

**BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE**

**Leonard D. Schiavone, Chair
Delores E. Crawford, Vice Chair
All Trustees are Members
Ikram Khawaja, *Ex-Officio***

**Tuesday, June 3, 2014
3:00 p.m. or immediately following
previous meeting**

**Tod Hall
Board Meeting Room**

AGENDA

- A. Disposition of Minutes for Meeting Held February 20, 2014; and April 29, 2014**
- B. Old Business**
- C. Committee Items**
 - 1. Finance and Facilities Action Items**
 - a. Resolution to Modify Cash Collection Sites Policy, 3006.02** **Tab 1**
Neal McNally, Interim Vice President for Finance and Administration, will report.
 - b. Resolution to Approve the Annual Operating Budget for FY 2015** **Tab 2**
Neal McNally, Interim Vice President for Finance and Administration, will report.
 - c. Resolution to Approve Program-Specific Tuition and Other Student Fees, Effective Fall Semester 2014** **Tab 3**
Neal McNally, Interim Vice President for Finance and Administration, will report.
 - d. Resolution to Approve Interfund Transfers** **Tab 4**
Katrena Davidson, Controller, will report.
 - 2. Finance and Facilities Discussion Items**
 - a. Planning and Construction Projects Update** **Tab 5**
Neal McNally, Interim Vice President for Finance and Administration, and Rich White, Associate Director of Planning and Construction, will report.

b. Report of Audit Subcommittee

A verbal report of the Audit Subcommittee will be presented. Leonard D. Schiavone will report.

c. Report of Investment Subcommittee

A verbal report of the Investment Subcommittee will be presented. Delores E. Crawford will report.

D. New Business

E. Adjournment

AGENDA ITEM: C.1.a.

AGENDA TOPIC: Resolution to Modify Cash Collection Sites Policy, 3006.02

STAFF CONTACT(S): Neal McNally, Interim Vice President for Finance and Administration

BACKGROUND:

During a normal policy review, the Director of Student Accounts has recommended changes to the moving surprise cash counts portion of parameter 6.

SUMMARY AND ANALYSIS:

Moving surprise cash counts from parameter 6 where the Director may conduct cash counts to parameter 8 mandating cash counts will ensure that we keep tight oversight on sites that have an elevated risk.

RESOLUTION:

**RESOLUTION TO MODIFY
CASH COLLECTION SITES POLICY**

WHEREAS, the Institutional Policies are being reviewed and reconceptualized on an ongoing basis; and

WHEREAS, this process can result in the modification of existing policies, the creation of new policies, or the deletion of policies no longer needed; and

WHEREAS, action is required by the Board of Trustees prior to replacing and/or implementing modified or newly created policies, or to rescind existing policies;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University does hereby approve the modification of the Institutional Policy governing Cash Collection Sites, policy number 3006.02 of the *University Guidebook*, shown as Exhibit ___ attached hereto. A copy of the policy indicating changes to be made is also attached.

RECOMMEND APPROVAL:


Ikram Khawaja, Interim President

**Board of Trustees Meeting
June 18, 2014
YR 2014-**

UNIVERSITY GUIDEBOOK

Title of Policy:	Cash Collection Sites
Responsible Division/Office:	Student Accounts and University Receivables
Approving Officer:	Vice President for Finance and Administration
<i>Revision History:</i>	June 2009; June 2014
Resolution Number(s):	YR 2009-63; YR 2014-
Board Committee:	Finance and Facilities
EFFECTIVE DATE:	June 18, 2014
Next Review:	2019

Policy: The authority and responsibilities for the collection and deposit of all cash received on behalf of the University is assigned to the Vice President for Finance and Administration. This responsibility is discharged through the Director of Student Accounts and University Receivables in accordance with Ohio Revised Code, Section 9.38.

Purpose: This policy provides a framework for the consistent application of sound internal controls and best business practices for cash handling institution-wide. This policy requires that authorized cash collection sites with daily University receipts of \$1,000 or more remit these receipts to the Office of Student Accounts and University Receivables no later than one business day following their receipt. Daily University receipts of less than \$1,000 must be remitted within three business days. All receipts are required to be adequately safeguarded until remitted.

