



**Minutes of the Regular Meeting of the Board of Directors
November 14, 2013, 3:00 p.m.
Hampton Inn Conference Room, San Marcos, CA**

Attendees:

- Members: Ann Bersi (Chair), David Chang, Tres Conrique, Linda Hawk, Brandon Losey, Graham Oberem, Susan Schnepf, Sharon Whitehurst-Payne, Ernest Zomalt (Vice Chair)
- Absent: Matthew Ceppi, Camille Schuster
- Staff: Sarah Derho, Michelle Hinojosa, Grant Hubbard, Dora Knoblock, Greg Svatora

Convening of the Regular Meeting

A quorum being present, Chair Bersi called the meeting to order at 3:03 p.m.

Changes to Agenda

None

Minutes of the September 5, 2013 Annual Meeting

A motion was made and seconded (Schnepf/Whitehurst-Payne) to approve the September 5, 2013 Annual meeting minutes. Motion carried.

Minutes of the September 5, 2013 Regular Meeting

A motion was made and seconded (Oberem/Hawk) to approve the September 5, 2013 Regular meeting minutes. Motion carried.

University Update, Administration and Committee Reports

Finance and Operations Committee

Bersi reported. The Finance & Operations Committee met on November 5, 2013 and received updates on administration and the financial audits. The Committee reviewed the quarterly financials and revisions to signature authority which will be considered for action later in the meeting.

Joint Audit Committee

Chang reported. The Joint Audit Committee of the four CSUSM auxiliaries (UARSC, Foundation, UCorp and ASI) met via teleconference and in-person on November 7, 2013. Jim Burke, Assurance Director and Justin Kay, Assurance Manager, came in person to present to the Committee. Partner Jeffrey Altshuler attended by phone. In addition to the Committee, staff representatives from each auxiliary were present. The auditors gave an overview of the audit process and the processes set in place to ensure independence of team members, as well as presented the results of each auxiliary audit. The Committee took action to accept and move forward to their respective Boards, the

Financial Audit Reports for all four auxiliaries and the A-133 Compliance Report (grants and contracts) for UARSC. Overall, UARSC received a clean opinion and Chang reported three audit adjustments to the Board. The audit team identified uncorrected misstatements that management has concluded are not, individually or in the aggregate, material to the financial statements. McGladrey agrees with management's conclusion and they were summarized in the management representation letter provided in the Board packet. In addition, Chang reported that there was a separate audit communication dated September 9, 2013 regarding certain internal control deficiencies that were identified during the planning or performance of the audit of the financial statements. There were no findings for the A-133 Compliance Audit. There were no disagreements with management about matters that, individually or in the aggregate, could be significant to UARSC's basic financial statements or the auditor's report. There have not been any discussions or correspondence from McGladrey with management that should be brought to the Board's attention other than those stated in the management letter. No significant difficulties encountered were reported in performing the audit. Staff was excused at the end of the presentation by McGladrey to speak with the auditors separately. A request to recommend acceptance of the UARSC Financial Audit and the A-133 Compliance Audit will come as action later in the meeting. Overall, no significant issues. Bersi called for questions.

Nominating and Governance Committee

Zomalt reported. The Nominating and Governance Committee met on November 6, 2013 to discuss new Board member nominations and a revision to Committee Membership 2013/2014 which will come before the Board as action later in the meeting.

Administration Update

Knoblock reported. UARSC continues to partner with its State-side colleagues in the PeopleSoft Implementation Project, converting UARSC accounting from the current Costpoint system to PeopleSoft, and is on target for a go live date of July 1, 2014. Processes continue to be re-engineered and data cleaned up, with system testing beginning this month.

Knoblock highlighted Sodexo for the Campus Partner Update. President Haynes met in early September with Dave Hanson, Vice President of Operations and Rick Nargi, Regional Manager and committed to hosting an Expectations Working Luncheon which was held on November 1, 2013 with 14 University guests. VP Hawk and Knoblock invited guests that were identified as primary persons engaged with event planning with perspective of what is expected by various constituent groups. Sodexo brought a complement of eight team members and they listened to the concerns of the University guests, and together, participants identified both short- and long-term expectations. Sodexo made a commitment to focus on achieving the identified expectations over the upcoming year and will provide a report summarizing the expectations to all those in attendance, as well as provide quarterly updates. Hawk noted that the ultimate goal would be for our Campus Partner to have exclusivity in catering. Knoblock was pleased

to report that Sodexo is on target for the opening of the new four food concepts, c-store and coffee shop in the new University Student Union on January 21, 2014.

UARSC Audits Update

Svatora reported that the 3-year Chancellor's Office Auxiliary Audit will be finalized in March or April, then issued and published. Overall, the auxiliaries came out clean compared to other auxiliaries. There were two findings that fell under UARSC which have been completed and he is assisting the campus with a finding. Svatora reported that the Centers & Institutes Audit was completed today and he is now working on the eight findings for the finalized report which will be published in March. The Palliative Care Audit has been completed and was very clean with no findings. UARSC had no findings for the FY 12/13 annual Financial Audit or the A-133 Compliance Audit (grants & contracts) Audit. Both the FY 12/13 Financial Audit and the A-133 Compliance Audit will come before the Board for action later in the meeting. Hinojosa reported that the CA EDD audit is still underway. The auditor has been delayed, but is hoping to complete it before the holiday break. Some items being reviewed are how classifications are made for Independent Contractors. While UARSC's Independent Contractor Packet is extremely thorough, auditing auxiliaries is fairly new to the EDD.

