A telephone number that the person may call for further information and assistance if one exists.
 - v. What actions NSU recommends that the individual take. The actions recommended should include monitoring their credit report and reviewing their account statements (i.e., credit report, medical insurance Explanation of Benefits (EOB), etc.).
- j. Provide this notification by one or more of the following methodologies:
 - i. Electronic notice.
 - ii. Written notice to the last known postal address in the records of the individual or entity.
 - iii. Telephone Notice.
 - iv. Substitute Notice - under certain circumstance substitute notices will be allowed pursuant to ITRM Information Security Standard (SEC501), Section 8, Incident Response Handling (Pg. 96).
- k. NSU shall provide this notice without undue delay as soon as verification of the unauthorized release is confirmed, except as delineated below.
 - i. Hold the release of notification immediately following verification of unauthorized data disclosure only if law enforcement is notified and



UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #09 (2022) Incident Response Policy

determines and advises NSU that the notice would impede a criminal or civil investigation, or homeland security or national security. Notice shall be made without unreasonable delay after NSU determines that the notification will no longer impede the investigation or jeopardize national or homeland security.

E. INCIDENT MONITORING

1. The DIS or designee shall track and document information system security incidents.
2. The DIS shall monitor IT system event logs in real-time, correlate the information with other automated tools, identify suspicious activities, and provide alert notifications.

F. INCIDENT REPORTING

1. The DIS or designee shall:
 - a. Require personnel to report suspected security incidents to OIT Security within 24 hours from when the occurrence was discovered or should have been discovered.
 - b. Report security incident information to designated authorities (The types of security incidents reported, the content and timeliness of the reports, and the list of designated reporting authorities are consistent with applicable laws, directives, policies, regulations, standards, and guidance).
 - c. Report information system weaknesses, deficiencies, and/or vulnerabilities associated with reported security incidents to appropriate NSU officials.
 - d. Provide quarterly summary reports of IDS and IPS events to Commonwealth Security.
 - e. Establish a process for reporting IT security incidents to the DIS. All NSU customers and partners are encouraged to report all information security incidents.
 - f. Report information security incidents only through channels that have not been compromised.

UNIVERSITY INFORMATION SECURITY POLICY (UISP)
BOV UISP #09 (2022) Incident Response Policy

G. INCIDENT RESPONSE ASSISTANCE

1. The DIS or designee shall provide incident response support resources, integral to OIT's incident response capability, which offers advice and assistance to users of the information system to handle and report security incidents.
2. The DIS or designee shall:
 - a. Establish a direct, cooperative relationship between its incident response capability and external providers of information system protection capability.
 - b. Identify NSU incident response team members to the external providers.

H. INCIDENT RESPONSE PLAN

1. The DIS or designee shall:
 - a. Develop an incident response plan that:
 - i. Provides NSU with a roadmap for implementing its incident response capability.
 - ii. Describes the structure and organization of the incident response capability.
 - iii. Provides a high-level approach for how the incident response capability fits into NSU.
 - iv. Meets the unique requirements of NSU, which relate to mission, size, structure, and functions.
 - v. Defines reportable incidents.
 - vi. Provides metrics for measuring the incident response capability within NSU.
 - vii. Defines the resources and management support needed to maintain and mature an incident response capability effectively.
 - viii. Is reviewed and approved by designated officials within NSU.

UNIVERSITY INFORMATION SECURITY POLICY (UISP)

BOV UISP #09 (2022) Incident Response Policy

- b. Distribute copies of the incident response plan to NSU-defined list of incident response personnel (identified by name and/or by role) and appropriate elements.
- c. Review the incident response plan at least once a year.
- d. Updates the incident response plan to address system/NSU changes or problems encountered during plan implementation, execution, or testing.
- e. Communicate incident response plan changes to the NSU-defined list of incident response personnel (identified by name and/or by role) and NSU elements.
- f. Protects the incident response plan from unauthorized disclosure and modification.

EDUCATION AND COMPLIANCE

A. SECURITY POLICY TRAINING

Security policy training is intended to educate NSU employees who have a role in IT system security and to help foster an understanding of how NSU security policies protect the University employees, students, systems, and data.

1. NSU employees, who manage, administer, operate, or design IT systems, must receive role-based security training commensurate with their role. Personnel with assigned security roles and responsibilities will be trained:
 - a. Before authorizing access to the information system or performing assigned duties.
 - b. When required by policy changes.
 - c. As practical and necessary thereafter.
2. OIT will educate and train all stakeholders and appropriate audiences on the policy's content using virtual or face-to-face engagements.

B. POLICY COMPLIANCE AND VIOLATIONS

1. OIT measures compliance with information security policies and standards through processes that include but are not limited to monitoring and audits.

UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #09 (2022) Incident Response Policy

2. Violations of this policy will be addressed in accordance with relevant NSU and Commonwealth of Virginia policies, including NSU Policy 32-01 and Department of Human Resources Management Policy 1.75. The appropriate level of disciplinary action will be determined individually by the appropriate executive or designee.

PUBLICATION

This policy shall be widely published and distributed to the NSU community. To ensure timely publication and distribution thereof, the Responsible Office will make every effort to:

1. Communicate the policy in writing, electronic or otherwise, to the NSU community within 14 days of approval.
2. Submit the policy for inclusion in the online Policy Library within 14 days of approval.
3. Educate and train all stakeholders and appropriate audiences on the policy's content, as necessary. Failure to meet the publication requirements does not invalidate this policy.

REVIEW SCHEDULE

- Next Scheduled Review: Month, Day, Year
- Approval by, date: Month, Day, Year
- Revision History: *New Policy*
- Supersedes policies: *New Policy*

RELATED DOCUMENTS

1. ITRM Information Security Policy (SEC519): <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>
2. ITRM Information Security Standard (SEC501): <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>
3. ITRM Information Security Standard (SEC514): <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>
4. Virginia Department of Human Resources Management Policy 1.75, Use of Electronic Communications and Social Media: <https://hr.dmas.virginia.gov/media/1243/dhrm-policy-175-use-of-electronics-and-social-media.pdf>

Information Security

Risk Assessment Policy

- Addresses the scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance required to establish an acceptable level of risk assessment controls at Norfolk State University. This policy includes, but is not limited to, any regulatory requirements that Norfolk State University is subject to, risk assessment best practices, and the requirements defined in this policy. The Risk Assessment Policy provides a foundation for identifying risk, assessing risk, and the steps to take to reduce risk to an acceptable level within IT systems. Risk Assessments account for information technology (IT) threats, vulnerabilities, likelihoods, and impact to operations and assets, individuals, and other partnering organizations, based on the use of NSU's information systems. Effective implementation of risk management is a critical component of a successful IT security program. Therefore, NSU must exercise due care and diligence in the implementation and operation of IT systems.
- Meets the control requirements outlined in Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Information Security Policy SEC519 and Security Standard SEC501, Section 8.14 Risk Assessment Family, Controls RA-1, RA-2, RA-3, RA-5.



UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #07 (2022) Risk Assessment Policy

Policy Title:	Risk Assessment Policy
Policy Type:	Board of Visitors
Policy Number:	BOV UISP #07 (2022)
Approval Date:	Month, Day, Year
Responsible Office:	Office of Information Technology (OIT)
Responsible Executive:	Vice President for Operations and Chief Strategist for Institutional Effectiveness
Applies to:	All Norfolk State University (NSU) employees (classified, hourly, official representatives, and third-party vendors)

POLICY STATEMENT

The Risk Assessment Policy addresses the scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance required to establish an acceptable level of risk assessment controls at Norfolk State University. This policy includes, but is not limited to, any regulatory requirements that Norfolk State University is subject to, risk assessment best practices, and the requirements defined in this policy. The Risk Assessment Policy provides a foundation for identifying risk, assessing risk, and the steps to take to reduce risk to an acceptable level within IT systems. Risk Assessments account for information technology (IT) threats, vulnerabilities, likelihoods, and impact to operations and assets, individuals, and other partnering organizations, based on the use of NSU's information systems. Effective implementation of risk management is a critical component of a successful IT security program. Therefore, NSU must exercise due care and diligence in the implementation and operation of IT systems.

This policy also meets the control requirements outlined in Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Information Security Policy SEC519 and Security Standard SEC501, Section 8.14 Risk Assessment Family, Controls RA-1, RA-2, RA-3, RA-5.

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UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #07 (2022) Risk Assessment Policy

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DEFINITIONS

Chief Information Officer (CIO): Oversees the operation of NSU Information Technologies. Responsible for policies, procedures, and standards for assessing security risks, determining the appropriate security measures, and performing security audits.

Director of IT Security (DIS): The senior management designated by the CIO of NSU to develop Information Security policies, procedures, and standards to protect the confidentiality, integrity, and availability of information systems and data.

Information Security Officer (ISO): The individual designated by the Agency Head to be responsible for the development, implementation, oversight, and maintenance of the agency's information security program.

Information Technology (IT): Resources include but are not limited to computers and terminals, software, printers, networks and equipment, telecommunication equipment and services such as telephones, facsimile machines, modems, basic and long-distance calling service and voicemail, television and radio systems and equipment, computer information systems, data files and/or documents managed or maintained by the University which reside on disk, tape, or other media.

Office of Information Technology (OIT): OIT manages the administrative and academic information technology resources for Norfolk State University.

Platform Enumeration: A naming scheme for describing and identifying classes of information technology systems, such as applications, operating systems, and hardware devices present among an organization's computing assets.

Risk: A function of the likelihood of a given threat source's exercising a particular potential vulnerability and the resulting impact of that adverse event on the organization. Risk is the net negative impact of the exercise of a vulnerability, considering both the probability and the impact of occurrence.



UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #07 (2022) Risk Assessment Policy

Risk Assessment: The process of identifying and evaluating risks to assess their potential impact. A review, examination, and judgment of whether or not the identified risks are acceptable.

System Owner: An agency manager responsible for the overall procurement, training, development, integration, modification, operation, maintenance, retirement, and risk and compliance of an information system.

CONTACT(S)

The Office of Information Technology (OIT) officially interprets this policy. The Chief Information Officer is responsible for obtaining approval for any revisions as required by BOV Policy #1 (2014), *Creating and Maintaining Policies* through the appropriate governance structures. Questions regarding this policy should be directed to the Office of Information Technology.