Definitions:

1. **Cash** – currency, checks, money orders, and debit/credit card transactions
2. **Cash Collection Site** – area authorized by the Director of Student Accounts and University Receivables to routinely accept or process cash
3. **Memorandum of Understanding** – documentation of cash collection site’s authorization and agreed upon internal control procedures

Parameters:

1. The responsibility of handling university funds is conferred by the Director of Student Accounts and University Receivables to individual department or office heads through a signed memorandum of understanding outlining specific duties

and internal controls which the area agrees to implement and maintain. The memorandum is generated by the Director of Student Accounts and University Receivables and signed by the Director and the cognizant department/office head and then filed with the Principal Administrative Officer and the Vice President for Finance and Administration.

2. The memorandum of understanding shall provide for the secure and timely transfer of all monies collected to the Office of Student Accounts and University Receivables in accordance with Ohio Revised Code, Section 9.38, as well as meeting an appropriate level of internal control as determined by the Director of Student Accounts and University Receivables.
3. It is the responsibility of the cognizant department/office head to contact the Director of Student Accounts and University Receivables to report any duties or controls which are not being met to discuss remedies and then revise or rescind the memorandum accordingly. This notification includes changes in signatories, inability to meet internal controls, need to collect cash, and any other significant changes that occurred since the last memorandum was signed.
4. The Director of Student Accounts and University Receivables will communicate with all department/office heads and review the need, appropriateness and accuracy for all memorandums of understanding on at least an annual basis. Areas found by the Director or the auditors to be out of compliance with the memorandums may be required to forfeit the responsibility and privilege of handling university funds.
5. The required level and combination of internal controls will be tailored to each authorized cash collection site and will be determined based on level of risk and resource or customer service constraints.
6. Effective internal controls may include, but are not limited to the following:
 - a. Centralized control over locations authorized to receive cash.
 - b. Formal authorization and assignment of responsibility.
 - c. Written documentation of procedures and controls.
 - d. The use of cash registers, mail logs or pre-numbered receipts and accountability.
 - e. Physical safeguarding through use of safes, locked drawers, etc.
 - f. Changing of combinations or locks after key personnel turnovers.
 - g. Access restrictions.
 - h. Control of keys.
 - i. Control of all cash receipts by the cashier until deposit is made.
 - j. Timely deposits of funds collected.
 - k. Deposits transported in locked bags by YSU Police.

- l. Restrictive endorsement placed on checks upon receipt.
- m. Reconciling detail records to the general ledger or otherwise assessing reasonableness of general ledger income.
- n. For petty cash funds, immediate documentation of all activity.
- o. Replenishment of petty cash within 30 days of expenditure.
- p. Frequent counting and balancing of funds, including idle funds.
- q. Segregation of duties between cash handling and recordkeeping/reconciling, including reconciling adjustments processed to source documents.
- r. Reconciling cash register tapes, mail logs or pre-numbered receipts to deposits.

7. New Authorizations:

- a. Requests for the establishment of new cash collection, change fund, petty cash fund, or billing sites for any university services and/or goods must be submitted in writing to the Director of Student Accounts and University Receivables, stating the purpose, the dollar value, the activity frequency and any other information deemed pertinent to the request.
- b. Approval will be based on the appropriateness of the request, ability of the office to adhere to necessary internal controls, and whether collection by the Office of Student Accounts and University Receivables is feasible.
- c. If the request is denied the department/office head may appeal to first the Executive Director of Financial Services, and then the Vice President for Finance and Administration.

8. On an annual basis, the Director of Student Accounts and University Receivables will:

- a. Issue a university-wide communication to ensure that all employees are reminded of this policy and the importance of proper safeguarding of cash.
- b. Review authorized cash collection sites and related reports with upper administration.
- c. Conduct surprise counts on a select number of randomly chosen cash collection sites and/or of cash collection sites that have elevated risk as determined by the Director of Student Accounts & University Receivables.

