

**Florida A&M University
Board of Trustees Meeting
Committee of the Whole
Summarized Minutes
Grand Ballroom**

February 10, 2004

Present: Fred Gainous, President, James Corbin, Chairman, William Jennings, Vice Chair, Regina Benjamin, Barney Bishop (Teleconference), Laura Branker, Al Cardenas, Mary Diallo, Pamela Duncan, Randall Hanna, R. B. Holmes, Leerie Jenkins (Teleconference), Challis Lowe (Teleconference), and Larry Rivers.

Committee Work Sessions

The committee work sessions of the Florida A&M University Board of Trustees began with the presentation of the newly appointed Florida A&M University National Alumni Association Officers. Dr. Alvin Bryant, President of the National Alumni Association, introduced himself and distributed copies of his plan for enhancing the operations of the National Alumni Association. Dr. Bryant introduced Colonel Brodes Hartley, (Ret.), Second Vice President, Mr. James Fayson, third Vice President, and Mrs. Audrey Jones Reed, Treasurer. Brodes Hartley, Senator Al Lawson, and Dr. Spurgeon McWilliams made presentations.

President's Report

President Fred Gainous introduced the following individuals who have joined the Florida A&M University staff as of August 8, 2003: Dr. Kenneth R. Perry, Associate Vice President for Administrative Affairs, Dr. Cornelia P. Porter, Professor and Dean of Nursing, Dr. Ben McCune, Assistant Vice President for University and Student Educational Support, Ms. Kimberly Davis, Director of the Office of Admissions, Love Collins, III, Vice President of Development, Larry D. Reese, Vice President of Administrative and Financial Services, Ms. Nairobi Abrams, Assistant Vice President for Development Programs, Lina Prince Nchako, Associate Vice President for Development and Executive Director of the Capital Campaign, Dr. Bryan Terry, Director of Office of Financial Aid, Ms. Sherrye Allen Earst, Associate Director in the Office of Human Resources and Personnel Relations, Mr. Euclid Moody, Coordinator of Special Projects in the Office of Human Resources and Personnel Services, Dr. Rose Campbell, Elementary Principal of the Demonstration Research School, Dr. Robert Lemons, Interim Dean of the College of Education, Dr. Jesse Lutabingwa, Assistant Vice President for International Education and Development, Dr. Charles McGee, Interim Dean of the College of Engineering Sciences Technology, and Dr. Kelvin Norton, Secondary Principal of the Demonstration School.

Dr. Gainous informed the Board that representatives from the National Science Foundation and the U.S. Department of Agriculture, Agriculture Research Services, visited the University to review grants that were given the University. Dr. Gainous ensured the Board they would be kept informed as reports are received from these organizations. Trustee Barney Bishop requested the President ask the appropriate staff to prepare an overview listing of all of the University research grants, how they are divided up among the different vice presidents and use the master list to note a check off on an ongoing basis of when a grant has been reviewed.

Dr. Gainous continued his report with discussion of the lease of building by the Hoffman family since 1994. A new lease was issued, and an employee in the University housing department owns 45% of that building. Housing does not rent the building. The building is utilized for campus business. It has been determined that the lease may be signed by the Chairman or the President.

The following issues have been resolved for the College of Engineering Program: Admission requirements, forgiveness policy, grading policy, drop and add deadlines, and the establishment of a category of pre-engineering for students who want to enroll in the Engineering program.

These items will be presented to the Florida A&M University Board of Trustees, and the Florida State University Board of Trustees for approval. A handbook will be developed that may be useable for students from both FAMU and FSU. Trustee R.B. Holmes inquired about the status of the budget for the FAMU and FSU College of Engineering. The President replied that Florida A&M University has control of the budget. Trustee Pamela Duncan inquired about the possibility of a name change for the FAMU/FSU Engineering School Building, not the program. (Representative Herb Morgan). Dr. Gainous concluded that it is a legislator's request (HB 327 SB714). Trustee Hanna requested that we agenda the name of the building item at the next meeting.

Dr. Gainous informed the Board of funding received by the University for: (1) multi-utility materials for the omni combat system of \$4.3 million dollars, (to provide a strong light weight materials for recognizant missions on vehicles for the military, (2) \$750,000 for transportation research for the area of child restraints for passengers in vehicles to develop measures that assist in the reduction of deaths on the highway from underage and intoxicated drivers, and improving methods for collection of highway safety data, (3) \$800,000 dollars for the construction of a building. That building is where our research center for medical and health disparities is to be located. (This is believed to be the first installment of a multimillion dollar building and authorization coming from Washington). It is expected that the University will receive an anticipated amount of approximately 6 million dollars for a Florida A&M University transportation center in the spring. (4) The University is also poised, along with other Universities, to receive approximately one half million dollars in a biological and chemical threat, with the University of South Florida being the lead institution (5) a one half million dollar hurricane mitigation grant that involves other institutions. Dr. Gainous will provide the Board with a written report.