STAKEHOLDER(S)

All NSU Faculty, Staff, Students, & Community

RISK ASSESSMENT POLICY

OIT will review and update the Risk Assessment Policy on an annual basis or more frequently if required to address changes.

A. SECURITY CATEGORIAZATION

1. The ISO or designee shall:
 - a. Categorize information and the information system in accordance with applicable Commonwealth laws, Executive Orders, directives, policies, regulations, standards, and guidance.
 - b. Document the security categorization results in the security plan for the information system.
 - c. Ensure that the security categorization decision is reviewed and approved by the authorizing official or authorized official designated representative.



UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #07 (2022) Risk Assessment Policy

B. RISK ASSESSMENT

1. The ISO or designee shall:
 - a. Conduct an assessment of risk, including the likelihood and magnitude of harm, from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system and the information it processes, stores, or transmits.
 - b. Document risk assessment results in a Risk Assessment Report.
 - c. Review risk assessment results annually or more frequently if required to address an environmental change.
 - d. Disseminate risk assessment results to the appropriate organization-defined personnel.
 - e. Update the risk assessment on an annual basis or whenever there are significant changes to the information system or environment of operation (including the identification of new threats and vulnerabilities) or other conditions that may impact the state of the security system.

C. VULNERABILITY SCANNING

1. The DIS or designee shall:
 - a. Scan for vulnerabilities in the information system and host applications at least once every 90-days for publicly facing systems and when new vulnerabilities potentially affecting the system/applications are identified and reported.
 - b. Employ vulnerability scanning tools and techniques that facilitate interoperability among tools and automate parts of the vulnerability management process by using standards for:
 - i. Enumerating platforms, software flaws, and improper configurations.
 - ii. Formatting checklists and test procedures.
 - iii. Measuring vulnerability impact.



UNIVERSITY INFORMATION SECURITY POLICY (UISP)

BOV UISP #07 (2022) Risk Assessment Policy

- c. Analyze vulnerability scan reports and results from security control assessments.
 - d. Remediate legitimate vulnerabilities within 90-days in accordance with an organizational assessment of risk.
 - e. Share information obtained from the vulnerability scanning process and security control assessments with the appropriate organization-defined personnel to help eliminate similar vulnerabilities in other information systems (i.e., systemic weaknesses or deficiencies).
 - f. Employ vulnerability scanning tools that can readily update the information system vulnerabilities to be scanned.
 - g. Update the information system vulnerabilities scanned at least once every 90-days.
 - h. Employ vulnerability scanning procedures to identify the breadth and depth of coverage (i.e., information system components scanned and vulnerabilities checked).
 - i. Determine what information about the information system is discoverable by adversaries and take appropriate corrective actions.
 - j. Review historic audit logs to determine if a vulnerability identified in the information system has been previously exploited.
2. The System Owner or designee shall ensure that the information system implements privileged access authorization to information system components for selected vulnerability scanning activities.

EDUCATION AND COMPLIANCE

A. SECURITY POLICY TRAINING

Security policy training is intended to educate NSU employees who have a role in IT system security and to help foster an understanding of how NSU security policies protect the University employees, students, systems, and data.

1. NSU employees, who manage, administer, operate, or design IT systems, must receive role-based security training commensurate with their role. Therefore, personnel with assigned security roles and responsibilities will be trained:



UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #07 (2022) Risk Assessment Policy

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B. POLICY COMPLIANCE AND VIOLATIONS

1. OIT measures compliance with IT security policies and standards through processes that include, but are not limited to, monitoring and audits.
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UNIVERSITY INFORMATION SECURITY POLICY (UISP) BOV UISP #07 (2022) Risk Assessment Policy

- Revision History: *New Policy*
- Supersedes policies: *New Policy*

RELATED DOCUMENTS

1. ADMINISTRATIVE POLICY # 32- 01 (2014) Acceptable Use of Technological Resources: <https://www.nsu.edu/policy/admin-32-01.aspx>.
2. ITRM Information Security Policy (SEC519): <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>
3. ITRM Information Security Standard (SEC501): <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>
4. ITRM Information Security Standard (SEC514): <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/>
5. Virginia Department of Human Resources Management Policy 1.75, Use of Electronic Communications and Social Media: <https://hr.dmas.virginia.gov/media/1243/dhrm-policy-175-use-of-electronics-and-social-media.pdf>
6. Library of Virginia Personnel Records General Schedule (GS)-103 (Feb 2015): https://www.lva.virginia.gov/agencies/records/sched_state/GS-103.pdf



NORFOLK STATE UNIVERSITY

700 Park Avenue | Norfolk, VA 23504

www.nsu.edu



BOV Strategic Finance Committee

**Division of University
Advancement**

Clifford Porter, Jr., JD

Vice President



University Advancement

Strategic Finance Committee Update November 2022

Five Year Fundraising Projections

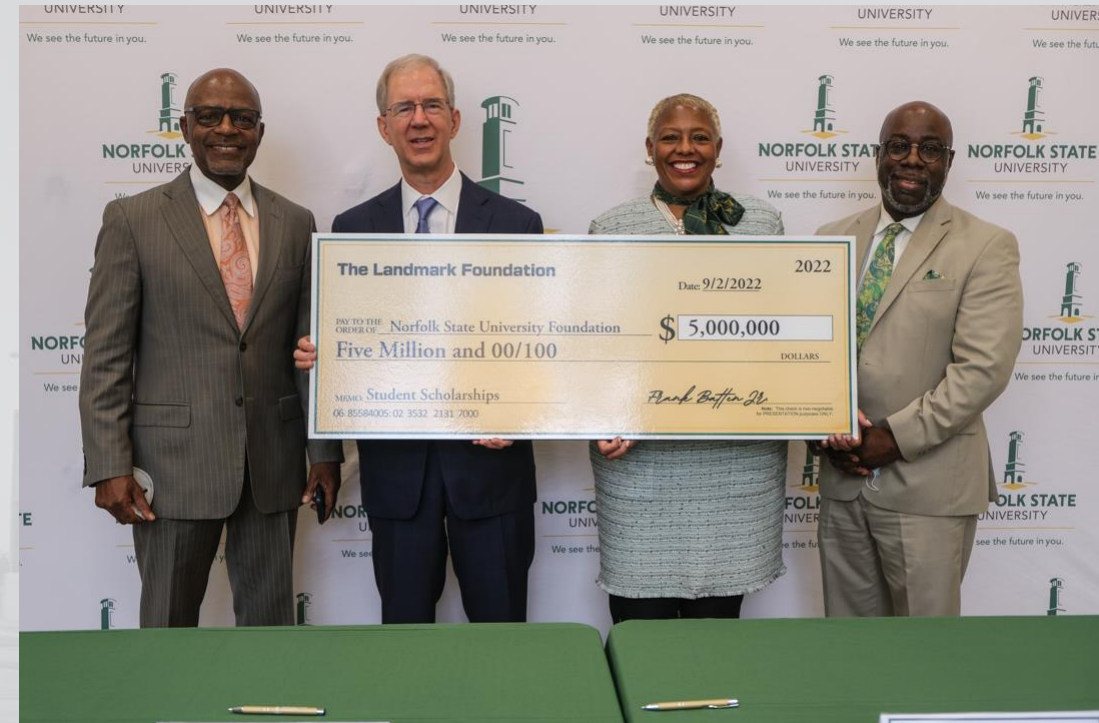
Baseline Avg.	CY 2022	CY 2023	CY 2024
\$4.3M			
Major Gifts	\$3,000,000	\$3,350,000	\$3,520,000
Alumni/ Annual	\$1,800,000	\$1,950,000	\$2,000,000
Planned Giving	\$600,000	\$775,000	\$925,000
Foundations	\$900,000	\$1,000,000	\$1,555,000
Athletics/ NSUAF	\$800,000	\$975,000	\$1,000,000
Academics/NSURIF	\$800,000	\$975,000	\$1,000,000
Total	\$7,900,000	\$9,100,000	\$10,000,000