University Update

Ceppi had to exit after the Board retreat for an urgent matter, but may return later to provide the University update.

Action Items

Quarterly Financial Report 09/30/13

Svatora reviewed the quarterly financial report ended 09/30/13 and the details of which were outlined in the summary provided in the packet. He noted that while Sodexo is beginning to apply their \$1.4 million commitment to food service operations in the new University Student Union, UARSC now has the obligation to pick up equipment repairs and utility costs not planned for previously, without the commission revenue offset. Bersi called for questions. *A motion comes moved and seconded from the Finance & Operations Committee to approve the Quarterly Financial Report ended 09/30/13 as presented. Motion carried.*

Financial Audit Report & A-133 Compliance Report 06/30/13

Svatora reported that the Financial Audit Report and A-133 Compliance Report 06/30/13 as provided in the Board packet have been reviewed by the Joint Audit Committee of the CSUSM Auxiliaries as reported by Chang. He reported no findings and improvements were made during the year to prep for the audit. Svatora called for questions. *A motion comes moved and seconded from the Joint Audit Committee to accept the UARSC Financial Audit Report and A-133 Compliance Report 06/30/13 as presented. Motion carried.*

Revision to Signature Page of Delegation of Authority Policy

Knoblock reported on the changes requested for signature authority. Selma McDermid has left UARSC employment and is being removed. UARSC is requesting to add Hinojosa

(at the Central Office) as well as Annemarie Broderson (at the campus Accounting office) in order to assist with signature efficiencies now that the UARSC Accounting team is no longer housed at UARSC Central. In addition, the signature authority amounts for Patti Kastner and Michelle Meeks in the Office of Sponsored Projects are requested to increase from \$500 to \$1,000, again to improve business efficiencies with the Accounting location changes. The Finance & Operations Committee did review this revision request; however a new addition was added after the meeting, requesting Erin Lane, Accountant on the State-side Accounting team, also be granted signature authority. Therefore a new motion from the full Board for approval is needed. *A motion was made and seconded (Whitehurst-Payne/Zomalt) to approve the Revision to the Signature Authority Page of the Delegation of Authority Policy as presented in the Board packet. Motion carried.*

New Board Member Nominations

Bersi turned the meeting over to Zomalt. As reported earlier, the Nominating and Governance Committee met and is moving forward to the Board for approval the following nominations; Attachment F in the packet, Proposed Revision to Board Terms for 2013/2014, was provided as an information item. Bios of the nominees were provided as handouts.

A motion comes moved and seconded from the Nominating and Governance Committee to reappoint Brandon Losey (former Student Member) to a partial Alumni Member 2-year term, February 27, 2014 through September 2015. Motion carried.

A motion comes moved and seconded from the Nominating and Governance Committee to nominate Dawnmarie Myers as the new student member for a partial 1-year term, February 27, 2014 through September 2014. Motion carried.

A motion comes moved and seconded from the Nominating and Governance Committee to nominate Dimitris Magemeneas for a new partial community member 3-year term, February 27, 2014 through September 2016. Motion carried.

Proposed Revision to Committee Membership for 2013/2014

The proposed revision is that Deborah Kristan, Associate Professor, Biology, be added as a voting non-UARSC Board Member to the Sponsored Projects Committee (bio provided as handout). *A motion comes moved and seconded from the Nominating and Governance Committee to approve the proposed revision to the Board Committee Membership for 2013/2014 as presented. Motion carried.*

At 3:45 p.m., a five-minute break was called. Meeting resumed at 3:51 p.m.

University Update

In Ceppi's absence, Oberem provided the University Update. He reported that enrollment exceeded expectations. Yield rates are way up and the transfer rate is up 58%. The campus is over 9,000 FTE, with a headcount of approximately 11,400. When adding Extending Learning to these numbers, the headcount jumps to 12,000. The

challenge is to fall within the enrollment target that the campus is allowed to exceed. There is a squeeze on Facilities but new space will be opening up with the new USU on target for January 21, 2014. Oberem highlighted that the new Chancellor, Timothy White, visited the campus on October 24, 2013 and his visit very successful. Chancellor White connected with faculty, campus labs, had lunch with students and participated in an Open Forum for the campus. In addition, there was a community forum and dinner. The campus did an excellent job of showcasing its uniqueness. The WASC Accreditation visit was held on the same day. Oberem reported that the San Diego Business Journal honored President Haynes with the 2013 Darlene Marcos Shiley Educational Leadership Award yesterday for her exemplary contributions to women in higher education and she was also was recognized by American Council on Education earlier in the year with 2013 Donna Shavlik Award for the same reason. The Stevens Institute of Technology in New Jersey held an International student competition to build a house to be self-sustaining. After the competition the Institute donated one of its homes, called Ecohabit to CSUSM to use as the campus' new Veterans Center, as both the Institute and CSUSM have demonstrated a shared commitment to veterans and sustainability. The home will serve 900 identified veterans and service members. The groundbreaking will be held on November 8, 2013 and completed by the end of spring.

Adjournment

The next Regular Board meeting is scheduled for May 22, 2014 at 4:00 p.m., Center for Children and Families. The Board agreed to hold a separate meeting one hour prior to the regular Board meeting to review results from today's board retreat.

The meeting adjourned by acclamation at 4:07 p.m.

*Respectfully submitted,
Sarah Derho*

I, Dora Knoblock, Secretary, hereby certify that the above Minutes were approved by the University Auxiliary and Research Services Corporation Board of Directors at a regular meeting held on February 27, 2014, at San Marcos, California.



Secretary

02-27-14

Date