Chairman James Corbin recognized Trustee Al Cardenas for his contribution in assisting with securing federal funds from Washington, D.C.

Trustee Laura Branker congratulated and thanked the President for introducing his administrative team.

A. AUDIT COMMITTEE

- ***Item 1: Florida Board of Governors Meeting Update***

Chairman James Corbin asked for clarification of an explanation given to the Florida Board of Governors, (January 22, 2004 meeting), of the misplaced three million dollars that was later discovered in a closed financial account. Reference was made to a news article from the *Tallahassee Democrat*.

Mr. Tom Hanna, former Vice President for Administrative and Fiscal Affairs, clarified the explanation, provided by Mr. Christopher Kinsley, CPA, Comptroller for the Office of Chief Financial Officer, in a January 27, 2004 memorandum, as being in alignment with his understanding of the funds being placed in a closed account, with expenditures being taken from a current account. Mr. Hanna explained it was a reconciling issue that took some time to determine.

Chairman Corbin asked for further clarification as to when the transactions took place. Mr. Hanna noted the funds were received in a prior year and expended a year later. The University received the money in June of 2002 and spent in July/August 2002, two different fiscal years. The money was received on one account the prior fiscal year, and spent in a different account in a future fiscal year with no reconciliation at the close of one fiscal year to properly report it in the next fiscal year. The funds were expended, though they were not reconciled.

Trustee Challis Lowe referred to a letter written to Chancellor Debra Austin in which it was noted that once the reconciliation was completed, the Department of Education would return the three million dollars. She asked for clarification as to what would be returned if the money were spent.

Tom Hanna replied that due to lack of reconciliation between the two fiscal years, there was no determination of where the funds were. Local funds, (carry forward funds), were taken in order to pay vendors and contractors during that interim. Now that the transactions have been reconciled local funds have been returned back to the institution. Dr. Gainous further clarified that the Department of Education returned the \$3,070,000.

Trustee Al Cardenas and Trustee Randall Hanna further clarified the explanation.

- *Item 2—Action Plan Update*

Fifty-three of the 149 milestones are completed. All milestones that were to be completed as to the time of the processing of the "Milestone's Completed" document was prepared, have been completed. There is a recurring progress report sheet before each action plan. All milestones that were to be completed have been completed. Others are being monitored.

Trustee Challis Lowe inquired about Action Plan 2, Items 4 and 5. (Operational Studies and Process Change recommendations), due by January 13, 2004. The University has received these items. The final report for KPMG is due by February 28 and will be forwarded to the Audit Committee.

- *Item 3—Enterprise Resource Planning Update*

Beverly Barrington, Project Director for FAMU's Enterprise Resource Project, John Busby, Project Manager for Cedar Enterprise Solutions, and Al Enzweiler of the Enzweiler Group provided the Board with a status report that provided implementation time lines, budget and expenditures to date, accomplishments, work in progress and important milestones.

On February 2, 2004 the ERP began going live with its student administration system, (a run of financial aid records). Ms. Barrington explained the process in which a student applies for financial aid online and how the information is received and downloaded in the system. Trustee Challis Lowe inquired about current students receiving financial aid, and if the plan is to build an existing database in the new system for all those current financial aid students prior to the time they apply for the next year's financial aid. Patricia Green-Powell clarified that the system involves those students that are making application for fall semester 2004.

Al Enzweiler informed the Board that as we move toward implementation date, (July, 2004), there will be a transfer of ownership of the system from the project team to the organization. He ensured that if Oracle acquires Peoplesoft, FAMU would eventually need to implement Oracle. He determined this might be 10

years away. He believes if Oracle acquires Peoplesoft they will continue industry practice of supporting the older version of software for at least five years after it is replaced by the new version.

Trustee Randall Hanna inquired about the overall cost of the ERP system. He noted a 1.3 million dollar increase in the budget. Beverly Barrington explained the increase, noting the rapid implementation of the student administration system and further explained that there was an increase cost of 2.5 million, with 1.3 million in this year's budget and 1.2 million in next year's budget. He asked the project team and Dr. Gainous if there were any concerns about implementation of the system. Beverly Barrington expressed concern for the need of prerequisite computer training by department employees. She further expressed the need for additional trainers to assist these individuals. Dr. Gainous informed the Board that the University action plan address the issues of upgrading and measuring and enhancing skill and competency level of individuals on campus.