Fundraising Analysis

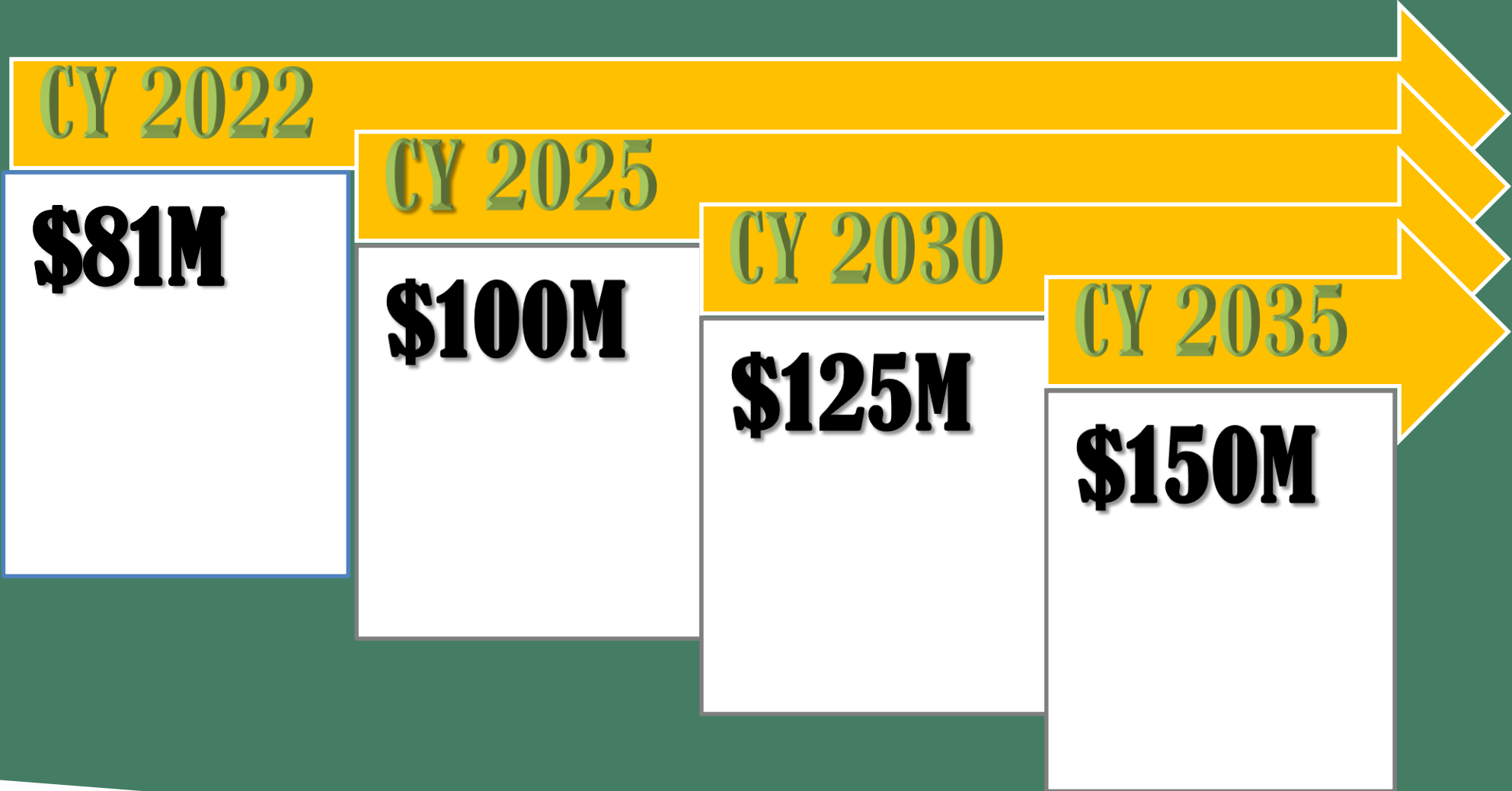
Calendar Year	Total Dollars Raised	Cash	Pledges	Planned Gifts	No. of Donors Overall	No. of Alumni Donors
CY 2017	\$4,428,520	\$3,512,204	\$564,688	\$351,628	4,052	2,277
CY 2018	\$7,003,612	\$3,673,537	\$1,346,770	\$1,983,305	5,092	3,007
CY 2019	\$4,697,371	\$3,829,699	\$470,737	\$396,935	4,539	2,688
CY 2020	\$45,838,417	\$43,127,142	\$2,711,275	-	3,846	2,547
CY2021	\$10,511,509	\$9,660,978	\$759,421	-	4,132	2,524
CY 2022	\$8,303,094	\$4,077,777	\$4,225,315		4,404	2,742

Major & Leadership Gifts

- ✓ **Landmark Foundation- \$5,000,000**
- ✓ **Mr. & Mrs. Jim Squires- \$281,255**
- ✓ **Points Bet USA- \$250,000**
- ✓ **Gold Nugget Gaming \$100,000**
- ✓ **Dollar Tree- \$90,000**
- ✓ **Lockheed Martin- \$75,000**
- ✓ **Urban League of Hampton Roads- \$50,000**
- ✓ **African American Cultural Center- \$50,000**
- ✓ **Mr. Phil Thornton- \$50,000**



Five Year Endowment Projections





NOW IS OUR TIME

Campaign for Norfolk State University

Campaign for Norfolk State University

**\$75 Million
2020-2025**

Areas of Greatest Need

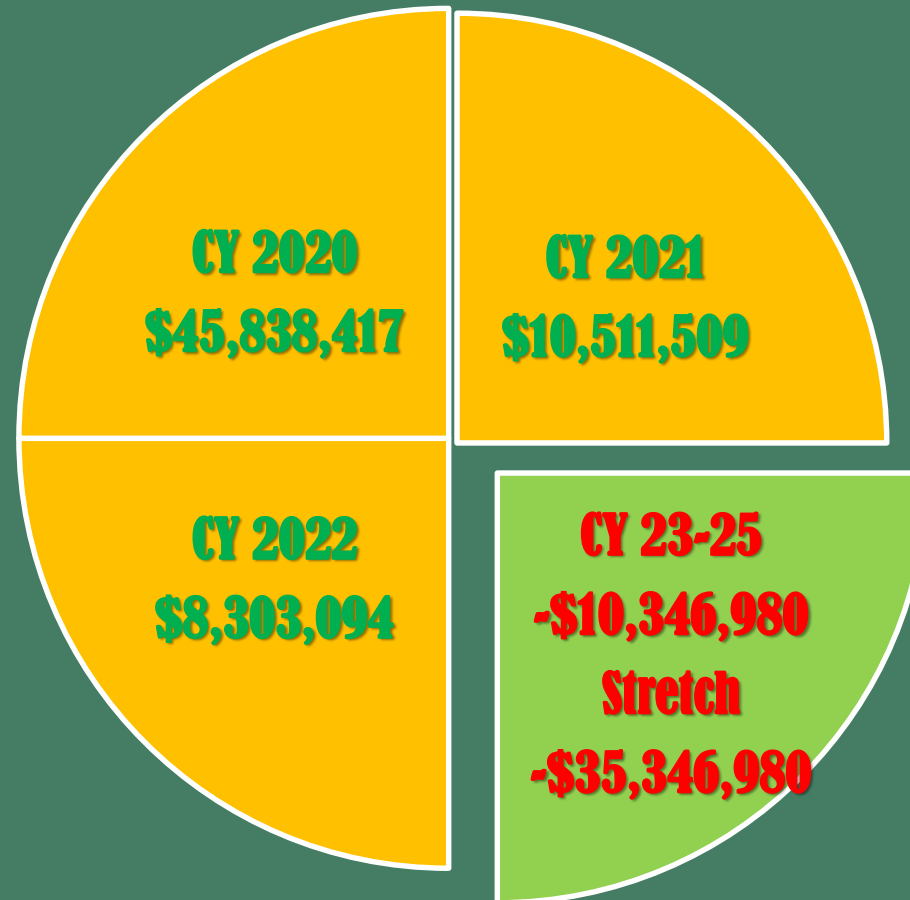
Athletic Competitiveness

Scholarship Support
Endowment

Increasing Academic
Excellence

Campaign Progress

\$64,653,020



Campaign Goal- \$75M

Campaign Stretch Goal \$100M

University Events & The Wilder Center

Highlights from 2022 Fall Semester



NORFOLK STATE
UNIVERSITY



University Events Updates

- ❖ **Founders Day Celebratory Activities to include Freshman Convocation and Founders Day Breakfast**
- ❖ **Pharrell’s “Mighty Dream Connection” Reception**
- ❖ **Urban League and HBCU tutoring Partnership Announcement sponsored by Governor Glenn Youngkin**

University Events Updates

- ✓ September 2022 Freshman Convocation – welcomed nearly 1,500 freshman
- ✓ Founders Day Breakfast with keynote speaker **Marc Lamont Hill**



University Events Updates

✓ October 2022 hosted **Mighty Dream Connection Reception** with Grammy-award winning artist, **Pharrell Williams**



University Events Updates

✓ November 2022 hosted **Urban League and HBCU tutoring Partnership Announcement** sponsored by **Governor Glenn Youngkin**



COMMUNICATIONS and MARKETING

WEB (10/13-11/7, 2022)

- Visits: 146,123
- Page Views: 362,792

Top 3 Pages Visited

- Homepage
- Apply Online - Landing Page
- Academics - Landing Page

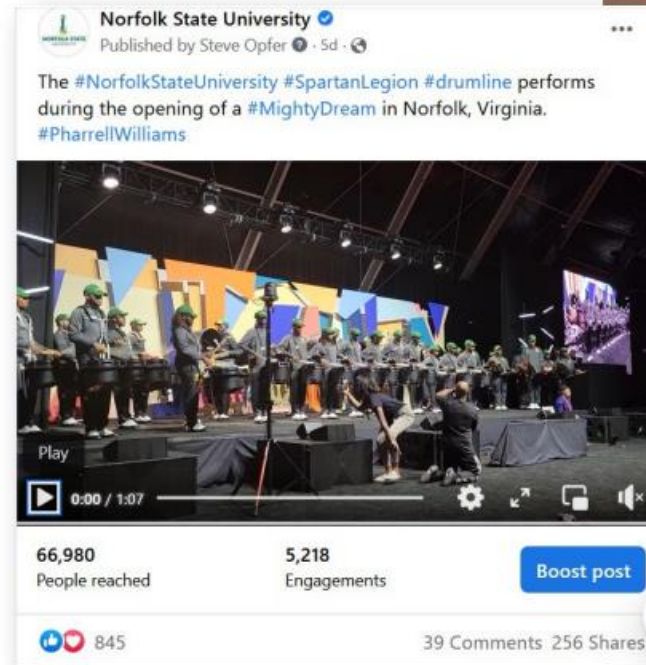
SOCIAL MEDIA - Top Post (Video on Facebook)

The Norfolk State University Spartan Legion drumline performs during the opening of Pharrell's Mighty Dream event.

People reached	66,980
Engagements	5,218
Likes	845
Shares	256

PARTNERSHIPS

Communications and Marketing hosted more than 100 Hampton Roads Black Media Professionals (HRBMP) for their 40th Anniversary Celebration Luncheon on Oct. 22 in the Student Center.





Advertising

C&M heavily marketed the NSU **Return to Sparta! 2022 Homecoming** in print, radio, social media and television advertising. This year's ads pushed Game Day Protocols and the Clear Bag Policy. Other advertising in October included three large digital display signs in the **Norfolk Airport** and a digital marquee at the **Norfolk Waterside**.



Visit www.nsu.edu/homecoming for activities and details on event tickets and packages.

OCTOBER
9-16
2022

Norfolk State University is committed to a Culture of Care for all who come to our campus, and we look forward to you joining the Norfolk State University community for Homecoming 2022.

Game Day Protocols

To provide a safer environment for the public and expedite fan entry into Dick Price Stadium, Norfolk State University has implemented a protocol that limits the size and type of bags that may be brought into the stadium. Exceptions to this protocol will be made for all medically necessary items after proper inspection.

Please get your tailgating wristband prior to approaching the tailgating area. Wristbands will not be available at the tailgating entrance.

In addition to these protocols, fans are encouraged to visit our website prior to attending games for ticket and parking information.