REDLINE VERSION
UNIVERSITY GUIDEBOOK

Title of Policy:	Cash Collection Sites
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Approving Officer:	Vice President for Finance and Administration
<i>Revision History:</i>	June 2009; June 2014
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Board Committee:	Finance and Facilities
EFFECTIVE DATE:	June 18, 2014
Next Review:	2019

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 - o. Replenishment of petty cash within 30 days of expenditure.
 - p. Frequent counting and balancing of funds, including idle funds.
 - ~~q. Periodic surprise counts.~~
 - r. Segregation of duties between cash handling and recordkeeping/reconciling, including reconciling adjustments processed to source documents.
 - s. Reconciling cash register tapes, mail logs or pre-numbered receipts to deposits.
7. New Authorizations:
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 - b. Approval will be based on the appropriateness of the request, ability of the office to adhere to necessary internal controls, and whether collection by the Office of Student Accounts and University Receivables is feasible.
 - c. If the request is denied the department/office head may appeal to first the Executive Director of Financial Services, and then the Vice President for Finance and Administration.
8. On an annual basis, the ~~Vice President for Finance and Administration~~ Director of Student Accounts and University Receivables will:
- a. Issue a university-wide communication to ensure that all employees are reminded of this policy and the importance of proper safeguarding of cash.
 - b. Review authorized cash collection sites and related reports with upper administration.
 - c. Conduct surprise counts on a select number of randomly chosen cash collection sites and/or of cash collection sites that have elevated risk as determined by the Director of Student Accounts & University Receivables.

AGENDA ITEM: C.1.b.

AGENDA TOPIC: Resolution to Approve the Annual Operating Budget for FY 2015

STAFF CONTACT(S): Neal McNally, Interim Vice President for Finance and Administration

BACKGROUND: Consistent with sound financial practices and to ensure fiscal solvency, the University uses a one-year operating budget that is based on projected revenue and planned expenses. This annual operating budget allows management and the Board of Trustees to monitor financial performance, and mitigates the risk of deficit-spending.

SUMMARY AND ANALYSIS: The FY 2015 budget is based on the following revenue assumptions:

1. Increases in student tuition and fees as approved by the Board of Trustees in March 2014;
2. A 3.0% decline in full-time equivalent student enrollments relative to the prior year; and
3. A projected reduction in State Share of Instruction funding, as forecasted by the Ohio Board of Regents.

The FY 2015 budget is based on the following expense assumptions:

1. A 2% increase in wages for members of the YSU Fraternal Order of Police bargaining unit;
2. Flat wages for faculty and other staff, pending the outcome of collective bargaining with the YSU-OEA Faculty and the YSU ACE bargaining units, which was not completed at the time this document was prepared;
3. Significant spending reduction and fund-reallocation plans that have already been implemented (detail in Exhibit ___);
4. Spending reduction plans and fund-reallocation plans that are under development and will continue to be refined and implemented during the course of the fiscal year (detail in Exhibit ___); and
5. Increases in certain fixed costs, including energy/utilities, employee fringe benefits and student scholarships.

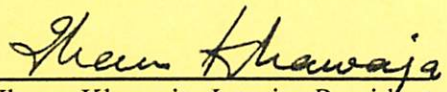
RESOLUTION:

**RESOLUTION TO APPROVE THE ANNUAL
OPERATING BUDGET FOR FY 2015**

WHEREAS, the proposed Fiscal Year 2015 Annual Budget has been reviewed by the Finance and Facilities Committee of the Board;

NOW, THEREFORE, BE IT RESOLVED, that the Annual Operating Budget for Youngstown State University's general and auxiliary funds for Fiscal Year 2015, shown on Exhibit ___, and as presented to the Finance and Facilities Committee of the Board of Trustees, is hereby approved for the period of July 1, 2014 through June 30, 2015.

RECOMMEND APPROVAL:


Ikram Khawaja, Interim President

**Board of Trustees Meeting
June 18, 2014
YR 2014-**

Annual Operating Budget for FY 2015 Report will be distributed the week of May 26, 2014 to the YSU Board and other individuals.