Larry Robinson informed the Board that part of the enhancement of business processes is the upgrade of technology. The University received additional dollars to upgrade technology on campus. John Busby of Cedar Enterprise Solutions, Project Manager, expressed concern for technological dependence on the Northwest Regional Data Center. The project team does not have direct control over the hardware provided by this group, but Mr. Busby determined that as long as Northwest Regional Data Center upholds its responsibility there should be no reason for concern. He also expressed concern for adequate support for users of the system, specifically a help desk.

Al Enzweiler expressed concern for the tremendous amount of work that will be required to accommodate all of the departments across campus, and anticipate some glitches upon implementation. Dr. Gainous expressed concern for glitches that may occur with the system when we go live, but is pleased with reports he has received thus far.

Beverly Barrington believes we will have an outstanding budget balance at the end of the project.

B. BUDGET AND FINANCE COMMITTEE, Trustee Barney Bishop, Chair

• *Item 1: Quarterly Fiscal Report*

The University Board of Trustees approved fiscal year 2003-04 Operating Budgets on June 24, 2003. This agenda item provides information on the financial condition of the University on a quarterly basis.

Larry Reese, Vice President for Administrative and Financial Services, presented the second quarter report for period ending December 31, 2003. Mr. Reese guided the Board through the budget report with discussion focused on each area. Questions were raised in reference to athletics revenue shortfall. Mr. Tom Hanna, former Vice President of Administrative and Fiscal Affairs, assured the Board that at the time the budget was prepared, December 31, 2003, there was no information about not receiving the Urban Broadcasting contract. Chairman Corbin deferred questions about the athletic budget until after the agenda item "Division I-A" was discussed. The next quarterly report will indicate \$967,000 expended in scholarships. Trustee Lowe asked what is traditionally spent on athletic scholarship. Chairman Corbin responded that \$2 million dollars per year is spent on athletic, (football), scholarships. Mr. Reese was advised that the fall scholarship dollars would not affect the December 2003 budget report.

Chairman Corbin requested a 10 Minute break at 12:25 p.m.

Mr. Tom Hanna noted the University is now reconciling records once a month with some items not being reconcilable, but staff is moving toward concluding those issues.

- *Item 2: Land Acquisition*

Trustee Challis Lowe inquired about the purchase of this property being apart of a long-term plan to purchase land, and to build buildings needed for FAMU, over time. Dr. Gainous responded that this land is located off-campus and not noted on the campus map. Trustee Challis Lowe asked if there was a provision in the master plan for expansion of the Center Viticulture. Mr. Sam Houston responded that the master plan does not show satellite sights. Trustee Bishop clarified that purchasing this piece of property is due to the University receiving grants from the U.S. Department of Agriculture that will facilitate acquiring the land next to the Viticulture Center. Dr. Gainous noted the federal funds are restricted.

It is recommended that the Board authorize the purchase of 9.105 acres of land adjacent to the Center of Viticulture and Small Fruit Research on Mahan Drive (US 90 East, Tallahassee Florida to sustain the capacity of the research program.

- *Item 3: Gift Processing at FAMU*

Mr. Love Collins, Vice President for Development provided information pertaining to Gift Processing at Florida A&M University.

During the January 6, 2004 teleconference meeting, Trustee Laura Branker asked for an overview of Gift Processing at Florida A&M University. Trustee R.B. Holmes inquired about a gift to the University of the retention of professional public relations services for enhanced communications between the President and the Board by Trustee Barney Bishop.

The Florida A&M University Foundation, Inc. solicits and accepts private gifts, including in-kin gifts, to Florida A&M University. In addition to the development functions, the Foundation manages the assets under its control, and disburses monies to support University programs. The administrator of the Foundation is responsible for disbursing monies for the purpose intended by the donor.

The Development Office and Foundation units work closely together. Foundation operates as a gift receipting repository function. The actual contribution is recorded within the Foundation. The stewardship of those funds is handled by Development. Mr. Collins indicated he is responsible for the overall operations of Development, and serves as Executive Director of the Foundation. The Foundation is responsible for managing funds so they are used according to the donor's wishes. The Foundation is a separate 503-C entity, which allows for tax advantages to be realized by the donor. Mr. Collins implemented a weekly reporting system on all activities related to private funding. The document is shared with Trustee Al Cardenas and the President receives it on a weekly basis. An Investment Committee is part of the Board of Directors and is a part of the Foundation. Mr. Love Collins will give the Board a report of a Foundation Audit during the next Board meeting.

SALARY EQUITY UPDATE

Trustee William Jennings is working with Larry Robinson in processing data related to salary equity.

STRATEGIC PLANNING UPDATE

The Strategic Planning Committee met at 8:00 a.m., February 10, 2004, with Chancellor Debra Austin, to discuss the alignment of Florida A&M University Strategic Plan with the statewide system strategic plan.