SCAN ME



*With your cooperation and participation, we look forward to one of the best-ever Homecomings at Norfolk State University!
Behold the Green and Gold!®*



NORFOLK STATE UNIVERSITY

700 Park Avenue | Norfolk, VA 23504

www.nsu.edu



V. Closed Meeting – Pursuant to §2.2-3711A.1, 4, 7 and 8, Code of Virginia

VI. Open Meeting
– Closed Meeting Certification

VII. Adjournment

DR. JAVAUNE ADAMS-GASTON



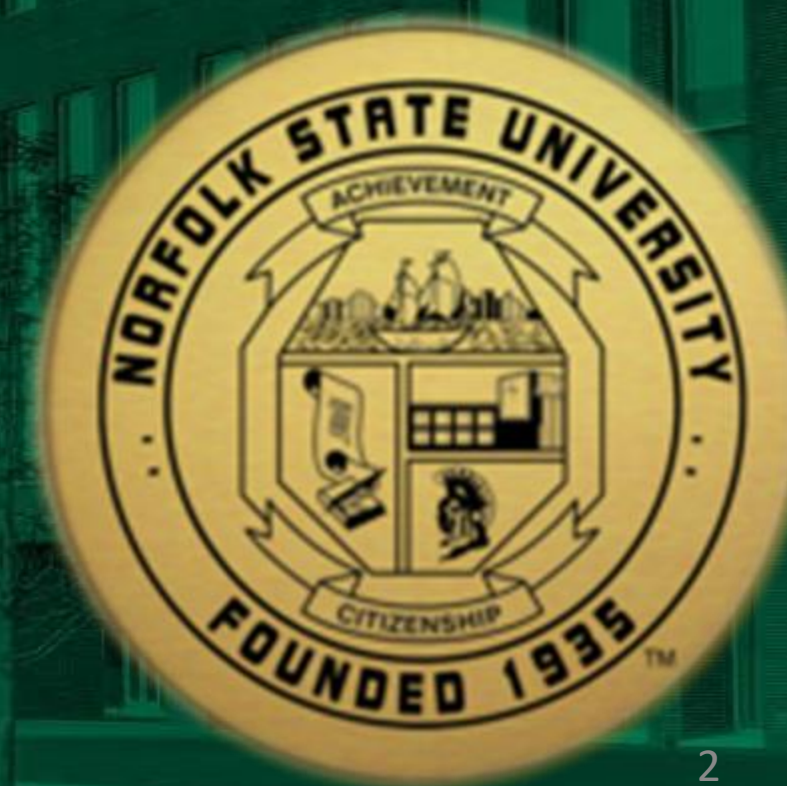
This Is Our Time This Is Our Future

Fall 2022 Review

Javaune Adams-Gaston, Ph.D., University President
Board of Visitors Meeting
Norfolk State University
December 9, 2022

FALL 2022 REVIEW: Accomplishments and Achievements

- **Faculty**
- **Students**
- **University**
- **Alumni**
- **Administration**



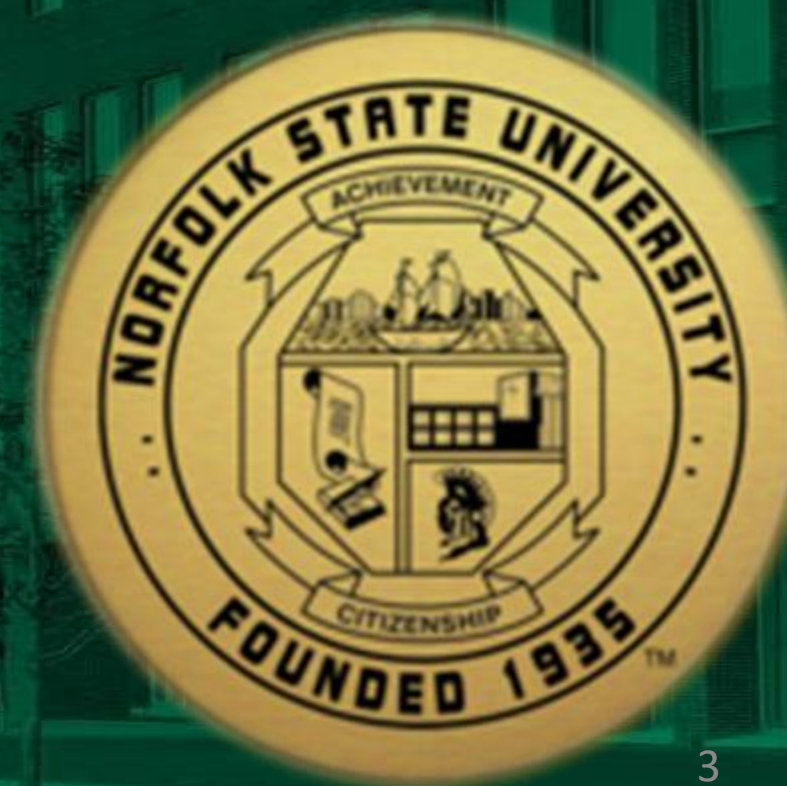
Achievements and Accomplishments: University Faculty



**NSU, UVA RECEIVE \$5M TO FIGHT
SEA LEVEL RISE**



**ENGINEERING PROFESSOR RECEIVES
NSF CAREER AWARD**



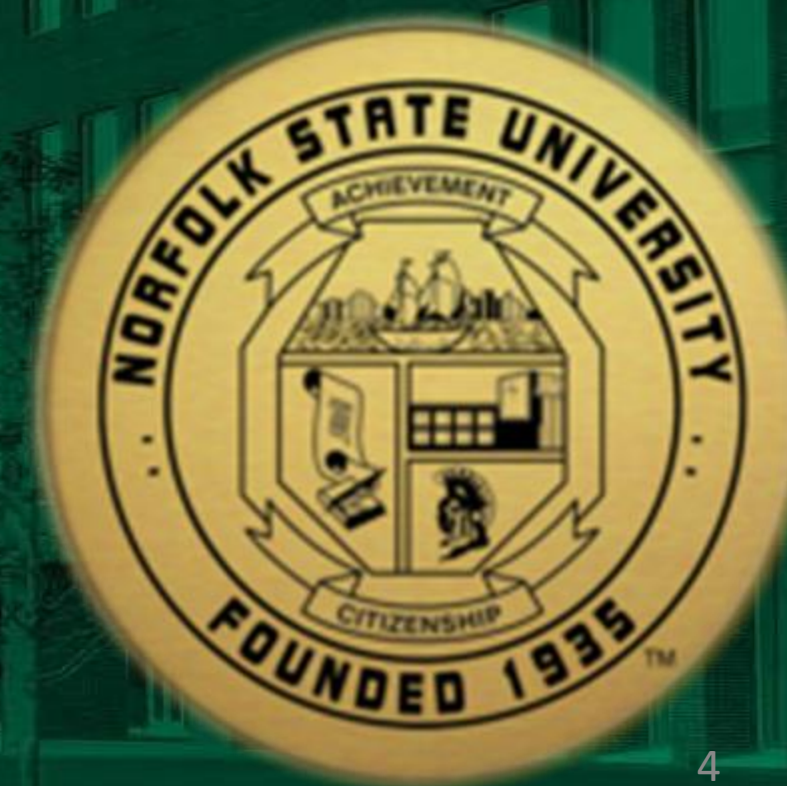
Achievements and Accomplishments: University Faculty



NSU RECEIVES \$1.5M FROM THE NATIONAL SCIENCE FOUNDATION



NSU Receives Sentara Cares Grant



Achievements and Accomplishments: Students



**MENDEZ REPRESENTS NSU PROUDLY NSU
Inaugural NBA HBCU Fellowship**



MEAC Men's Cross Country Champions



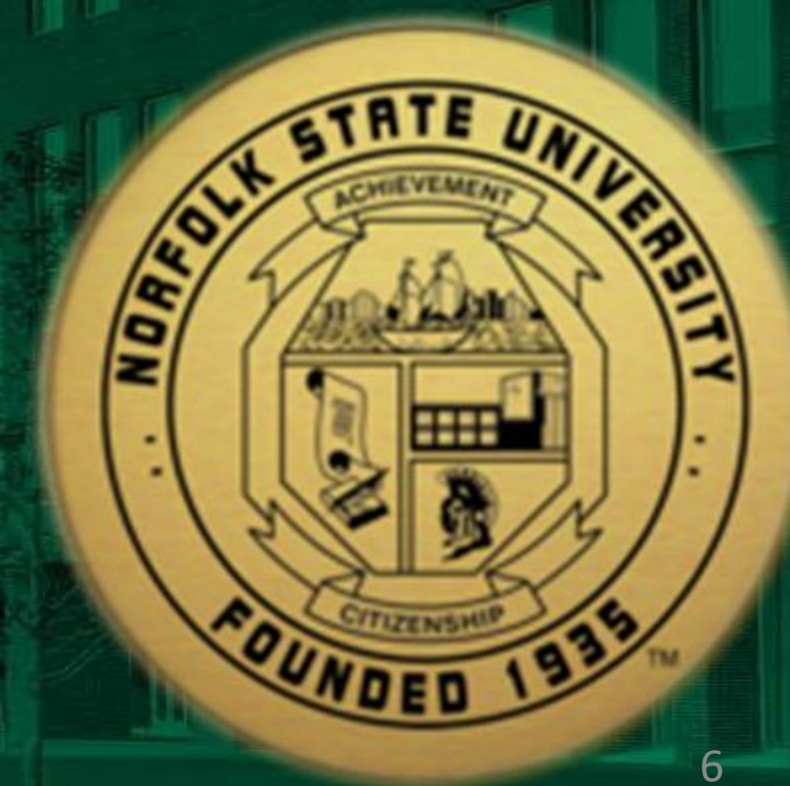
Achievements and Accomplishments: Students



