

**KENTUCKY STATE UNIVERSITY BOARD OF REGENTS
FINANCE & AUDIT COMMITTEE AND INVESTMENT & ADVANCEMENT COMMITTEE
SPECIAL JOINT MEETING**

***** Meeting Was Conducted in Person and by Teleconference *****

November 21, 2023

1:30 p.m. EST

**Board of Regents Room
Julian M. Carroll Academic Services Building, 2nd Floor
400 East Main Street
Frankfort, Kentucky 40601
(Primary Physical Location)**

MINUTES

I. Call To Order

Regent Edward Hatchett, Chair of the Finance & Audit Committee, called the meeting to order at 1:30 p.m.

II. Roll Call

The Committee's Secretary, Zachary Atwell, called the roll:

Regent Edward Hatchett, Esq., Chair	Present
Regent Ernie Fletcher, MD, Co-Chair	Present
Regent Tammi Dukes	Present
Regent Robert Ramsey, Sr.	Present

At least three (3) Regents were in attendance and present at roll call. A quorum was therefore established. Regent Adams and Regent Walston also were present.

III. Approval of the Agenda

MOTION by Regent Dukes:

Move the Committee to approve the agenda of the November 21, 2023, special meeting of the Finance & Audit Committee.

Seconded by Regent Ramsey and passed without dissent.

IV. Information Items

A. Update from CBIZ

Senior CBIZ Manager, Mr. Ben Martin, CFE, presented this agenda item. Mr. Martin shared CBIZ's internal audit accomplishments to date, reporting that CBIZ continued their follow-up with previously accomplished process audits and reviews from January through June. He also noted that final audit reports will be updated to include the process enhancements and that the risk assessment profile has been finalized as well. The financial aid audit is being put

on hold, as it slowed significantly due to the department's staffing situation. Also, the Fixed Asset Existence audit is in the preliminary stages of collecting evidence, and a campus walkthrough to verify and validate assets is being planned.

Mr. Martin stated that the Sodexo invoice review and Banner license review will be the next reviews to be conducted, as well as additional process areas of audit and other reviews identified throughout the year.

Regent Hatchett requested an anticipated timeline for expected progress and completion of the activities described by Mr. Martin.

As to the audits conducted in FY 22 and 23, Regent Dukes asked when subsequent reviews to ensure that all identified issues had been remedied were planned to occur.

Regarding the CBIZ Internal Audit Update PowerPoint slide, Regent Hatchett queried whether Mr. Martin was still comfortable with the timelines presented.

Regent Dukes inquired how the risk and controls matrix, as required by the Management Improvement Plan, was progressing as a whole.

Regent Dukes requested that Mr. Martin specifically examine the purchasing process to ensure that all appropriate and necessary approvals had been obtained.

Regent Dukes asked where we are in making sure that Banner is being used to its maximum functionality in managing the University's purchasing and payables.

Chair Hatchett thanked Mr. Martin for his presentation.

B. Update from Blue & Co.

This agenda item was presented by Mr. Allen Norvell CPA, Director, Blue & Co. Mr. Norvell began by sharing highlights of the audit report of FY 21, which has been finalized.

Regent Fletcher inquired as to the status of that reporting that is required for the HEERF program and other federal grant programs. Mr. Justin Peach, Budget Director and Interim Grant Accounting Manager and Budget Director, joined Mr. Norvell in responding.

Regent Fletcher presented a question regarding the submission of various report components. He also queried whether the single audit had been reviewed and if all findings had been addressed. Ms. Tonya Walker, Controller, clarified that the FY 21 audit was uploaded to the Federal Audit Clearinghouse and to Easy Audit, and no recipients had reached out with additional questions or to request any other detailed information.

Regent Dukes inquired when the FY 22 audit would be completed.

Chair Hatchett asked Mr. Peach whether the unresolved finding has been undertaken in the work that he is doing with the federal government.

Mr. Norvell continued the presentation with an update on the FY 22 audit and a discussion of the remaining tasks.

Chair Hatchett requested Chair Dukes to include in the next Board agenda a discussion regarding Banner.

Chair Hatchett thanked Mr. Norvell for his presentation.

C. Update on Fiscal Year 2024 Budget

This agenda item was presented by Dr. Wendy Dixie, Interim VP, Finance & Business Affairs, and Ms. Tonya Walker, Controller.

Dr. Dixie introduced Mr. Justin Peach, Budget Director and Interim Grants Manager, who led the presentation with a discussion of E&G revenues and expenditures.

Chair Hatchett asked whether Mr. Peach had a number for the percentage of the total that the collection represents, similar to those for the budget percentages, and sought clarification as to the time period covered by the report.

Regent Moyer queried whether it would be correct to say that most of the numbers being presented represent actual cash values, and the non-cash components would be primarily in the residential and non-residential tuition and fees area. Mr. Peach referred the question to Ms. Walker, who clarified the University's current cash position. Regent Moyer further inquired into the amount that would be collected during this term, especially for tuition.

Mr. Peach continued the presentation with a discussion of Land Grant revenues and expenditures.