AGENDA ITEM: C.1.c.

AGENDA TOPIC: Resolution to Approve Program-Specific Tuition and Other Student Fees, Effective Fall Semester 2014

STAFF CONTACT(S): Neal McNally, Interim Vice President for Finance and Administration

BACKGROUND: There exist miscellaneous student fees and tuition rates for specialized programs which may be modified from year to year. In some cases, such modifications are based on the need to raise revenue to cover related costs and to ensure that the University's price structure is appropriately competitive. In other instances, the need to modify fees is required by virtue of the University's membership in certain consortia with other universities, and partnerships with other entities. The fees and charges shown on the attached Exhibit ___ were not known or otherwise available when the Board of Trustees approved changes in tuition and fees in March 2014.

SUMMARY AND ANALYSIS: As shown on the attached Exhibit ___, four new fees are being proposed, which combined would generate revenue of approximately \$146,000. In addition, three existing fees are proposed to be increased, two of which are the result of the University's partnership with other organizations.

RESOLUTION:

**RESOLUTION TO APPROVE MISCELLANEOUS STUDENT FEES,
EFFECTIVE FALL SEMESTER 2014**

WHEREAS, Ohio law provides that each Board may establish special purpose fees, service charges, fines and penalties; and

WHEREAS, Ohio law provides that the University shall separately identify the Instructional Fee, the General Fee, the Tuition Charge, and the Tuition Surcharge; and

WHEREAS, Ohio law provides that fees charged for instruction shall not be considered to be a price for service but shall be considered to be an integral part of the state government financing program in support of higher education opportunity for students; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University does hereby declare the student charges, as included in Exhibit ___, to become effective Fall Semester 2014 and to remain in effect until modified by the Board of Trustees.

RECOMMEND APPROVAL:


Ikram Khawaja, Interim President

**Board of Trustees Meeting
June 18, 2014
YR 2014-**

Exhibit ____

	<u>FY 2015 Proposed</u>	<u>Change</u>
Early Childhood Masters Program Fee	\$30.00 per credit hour	New
Lab Proctoring Fee (TLM Level 14)	\$30.00 per applicable course	New
Studio Art Program Fee	\$29.00 per applicable course	New
International Student Health Insurance*	\$654.00 * per semester	New*
Master of Public Health	\$554.00 per credit hour	\$11.00
Nurse Anesthetist Program Fee	\$2,724.86 per semester	\$82.00
Undergraduate Application Fee	\$45.00 one-time fee	\$5.00

} Set by consortia
or partnership
agreement.

*Note: the International Student Health Insurance fee is subject to change based on rates set by the insurance carrier. The actual amount charged is pro-rated based on how long the student requires insurance.

AGENDA ITEM: C.1.d.

AGENDA TOPIC: Resolution to Approve Interfund Transfers

STAFF CONTACT(S): Katrena Davidson, Controller

BACKGROUND: The Board of Trustees authorizes interfund transfers greater than \$100,000 or more for operating purposes or for any purpose other than a specific capital improvement and for capital improvements or construction projects of \$500,000 or more.

SUMMARY AND ANALYSIS: For the third quarter, there are two construction-related requests that are for the same project: renovation of the M1 and M2 parking decks. The estimated project cost is \$489,975, which is below the \$500,000 threshold requiring Board approval. However, depending on whether a bid alternate is selected, and depending on whether contingency funds are needed, the total project cost could ultimately exceed \$500,000. Therefore, Board approval is requested now to prevent this project from being delayed.

RESOLUTION:

RESOLUTION TO APPROVE INTERFUND TRANSFERS

WHEREAS, Policy Number 3010.01, Budget Transfers, of the *University Guidebook*, requires Board of Trustees approval for interfund transfers of \$100,000 or more for operating purposes or for any purpose other than a specific capital improvement project and for capital improvements or construction projects of \$500,000 or more;

WHEREAS, certain accounting adjustments and transfers outside the operating budget are necessary;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University does hereby approve transfers outside the operating budget, as detailed in Exhibit __.