**NSU Student Research and Publications
Making Strides**



Novus Security Inc, receives \$50,000



Achievements and Accomplishments: University

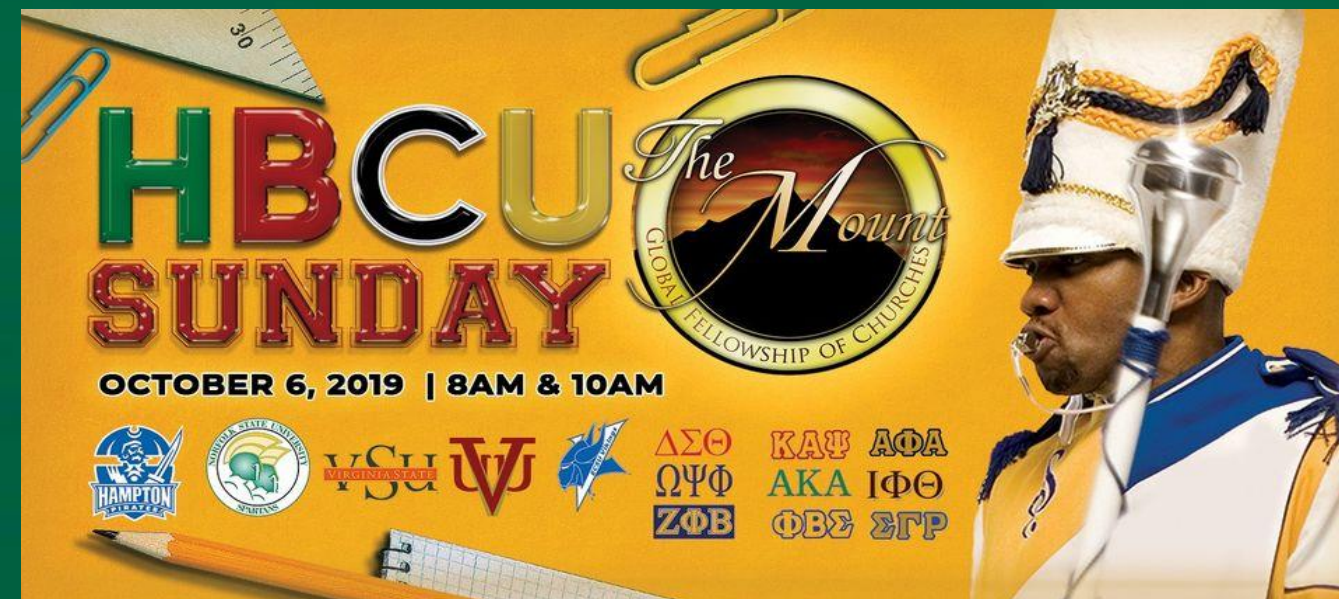


**NSU Partners with Pharrell Williams
Mighty Dream Business Conference**

**NSU Opens for Mighty Dream
NSU Hosts Pharrell Williams**



Achievements and Accomplishments: University



VIRGINIA HBCUS AND URBAN LEAGUE TO PROVIDE PAID TUTORS

The Mount and Truist Bank Provide HBCU Scholarships



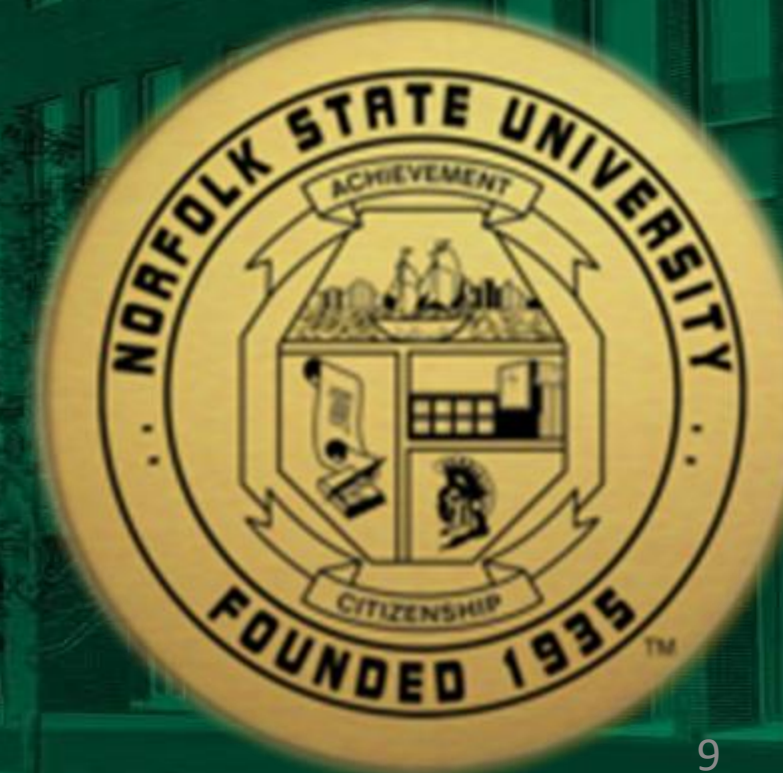
Achievements and Accomplishments: University



NSU NAMED TOP 20 HBCU



Norfolk State University Teams with IBM to Address Cybersecurity Talent Shortage



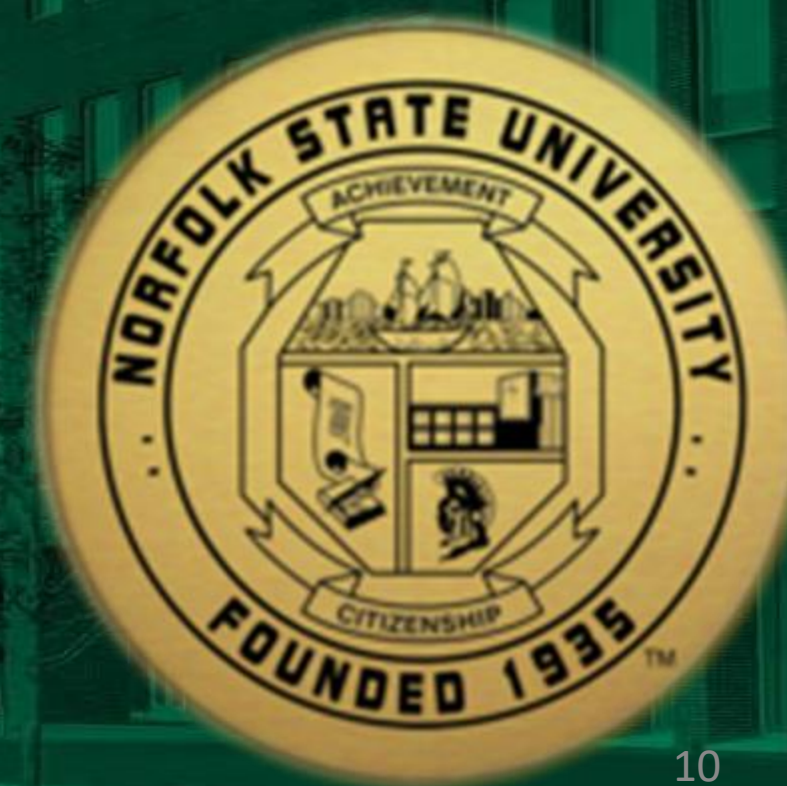
Achievements and Accomplishments: Alumni



**Alum Doline Pryer Hatchett received
2022 Presidential Distinguished Rank Award**



**Alum Booker T. Mattison
Writer & Director BET+ Holiday Movie**



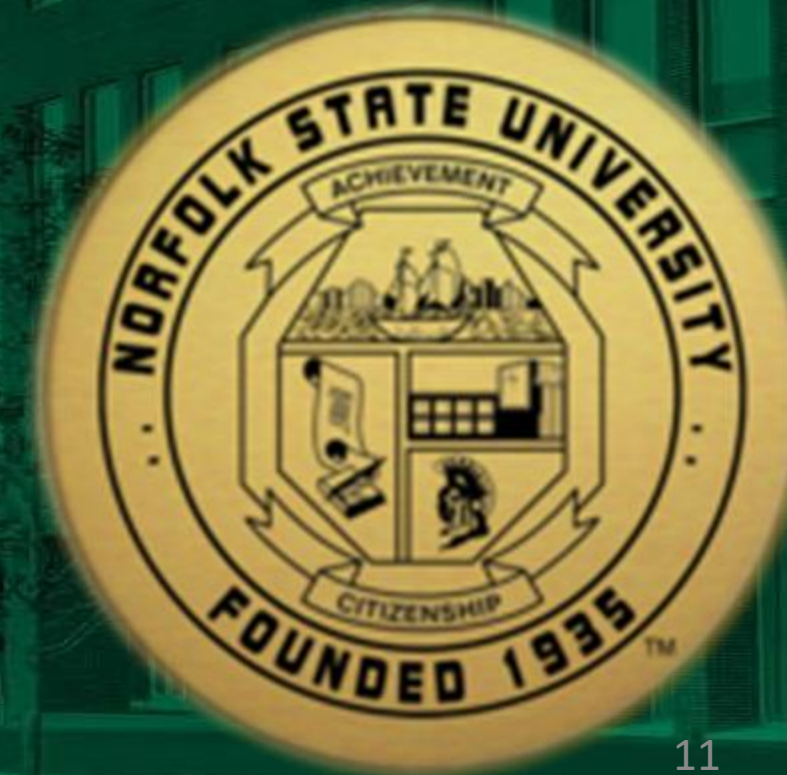
Achievements and Accomplishments: Administration



NSU Administration Making Strides



Norfolk State University President Presents Nationally





NORFOLK STATE UNIVERSITY

700 Park Avenue | Norfolk VA 23504
(757) 823-8600



BOV/NSUF LIAISON COMMITTEE

**NORFOLK STATE UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2021



ASSURANCE, TAX & ADVISORY SERVICES

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Norfolk State University Foundation, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Norfolk State University Foundation, Inc. and Subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PBMares, LLP

Newport News, Virginia
September 8, 2022

CONSOLIDATED FINANCIAL STATEMENTS

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020**

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 12,757,712	\$ 43,085,742
Investments	84,833,130	39,546,090
Promises to give, net	4,002,188	4,527,372
Interest in charitable remainder unitrusts	231,246	225,489
Property and equipment, net	2,333,853	370,406
Other assets	35,812	31,412
	<hr/>	<hr/>
Total assets	\$ 104,193,941	\$ 87,786,511
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 208,922	\$ 101,942
Split-interest agreement liability	18,487	38,320
Capital lease obligation	-	2,024
	<hr/>	<hr/>
Total liabilities	227,409	142,286
	<hr/>	<hr/>
Net Assets		
Without donor restrictions		
Operating	856,462	40,667,312
Board designated	2,864,155	-
Quasi endowment, board designated	44,906,109	4,745,460
Property and equipment	2,333,853	370,406
	<hr/>	<hr/>
Total without donor restrictions	50,960,579	45,783,178
	<hr/>	<hr/>
With donor restrictions	53,005,953	41,861,047
	<hr/>	<hr/>
Total net assets	103,966,532	87,644,225
	<hr/>	<hr/>
Total liabilities and net assets	\$ 104,193,941	\$ 87,786,511
	<hr/> <hr/>	<hr/> <hr/>