Next Ms. Walker expanded upon a discussion of auxiliaries and asset preservation.

Chair Hatchett asked Ms. Walker how she would characterize the point where she is now in collections. Ms. Walker replied that the Bursar would be best able to answer his question. Regent Walston requested that the information relative to collections be presented to the entire Board at the upcoming quarterly meeting and retreat. Ms. Walker responded affirmatively and stated that she would work with the Bursar to gather that information.

Chair Hatchett thanked Ms. Walker, Dr. Dixie and Mr. Peach for their presentation.

V. Call to Order, Investment & Advancement Committee

The Investment & Advancement Committee's Chair, Regent Charles Moyer, called the meeting to order at 2:59 p.m.

VI. Roll Call

The Committee's Secretary, Zachary Atwell, called roll:

Regent Charles Moyer, Chair	Present
Regent Michael Adams, Jr., Co-Chair	Present
Regent Edward Hatchett	Present
Regent Jason Moseley	Not Present
Regent Robert Ramsey, Sr.	Present
Regent Ernie Fletcher	Present

At least four (4) members were present; a quorum was therefore established. Regent Walston also was in attendance.

VII. Approval of the Agenda

MOTION by Regent Fletcher:

Move the Committee to approve the agenda of the November 21, 2023, Special Meeting of the Investment & Advancement Committee.

Seconded by Regent Adams and passed without dissent.

VIII. Information Items

A. Discussion of the Relationship Between Kentucky State University and the Kentucky State University Foundation, Inc.

This agenda item was presented by Mr. Michael DeCourcy, Interim Chief of Staff & VP, Strategic Initiatives. Chair Moyer prefaced the discussion by stating that the goal was to have a strong, open, cooperative beneficial relationship between KSU and the Foundation.

Mr. DeCourcy noted that the Foundation had declined to be present at today's meeting, then outlined the history of the Foundation's development and relationship with KSU.

Chair Moyer then opened the floor for questions.

Regent Dukes inquired whether KSU had any input into the three main changes to the MOA that were made between 1991-1992.

Chair Moyer queried whether wording exists in any document that gives the Foundation the authority to support other organizations besides KSU. If so, Chair Moyer asked whether there were limits on that authority, how the Foundation's operational costs are being split between the University and those other organizations, and how much Foundation money has been expended on non-KSU students and/or projects.

Chair Moyer also sought clarification as to the MOU's provision for expenditures of up to 35% for administration fees on accounts and further inquired whether the fee was charged on an annual basis, and what the annual return on the Foundation has been.

Regent Dukes asked whether the amounts claimed by the Foundation to have been paid on behalf of KSU have been validated or substantiated, and whether any of the \$267,652 that was requested from the Foundation had been received.

B. Discussion of the Relationship Between Kentucky State University and the Kentucky State University National Alumni Association

This agenda item was presented by Mr. Richard Graves, KSUNAA President. Mr. Graves reported that the National Alumni Association has always worked directly with the University and its Board of Regents. Further, he noted that the KSUNAA and KSU are in the process of finalizing a MOU that will be presented at the February 2024 Board meeting. KSU alumni are excited and engaged, and ready to help the University in any way they can.

Regent Adams requested Mr. Graves to discuss how the National Alumni Association supports the University and asked if it is safe to say that the main function of the Association

is fundraising among alumni. Mr. Graves responded that the main purpose was to support Kentucky State University in several aspects.

Regent Adams also inquired as to the past relationship between the University and the National Alumni Association. Mr. Graves responded that the relationship has always been excellent.

Mr. DeCourcy asked Mr. Graves to address the number of chapters and alumni members.

Regent Fletcher inquired whether a Hall of Fame exists for recognizing distinguished KSU graduates who have contributed significantly to their states and the country.

C. Discussion on the Endowment Investment & Spending Policy

Chair Moyer requested Mr. DeCourcy to lead the Committee through the history of the Endowment Investment and Spending Policy and how the policy has evolved into its current form. Next, Chair Moyer offered specific suggestions regarding proposed policy revisions and opened the floor for questions and discussion.

Regent Fletcher, Regent Dukes, and Regent Hatchett commended Chair Moyer for his expertise and offered their support as to the proposed policy revisions.

IX. Adjournment

MOTION by Regent Dukes:

Move to adjourn the Finance & Audit Committee Meeting.

Seconded by Regent Ramsey and passed without dissent.

The meeting was adjourned at 4:15 p.m.

MOTION by Regent Ramsey:

Move to adjourn the Investment & Advancement Committee Meeting.

Seconded by Regent Hatchett and passed without dissent.

The meeting was adjourned at 4:15 p.m.

Submitted by:

Zach Atwell, Board Secretary
Kentucky State University
Board of Regents

Regent Edward Hatchett, Chairman
Finance & Audit Committee
Kentucky State University
Board of Regents

Regent Charles Moyer, Chairman
Investment & Advancement Committee
Kentucky State University
Board of Regents

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Approved with no corrections

Approved with corrections