REVIEWED AS TO FORM AND CONTENT:


Ikram Khawaja, Interim President

Board of Trustees Meeting

June 18, 2014

YR 2014-



YOUNGSTOWN STATE UNIVERSITY
Interfund Transfers Requiring Board Approval
Transfers Outside of the Operating Budget
Requested Transfers for Fourth Quarter 2014

FROM	TO	AMOUNT	REASON
Parking Operating (Auxiliary)	M1 and M2 Summer 2014 Renovations (Unrestricted Plant Fund)	\$489,975 to \$508,175	Transfer for the renovations of the M1 and M2 parking decks. Actual transfer amount will depend on whether alternate bid is selected. (Board approval is requested since total project cost may exceed \$500,000.)
Parking Plant Reserve (Unrestricted Plant Fund)	M1 and M2 Summer 2014 Renovations (Unrestricted Plant Fund)	Up to \$40,000	Transfer for potential contingency funding for the renovations of the M1 and M2 parking decks.

AGENDA ITEM: C.2.a.

AGENDA TOPIC: Planning and Construction Projects Update

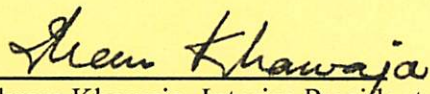
STAFF CONTACT(S): John Hyden, Executive Director of Facilities and Support Services and Richard White, Director of Planning and Construction

BACKGROUND: This is a regular report presented to the BOT to keep them informed of what major projects are currently ongoing, what projects are bidding, and which projects are currently in development.

SUMMARY AND ANALYSIS: Planning and Construction is gearing up for a very busy construction season with several major construction projects spread throughout campus. These projects include: Elevator Upgrades in Cushwa Hall and Maag Library; Roof Renovations on Ward Beecher, Pedestrian Bridge, DeBartolo Hall, Cushwa Hall, and the Edmund J. Salata Complex; M1 & M2 Deck Repairs; Kilcawley House Roof Replacement; Campus Core Lighting Upgrades; and Campus Core Concrete Replacement.

RESOLUTION: N/A – DISCUSSION ITEM ONLY

REVIEWED AS TO FORM AND CONTENT:


Ikram Khawaja, Interim President

YSU Capital Projects Update:

BOT 5/5/2014

Capital Projects Currently or Soon to Be Underway:

- Veterans Resource Center \$1.25M (*Philanthropy*) Adolph Johnson, Contractor
- Elevator Upgrades – Cushwa, Maag \$900k (*Capital*) Murphy Contracting, Contractor
- Roof Renovations – Ward Beecher, Ped Bridge \$150k (*Capital*) N.F. Mansuetto, Contractor
- Elevator Renovations – Lincoln Building \$555k (*Capital*) Murphy Contracting, Contractor
- Beeghly Center Renovations - Flooring \$644k (*Capital*) Murphy Contracting, Contractor
- Roof Renovations – DeBartolo, Cushwa \$1.15M (*Capital*) Boak and Sons, Contractor
- Concrete Replacement – Campus Core \$394k (*Capital*) Parella-Pannunzio, Contractor
- Campus Core Lighting \$316k (*Capital*) Penn-Ohio Electric, Contractor
- Exterior Door and Window Upgrades \$394k (*Capital*) Elk Enterprises, Contractor
- Kilcawley House Roof \$225k (*Local Funds*) Building Technicians, Contractor
- M1 & M2 Deck Repairs \$450k (*Local Funds*) CPS Construction, Contractor
- DeBartolo Hall Phase 2 – Floors 2, 3 and 4 \$760k (*Bond Funds*) Brock Builders, Contractor

Projects Currently Advertised:

- Generator Upgrades (*Capital*) \$350k TBD

Projects Currently In Development:

- Melnick Hall Renovations \$2.5M (*estimate*)

Total \$10 M

Current Request for Professional Design Qualifications:

- Roof Renovations Received April 14th
- Building Exterior Repairs Received April 11th
- Utility Distribution Upgrades Due May 9th
- Elevator Upgrades TBD