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	Without Donor Restrictions	With Donor Restrictions	2020 Total
Revenues and Support						
Contributions	\$ 411,280	\$ 9,185,470	\$ 9,596,750	\$ 40,606,696	\$ 5,987,027	\$ 46,593,723
Net investment income	14,884	15,356	30,240	4,278	11,287	15,565
Net realized and unrealized investment gains	4,692,295	5,775,656	10,467,951	504,811	2,911,318	3,416,129
Net assets released from restrictions:						
Satisfaction of program and time restrictions	3,831,576	(3,831,576)	-	3,181,620	(3,181,620)	-
Total revenues and support	8,950,035	11,144,906	20,094,941	44,297,405	5,728,012	50,025,417
Expenses						
Program services	3,200,338	-	3,200,338	2,771,532	-	2,771,532
Administrative	464,220	-	464,220	368,745	-	368,745
Fundraising	108,076	-	108,076	119,022	-	119,022
Total expenses	3,772,634	-	3,772,634	3,259,299	-	3,259,299
Change in net assets	5,177,401	11,144,906	16,322,307	41,038,106	5,728,012	46,766,118
Net Assets, beginning of year	45,783,178	41,861,047	87,644,225	4,745,072	36,133,035	40,878,107
Net Assets, end of year	\$ 50,960,579	\$ 53,005,953	\$ 103,966,532	\$ 45,783,178	\$ 41,861,047	\$ 87,644,225

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021**

	Program			
	Services	Administrative	Fundraising	Total
Advertising	\$ 18,503	\$ -	\$ -	\$ 18,503
Bad debt	92,235	-	-	92,235
Bank and investment fees	149,642	-	-	149,642
Conferences and training	16,595	-	-	16,595
Consulting services	104,941	5,245	-	110,186
Equipment	14,616	1,689	-	16,305
Insurance	19,167	12,573	44,799	76,539
Internet services	15,975	-	-	15,975
Lease and office rent	6,375	4,875	3,750	15,000
Legal	38,549	11,494	-	50,043
Meals and entertainment	45,649	14,838	-	60,487
Miscellaneous	147,380	41,092	204	188,676
Other wages and stipends	196,746	72,421	51,207	320,374
Payroll	328,827	147,514	-	476,341
Payroll benefits and taxes	7,987	45,855	3,660	57,502
Postage	1,401	2,981	-	4,382
Printing and publications	36,192	2,001	-	38,193
Prizes and awards	28,777	2,490	-	31,267
Professional dues and subscriptions	34,824	21,726	-	56,550
Professional fees	7,848	23,545	-	31,393
Property taxes	2,748	2,198	550	5,496
Repairs and maintenance	15,530	-	-	15,530
Scholarships	1,680,363	9,830	-	1,690,193
Software purchases	57,357	731	-	58,088
Special events	45	-	-	45
Sponsorship support	13,650	15,538	-	29,188
Supplies	49,850	7,599	-	57,449
Transfers	11,020	2,364	-	13,384
Travel	38,020	-	-	38,020
Total expenses before depreciation and amortization	3,180,812	448,599	104,170	3,733,581
Depreciation and amortization	19,526	15,621	3,906	39,053
Total expenses	\$ 3,200,338	\$ 464,220	\$ 108,076	\$ 3,772,634

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020**

	Program			
	Services	Administrative	Fundraising	Total
Advertising	\$ 2,459	\$ 75	\$ -	\$ 2,534
Bad debt	61,298	-	-	61,298
Bank and investment fees	115,472	-	-	115,472
Conferences and training	26,136	2,869	-	29,005
Consulting services	4,416	9,005	5,700	19,121
Insurance	-	11,882	43,261	55,143
Internet services	23,981	-	5,500	29,481
Lease and office rent	6,375	4,875	3,750	15,000
Legal	1,015	-	250	1,265
Meals and entertainment	44,461	-	-	44,461
Miscellaneous	276,962	24,328	205	301,495
Other wages and stipends	123,184	63,614	47,045	233,843
Payroll	195,516	146,951	-	342,467
Payroll benefits and taxes	7,083	42,089	3,631	52,803
Postage	400	2,544	-	2,944
Printing and publications	6,270	-	6,330	12,600
Prizes and awards	34,829	-	-	34,829
Professional dues and subscriptions	21,041	14,996	-	36,037
Professional fees	7,657	22,970	673	31,300
Property taxes	2,016	1,613	403	4,032
Repairs and maintenance	19,002	-	-	19,002
Scholarships	1,636,669	-	-	1,636,669
Software purchases	7,000	377	-	7,377
Sponsorship support	6,500	11,000	-	17,500
Student assistance	48,909	-	-	48,909
Supplies	29,655	461	-	30,116
Transfers	48,292	-	-	48,292
Travel	3,564	-	-	3,564
Total expenses before depreciation and amortization	2,760,162	359,649	116,748	3,236,559
Depreciation and amortization	11,370	9,096	2,274	22,740
Total expenses	\$ 2,771,532	\$ 368,745	\$ 119,022	\$ 3,259,299

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020**

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 16,322,307	\$ 46,766,118
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for long-term investment	(2,520,000)	(1,649,762)
Non-cash contribution of property and equipment	(2,500)	(89,682)
Net realized and unrealized investment gains	(10,467,951)	(3,416,129)
Dividends and interest reinvested	(30,240)	(15,565)
Change in value of split-interest agreement liability	(19,833)	(19,759)
Bad debt provision	(92,235)	56,786
Depreciation and amortization	39,053	22,740
Change in assets and liabilities		
Promises to give	306,118	(2,769,576)
Interest in charitable remainder unitrusts	(5,757)	(5,797)
Other assets	(4,400)	(3,850)
Accounts payable	106,980	18,672
Net cash provided by operating activities	3,631,542	38,894,196
Cash Flows from Investing Activities		
Purchases of investments	(35,000,000)	(48,200)
Proceeds from sale of investments	211,151	166,174
Purchase of property and equipment	(2,000,000)	(18,099)
Net cash provided by (used in) investing activities	(36,788,849)	99,875
Cash Flows from Financing Activities		
Payments on capital lease obligation	(2,024)	(3,514)
Collections of contributions restricted for long-term investment	2,831,301	1,492,378
Net cash provided by financing activities	2,829,277	1,488,864
Net increase (decrease) in cash and cash equivalents	(30,328,030)	40,482,935
Cash and Cash Equivalents, beginning of year	43,085,742	2,602,807
Cash and Cash Equivalents, end of year	\$ 12,757,712	\$ 43,085,742
Supplemental Disclosure of Non-Cash Activities		
In-kind gifts received	\$ 2,500	\$ 89,682

NORFOLK STATE UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Nature of Activities

The accompanying consolidated financial statements include the accounts of Norfolk State University Foundation, Inc. and its wholly owned subsidiaries, NSUF Holdings, LLC and Marshall Avenue Properties, Inc. (collectively, the Foundation). The Foundation is a not-for-profit organization established to provide financial support to Norfolk State University (the University). NSUF Holdings, LLC was established on May 5, 2021 to acquire and hold real property at 805 Park Avenue, Norfolk VA.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Support that is restricted by the donor is, however, reported as an increase in net assets without donor restrictions if the restriction expires or is otherwise satisfied in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires or is otherwise satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions. Details related to net assets with donor restrictions are included in Note 9 and Note 10.

Principles of consolidation: The consolidated financial statements include the accounts of Norfolk State University Foundation, Inc., NSUF Holdings, LLC, and Marshall Avenue Properties, Inc., which are described above. (collectively referred to as the Foundation). All significant inter-organization balances and transactions have been eliminated.

Cash and cash equivalents: The Foundation considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Cash funds held in the Foundation's investment account are reported as investments instead of cash and cash equivalents because the Foundation holds those funds as an endowment.

Investments: Investments in securities with readily determinable fair values and investments in debt securities are valued at their fair values in the consolidated statements of financial position. Realized and unrealized gains and losses have been recognized in the consolidated statements of activities. Certain investment expenses have been netted against investment income on the consolidated statements of activities.

The Foundation's investments are managed by external investment managers in compliance with investment guidelines established by the Board of Directors (the Board).

Promises to give and contributions: Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence of any donor restrictions. Contributions are recorded as without donor restrictions unless specifically restricted by the donor. Contributions of cash and other property are recognized as income when received. Contributions include grant funds provided to the Foundation by the University for investment in the Foundation's endowment.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

Restricted contributions of cash, other property and donor-restricted interest and dividend income are recorded as income with donor restrictions, and then are transferred to without donor restrictions when such resources are expended in accordance with the stipulated purpose restriction or when the time restrictions of such gifts are met.

Unconditional promises to give, less an allowance for uncollectible amounts, are reported as income in the year pledged. The promises to give are adjusted to fair value annually.

Property and equipment: Property and equipment are stated at cost. Donated land is recorded at fair value at the date of gift. The Foundation's policy is to capitalize furniture and equipment purchased with a cost greater than \$2,500. Depreciation of office equipment and furniture is computed using the straight-line method over the following estimated useful lives:

Office equipment	3-5 years
Furniture	7-15 years

Functional expense allocations: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Directly identifiable expenses are allocated to program and administrative services. Expenses related to more than one function are charged to program and administrative services based on estimates made by management. Administrative services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Credit risk and concentrations: Financial instruments, which potentially subject the Foundation to concentration of credit risk, consist principally of cash, investments, and promises to give. The Foundation places unrestricted cash and temporary overnight investments with high credit quality financial institutions. At times the balances may exceed the FDIC insurable limit.

Unconditional promises to give, net of any uncollectible allowance, include unconditional promises to give from one donor of \$2,591,666 and \$2,750,000, which represents 65% and 61% as of December 31, 2021 and 2020, respectively, of total net unconditional promises to give in the consolidated statements of financial position.

Contributions received from three donors in the amount of \$4,120,000 represents 43% of contributions received during the year ended December 31, 2021. Contributions received from one donor in the amount of \$40,000,000 represents 80% of contributions received during the year ended December 31, 2020.

Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported years. Actual results could differ from those estimates and assumptions.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

Income tax status: The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and the tax statutes of the Commonwealth of Virginia; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Foundation's management has evaluated the impact of the standard to its consolidated financial statements.

The Foundation's income tax returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed. The Foundation's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively. Marshall Avenue Properties, Inc., a Virginia C-Corporation, had no activity during 2021 and 2020 and, therefore, did not file a return nor incur a tax liability. Certain investment earnings may be subject to unrelated business income tax but the earnings have been immaterial. The Foundation has determined that it does not have any material unrecognized tax obligations as of December 31, 2021.

New accounting pronouncements: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). In ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This ASU requires a modified retrospective transition approach, which includes a number of optional practical expedients, described in ASU 2016-02, which may be applied. The ASU is effective for fiscal years beginning after December 15, 2021. The impact of the new standard has not been determined; however, it is expected there will be an increase in the Foundation's assets and liabilities.

Subsequent events: The Foundation has evaluated subsequent events through September 8, 2022, the date these financial statements were available to be issued. The Foundation has determined that, except as disclosed in Note 13, there are no other subsequent events that require disclosure pursuant to the FASB ASC.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Liquidity and Availability

As of December 31, 2021 and 2020, financial assets and liquidity resources available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 12,757,712	\$ 43,085,742
Operating investments	398,929	1,240,171
Promises to give	25,364	28,725
Endowment spending-rate distributions and appropriations	<u>2,024,698</u>	<u>193,817</u>
	<u>\$ 15,206,703</u>	<u>\$ 44,548,455</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Foundation's board-designated endowment funds of \$44,906,109 and \$4,745,460 at December 31, 2021 and 2020, respectively, are subject to an annual spending rate of 4 percent. Although the Foundation does not intend to spend from these board-designated endowment funds (other than amounts appropriated for general expenditure as part of the Foundation board of director's annual budget approval and appropriation), these amounts could be made available if necessary.

An additional \$2,864,155 of funds have been designated by the Foundation's board of directors during the year ended December 31, 2021 to be used for payment of utilities and maintenance of certain Foundation-owned property as well as for consulting fees relating to the future use and renovations of this property and other potential property acquisitions. Although the Foundation does not intend to utilize these board designated funds beyond their budgeted usage, these funds could be made available by board vote if necessary.

As part of the Foundation's liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments and money market funds. The Foundation held \$1,023,899 and \$1,023,899 at December 31, 2021 and 2020, respectively, in short-term investments which can be drawn upon in the event of an unanticipated liquidity need.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Promises to Give

Promises to give represent commitments made by individuals, corporations and organizations for various purposes. The following details the timing of expected receipts on promises to give:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Current	\$ 61,649	\$ 1,070,406	\$ 1,132,055
Due in one to five years	-	2,717,859	2,717,859
Due in over five years	-	368,792	368,792
	61,649	4,157,057	4,218,706
Time value discount	(1,123)	(180,233)	(181,356)
Allowance for uncollectible promises to give	(35,162)	-	(35,162)
	\$ 25,364	\$ 3,976,824	\$ 4,002,188
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Current	\$ 46,715	\$ 1,557,130	\$ 1,603,845
Due in one to five years	10,000	2,760,630	2,770,630
Due in over five years	-	376,621	376,621
	56,715	4,694,381	4,751,096
Time value discount	(1,451)	(186,981)	(188,432)
Allowance for uncollectible promises to give	(26,539)	(8,753)	(35,292)
	\$ 28,725	\$ 4,498,647	\$ 4,527,372

In order to simplify their accounting process for promises to give, the Foundation has elected to record all promises to give at fair value; the process utilizes the income approach with discounted cash flows, providing a single discounted value for all promises to give. The interest rate used for fair value was 2% for 2021 and 2020.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Charitable Split-Interest Agreements

The Foundation is named as a beneficiary of charitable remainder unitrusts in the amount of \$372,390 initially deposited with a third-party trustee and subsequently invested in various equity mutual funds. The gifts were valued at inception using the fair value of the donations, a trust payout rate of 5% and Internal Revenue Code discount rates. The remainder interest is revalued annually and was \$231,246 and \$225,489 at December 31, 2021 and 2020, respectively.

The Foundation also has beneficial interests in several charitable gift annuities. The contribution portion of the agreements are recognized as revenue when the Foundation has the unconditional right to receive benefits under the agreements and is measured at the expected future payments to be received. Any assets received under a trust agreement are recorded at fair value. Any liabilities to third-party beneficiaries are recorded at the present value of the expected payments. All present value calculations are made using federal discount rates and life expectancy tables. During the term of the agreements, any changes in actuarial assumptions are recognized as changes in value of split-interest agreements and recorded as an adjustment to contributions in the consolidated statements of activities. The discount rate used to value the gifts was approximately 5% for 2021 and 2020. All annuity payments are made yearly. The net split-interest agreement liability is valued annually and was \$18,487 and \$38,320 at December 31, 2021 and 2020, respectively.

Note 6. Property and Equipment

On May 21, 2021, the Foundation purchased land and building for \$2,000,000 that is still being renovated and was not placed in service as of December 31, 2021. No depreciation has been recorded for the property as of December 31, 2021. Property and equipment are comprised of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 148,210	\$ 24,310
Construction in progress	1,876,100	-
Office equipment and furniture	1,128,156	1,125,656
	<u>3,152,466</u>	<u>1,149,966</u>
Accumulated depreciation	(818,613)	(779,560)
	<u>\$ 2,333,853</u>	<u>\$ 370,406</u>

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Related Party Transactions

The Foundation administers certain grants on behalf of the University's departments and faculty. Under the terms of the various grant agreements, the Foundation receives funds from the grantor and disburses them to the grantees as grant activities are conducted. Alternatively, under certain agreements, the Foundation disburses funds to the grantees and receives reimbursement from the grantor.

No amounts have been reflected in the Foundation's consolidated financial statements for volunteer services since they are not susceptible to objective measurement or valuation; however, a number of volunteers donated significant amounts of their time performing services that would otherwise be performed by paid employees.

The Foundation also leases space from the University. A formal lease agreement was entered into during 2020, which requires an annual payment of \$15,000 and expires in June 2025.

Note 8. Net Realized and Unrealized Gains and Losses

The Foundation had the following net unrealized and realized gains and losses from investments:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Unrealized gains	\$ 4,707,227	\$ 5,736,333	\$ 10,443,560
Realized gains (losses)	(14,932)	39,323	24,391
	\$ 4,692,295	\$ 5,775,656	\$ 10,467,951
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Unrealized gains	\$ 512,148	\$ 2,889,752	\$ 3,401,900
Realized gains (losses)	(7,337)	21,566	14,229
	\$ 504,811	\$ 2,911,318	\$ 3,416,129

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Net Assets with Donor Restrictions

Net assets included in the net assets with donor restrictions classification have been received from donors that have restricted the use of the funds for a specific purpose and/or future period. Net assets with donor restrictions at December 31, 2021 and 2020 are restricted for the following purposes or periods.

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose		
Scholarships	<u>\$ 12,441,885</u>	<u>\$ 8,157,145</u>
Subject to Passage of Time		
Pledges receivable	<u>3,976,824</u>	<u>4,498,647</u>
Endowments		
Unappropriated endowment investment earnings	20,290,755	15,604,168
Original donor-restricted gift amounts to be maintained in perpetuity	<u>16,296,489</u>	<u>13,601,087</u>
Total endowments	<u>36,587,244</u>	<u>29,205,255</u>
Total net assets with donor restrictions	<u>\$ 53,005,953</u>	<u>\$ 41,861,047</u>

Note 10. Endowment

In August 2008, accounting standards provided guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. In 2008, the Commonwealth of Virginia adopted UPMIFA.

The Foundation's endowment consists of approximately 220 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with UPMIFA.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Endowment (Continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

1. The duration and preservation of the fund;
2. The purposes of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The investment policies of the Foundation.

As of December 31, 2021, the endowment net asset composition by type of fund was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 36,587,244	\$ 36,587,244
Board-designated funds	44,906,109	-	44,906,109
Total funds	\$ 44,906,109	\$ 36,587,244	\$ 81,493,353

Changes in endowment net assets consisted of the following:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,745,460	\$ 29,205,255	\$ 33,950,715
Investment loss	(58,908)	(62,298)	(121,206)
Net appreciation (unrealized and realized)	5,889,661	5,478,594	11,368,255
Contributions	1,992	2,831,301	2,833,293
Board designations	35,000,000	-	35,000,000
Distributions	(3,938)	(8,811)	(12,749)
Administrative fees	(411,927)	(442,783)	(854,710)
Appropriation of endowment assets for expenditure	(256,231)	(414,014)	(670,245)
Endowment net assets, end of year	\$ 44,906,109	\$ 36,587,244	\$ 81,493,353

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Endowment (Continued)

As of December 31, 2020, the endowment net asset composition by type of fund was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 29,205,255	\$ 29,205,255
Board-designated funds	4,745,460	-	4,745,460
Total funds	\$ 4,745,460	\$ 29,205,255	\$ 33,950,715

Changes in endowment net assets consisted of the following:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,415,081	\$ 25,776,406	\$ 30,191,487
Investment income	428	11,287	11,715
Net appreciation (unrealized and realized)	506,911	2,911,318	3,418,229
Contributions	-	1,492,378	1,492,378
Distributions	(26,425)	(86,082)	(112,507)
Administrative fees	(61,584)	(369,034)	(430,618)
Appropriation of endowment assets for expenditure	(88,951)	(531,018)	(619,969)
Endowment net assets, end of year	\$ 4,745,460	\$ 29,205,255	\$ 33,950,715

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity as well as Board-designated funds. Under the investment policy approved by the Board, the endowment assets are invested in a manner to provide a real rate of return over inflation sufficient to support in perpetuity the mission of the Foundation. The Board established an investment committee to carry out this objective and with guidance and recommendations from their investment consultant. The Board makes decisions regarding the appropriate asset allocation.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Endowment (Continued)

The Foundation has a spending policy of appropriating for distribution each year 4% of the average value of each of its endowment funds for the three years prior to the year in which the budget is being developed for use in the following fiscal year. In establishing this policy, the Foundation considered the long-term expected return on its endowment, including those endowment funds deemed to be underwater, each year. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of the long-term rate of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation has interpreted UPMIFA to permit spending from underwater endowment funds in accordance with prudent measures required under law. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. Funds with original gift values of \$1,540, fair values of \$1,250 and deficiencies of \$290 were reported in net assets with donor restrictions at December 31, 2021. Funds with original gift values of \$1,715, fair values of \$1,084, and deficiencies of \$631 were reported in net assets with donor restrictions at December 31, 2020.

Note 11. Fair Value Measurements

FASB ASC 820-10 clarifies the definition of fair value for financial reporting and establishes a three-tier hierarchy as a framework for measuring fair value. Fair value is the price to sell an asset or transfer a liability between market participants as of the measurement date. The three levels of the fair value hierarchy under this standard are as follows:

- **Level 1** – Inputs are quoted prices in active markets for identical instruments.
- **Level 2** – Inputs are observable inputs other than Level 1 inputs. Level 2 inputs include quoted prices in active markets for similar instruments, quoted prices in less active or inactive markets for identical or similar instruments, and model-derived valuations in which all significant inputs are observable in active markets or can be derived from or corroborated with observable market data.
- **Level 3** – Inputs are unobservable inputs for which little or no market data exists. Level 3 inputs require an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value drivers are unobservable.

FASB ASC 820-10 requires the reporting entity to give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3) when measuring fair value. The Foundation classifies financial assets and liabilities in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Fair Value Measurements (Continued)

The following tables present the financial instruments measured at fair value on a recurring basis as of December 31, 2021 and 2020, by caption on the consolidated statements of financial position by the valuation hierarchy defined above:

	2021			Fair Value
	Level 1	Level 2	Level 3	Total
Investments (at fair value)				
Cash held for investment	\$ 84,477,245	\$ -	\$ -	\$ 84,477,245
Money market funds	106,869	-	-	106,869
Stocks and mutual funds	149,566	-	-	149,566
	<u>84,733,680</u>	-	-	<u>84,733,680</u>
Charitable remainder unitrusts	-	-	231,246	231,246
Promises to give, net	-	-	4,002,188	4,002,188
Split-interest agreement liability	-	-	(18,487)	(18,487)
	<u>\$ 84,733,680</u>	<u>\$ -</u>	<u>\$ 4,214,947</u>	<u>88,948,627</u>

Investments measured at net asset value (a):

Investments in private investment companies	<u>99,450</u>
Total fair value	<u><u>\$ 89,048,077</u></u>

	2020			Fair Value
	Level 1	Level 2	Level 3	Total
Investments (at fair value)				
Money market funds	\$ 1,023,899	\$ -	\$ -	\$ 1,023,899
Stocks and mutual funds	160,936	-	-	160,936
	<u>1,184,835</u>	-	-	<u>1,184,835</u>
Charitable remainder unitrusts	-	-	225,489	225,489
Promises to give, net	-	-	4,527,372	4,527,372
Split-interest agreement liability	-	-	(38,320)	(38,320)
	<u>\$ 1,184,835</u>	<u>\$ -</u>	<u>\$ 4,714,541</u>	<u>5,899,376</u>

Investments measured at net asset value (a):

Investments in private investment companies	<u>38,361,255</u>
Total fair value	<u><u>\$ 44,260,631</u></u>

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Fair Value Measurements (Continued)

- (a) In accordance with FASB ASC 820, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The Foundation had the majority of their funds invested in The Commonfund for Nonprofit Organizations (Commonfund). Commonfund is a tax exempt membership corporation that operates the Commonfund Multi-Strategy Equity Fund and the Commonfund Multi-Strategy Bond Fund as part of a pool of endowment funds for the exclusive benefit of educational institutions eligible for membership in Commonfund. The Commonfund consisted of funds deposited with Commonfund by participating client institutions for investment in the Commonfund, commingled for investment purposes, which are invested in accordance with the investment policies of the Commonfund and the Rules of Commonfund. The Commonfund used the net asset value as a practical expedient to determine the fair value of all investments which a) do not have a readily determinable fair value and b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principle of an investment company. The Investment Manager of the Commonfund reserved the right to adjust the reported net asset value if it is deemed to be not reflective of fair value. On December 31, 2021, the Commonfund was liquidated for \$84,477,245 and the funds were transferred to a holding account at Bank of America before using the full funds to purchase securities consisting of money market funds, equity investments, fixed income investments, and hedge funds in January 2022.

The Foundation's Level 1 securities consist of money market funds, stocks, and mutual funds for which there are quoted market prices in active markets.

Level 3 consists of charitable remainder unitrusts, split-interest agreements, and promises to give valued at present value. The fair value of certain investments in the underlying entities, which may include private placements and other securities for which values are not readily available, are determined in good faith by the investment advisors of the respective entities and may not reflect amounts that could be realized upon immediate sale, nor amounts that may be ultimately realized. These estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments, and these differences could be material. Net asset valuations are provided daily, monthly, or quarterly by these entities. Appreciation of investments in these entities is net of all fee allocations to the investment advisors. Promises to give are reported at net realizable value if at the time the promise is made, payment is expected to be received in one year or less. Promises to give that are expected to be collected in more than one year are reported at fair value which is calculated as the present value of the expected cash flows to be received.

Charitable remainder trusts and split-interest agreements are reported at fair value at the time the Foundation has the unconditional right to receive benefits under the agreements and are adjusted annually based on the present value of the expected future obligations factoring in the applicable discount rate and actuarial mortality tables.

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2021 and 2020:

	2021			
	Charitable Remainder Unitrusts	Promises to Give	Split-Interest Agreement Liability	Total
Fair value, January 1, 2021	\$ 225,489	\$ 4,527,372	\$ (38,320)	\$ 4,714,541
New contributions	-	746,316	-	746,316
Distributions	-	-	26,425	26,425
Reserve for split-interest	5,757	-	(6,592)	(835)
Payment of promises to give	-	(1,179,265)	-	(1,179,265)
Write-off of promises to give	-	(92,235)	-	(92,235)
Fair value, December 31, 2021	\$ 231,246	\$ 4,002,188	\$ (18,487)	\$ 4,214,947
	2020			
	Charitable Remainder Unitrusts	Promises to Give	Split-Interest Agreement Liability	Total
Fair value, January 1, 2020	\$ 219,692	\$ 1,657,198	\$ (58,079)	\$ 1,818,811
New contributions	-	3,160,746	-	3,160,746
Distributions	-	-	26,425	26,425
Reserve for split-interest	5,797	-	(6,666)	(869)
Payment of promises to give	-	(229,274)	-	(229,274)
Write-off of promises to give	-	(61,298)	-	(61,298)
Fair value, December 31, 2020	\$ 225,489	\$ 4,527,372	\$ (38,320)	\$ 4,714,541

**NORFOLK STATE UNIVERSITY FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Office Lease

The Foundation entered into a lease agreement with the University for office space in July 2020. The lease agreement expires in June 2025 and requires annual payments of \$15,000. The following is a schedule by years and in the aggregate of future minimum lease payments required under this lease:

<u>Years</u>	<u>Amounts</u>
2022	\$ 15,000
2023	15,000
2024	15,000
2025	7,500
	<u>\$ 52,500</u>

Note 13. Subsequent Event

On March 18, 2022, the Foundation entered into an agreement, commencing June 1, 2022, to lease the University certain property owned by the Foundation and ending on May 31, 2042. Annual rental payments due to the Foundation for the term of the lease are \$1.



November 10, 2022

Dr. Javaune Adams-Gaston
 President
 Norfolk State University
 700 Park Avenue
 Norfolk, Virginia 23504

Mr. Devon Henry, Rector
 Board of Visitors
 Norfolk State University
 700 Park Avenue
 Norfolk, Virginia 23504

Dear Dr. Adams-Gaston and Mr. Henry:

As required by the Revised Memorandum of Understanding and Norfolk State University's BOV Policy #13 (2015) on University Related Foundations, I hereby certify NSU Foundation, Inc.'s compliance with all requirements for fiscal year 2021-2022.

Requirement	Compliance
1. Copies of Revised Memorandum of Understanding and of BOV Policy #13 (2015) have been circulated among all members of the Foundation staff and its governing board.	Yes
2. Compensation of any kind which the Foundation has provided to any University employees has been approved by the Rector President or their designees prior to payment. A listing of total payments to specific individuals should be attached to the certification letter.	No direct payments to report in 2021. All compensation requests for NSU employees received by NSUF must follow the University HR-1 procedures.
3. An audit by an independent certified public accountant has been completed, and the audit committee of the Foundation has met and reviewed the management letter and response with that auditor.	Yes. The Foundation's Audit Committee met on August 26, 2022, with the auditors to review the management letter and draft 2021 financials. NSU's VP/CFO Dr. Gerald Hunter & Executive Budget Director Dennis Jones attended this meeting on behalf of the University.



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	<p>NSUF's Board received and approved the final draft audit at the board meeting on September 8, 2022.</p> <p>Final financials as of December 31, 2021, were provided to the University Controller on October 7, 2022.</p>
<p>4. The annual budget of the Foundation has been approved by the Foundation governing board and has been provided to the Rector or his/her designee.</p>	<p>Yes</p>
<p>5. Written approval has been obtained for any funds the University has borrowed from the Foundation.</p>	<p>N/A</p>
<p>6. Written approval has been obtained from the Board of Visitors and the Rector for any substantial proposed business ventures or changes in the nature, scope, or purpose of the Foundation.</p>	<p>N/A</p>
<p>7. Other specific requirements as mutually agreed upon by the Foundation governing board and the President or his/her designee.</p>	<p>Yes</p>

Sincerely,

Crystal D. Jenkins
 Executive Director
 NSU Foundation, Inc.