

**UNIVERSITY OF MARY WASHINGTON
BOARD OF VISITORS**

**AUDIT COMMITTEE MEETING
MINUTES**

May 7, 2010

Present:

Daniel K. Steen '84, Chair
J. William Poole, Vice Chair
Russell H. Roberts
Nanalou W. Sauder '56, Rector, ex-officio
Richard V. Hurley, Acting President
Mary R. Corbin '71, Clerk of the Board and Executive Assistant to the President

Also present:

Other Board Members:

Mary J. Berry
Martha K. Leighty '75
Pamela J. White '74

President's Cabinet:

Jeffrey W. Rountree, Chief Executive Officer of the UMW Foundation

Other Staff:

Tera D. Kovanes, Director of Internal Audit

Other:

Vanity McDaniel, Audit In-Charge, Auditor of Public Accounts
Joseph Stepp, Audit Project Manager, Auditor of Public Accounts

Chairman Steen called the meeting of the Audit Committee to order in the Minor Board Room of the Jepson Alumni Executive Center at 1:15 p.m. Mr. Roberts made a motion, seconded by Mr. Poole, to approve the Audit Committee Minutes of April 8, 2010. All Committee members were in favor.

Ms. Kovanes introduced Mr. Stepp, who introduced Ms. McDaniel and announced that the draft report of their findings for the year ended June 30, 2009, is completed. He distributed Required Communications regarding the scope and results of the audit. The unqualified opinion was issued with no material weaknesses, but it did note three significant deficiencies, which Mr. Stepp distributed and reviewed in detail.

1. The University continues to lack essential components of its Information Systems Security Program, which is necessary to provide for the protection and mitigation of risks to University data. Most of the documents remain in draft form pending management approval. The policies should be reviewed to ensure they address the requirements of the Commonwealth's Standard and should be more detailed.

2. The University should clearly define that the final responsibility for Information Technology (IT) procurement belongs to the Director of Purchasing, and should update procurement training for IT and procurement staff annually.

3. There is an inadequate separation of duties among those with user access to the University's Banner Financial Accounting System. The University should perform a detailed comprehensive review of user classes and the class screens to ensure they meet business needs and eliminate access that creates inadequate separation of duties.

Mr. Stepp acknowledged that many of the recommendations are already underway, and cautioned that they should be continued long term rather than considered a one-time fix. He then reviewed the Commonwealth's Audit functions, and noted that the University of Mary Washington is meeting all of the best practices.

Mr. Steen thanked Mr. Stepp and Ms. McDaniel for their work. Ms. Kovanes provided an update on her work since the Audit Committee meeting in April. Mr. Steen waived the closed meeting noted on the agenda.

Adjournment

There being no further items to discuss, the Chair declared the meeting adjourned at 1:55 p.m.

Approved: _____
Chair, Audit Committee

**UNIVERSITY OF MARY WASHINGTON
BOARD OF VISITORS MEETING**

MINUTES

May 7, 2010

Present:

Mary J. Berry
Martha K. Leighty '75
Princess R. Moss '83
J. William Poole
Patricia B. Revere '63, Secretary
Xavier R. Richardson
Russell H. Roberts
Nanalou W. Sauder '56, Rector
Daniel K. Steen '84, Vice-Rector
C. Maureen Stinger
Pamela J. White '74
Mary R. Corbin '71, Clerk of the Board and Executive Assistant to the President

Also present:

President and Cabinet:

Richard V. Hurley, Acting President
Jay A. Harper, Provost
Salvatore M. Meringolo, Vice President for Advancement and University Relations
Nina V. Mikhalevsky, Acting Chief Information Officer
Richard R. Pearce, Acting Vice President for Business and Finance
Jeffrey W. Rountree, UMW Foundation Chief Executive Officer
Douglas N. Searcy, Vice President for Student Affairs

Other Staff:

George Farrar, Associate Vice President for University Relations and Communication
Tera D. Kovaness, Internal Auditor
Paul C. Messplay, Executive Director of Budget Analysis
Martin A. Wilder, Jr., Dean of Enrollment Management and Student Services

Faculty Representative:

F. Douglas Holcombe, Chair of CGPS Academic Council

Absent:

Randall R. Eley

Rector Sauder called the meeting of the Board of Visitors to order at 2:10 p.m. in the Minor Board Room. She noted two amendments to the minutes from the April 8, 2010, Board meeting. Mr. Poole made a motion, seconded by Mr. Roberts and agreed to by all Board members, that the minutes be approved as amended for April 8-9, 2010.

Mr. Rountree provided a report on the annual meeting of the UMW Foundation Board held on April 23-24, 2010, and distributed the biographies of three new Foundation Board members: Lloyd Tilton Backstrom '61; Betty "Snookie" Woods Nutting '58; and Henry Conrad Warlick. Mr. Rountree noted a proposed resolution for a tax issue with the City of Fredericksburg. He announced that the Foundation has gained back all of its losses in the recent economic downturn and thus has authorized a 5% endowment spending policy. The Foundation received a clean, unqualified audit for fiscal year 2009.

Rector Sauder requested a motion to amend the Board agenda to include a report from the Audit Committee and to add a discussion of policy and procedures for presidential performance review. Mrs. Revere made a motion, seconded by Mr. Roberts and agreed to by all Board members, to amend the meeting agenda.

Mr. Steen stated that the Audit Committee received an informal, unqualified report for June 30, 2009, from the State Auditor of Public Accounts. The formal report is expected next week. APA representatives also reviewed the Commonwealth's Audit functions, and noted that UMW is following all best practices.

The Campus Safety Report was included in the advance materials sent to the Board and is attached hereto as Appendix A. Mr. Hurley reported that the task force was a beneficial exercise, and the presence of safety officials from other institutions was beneficial. Implementation has begun on the four recommendations in the report.

On a separate matter, Mr. Hurley distributed a notice on deficits issued in response to Section 4-3.01 of the General Provisions of the 2010 Appropriation Act prohibiting agencies from obligating or expending funds in excess of appropriations without prior approval by the Governor.

Mr. Pearce reviewed a proposal for tuition and the comprehensive fee in fiscal year 2011, stating that residential fees and meal plans were approved by the Board in February 2010 to facilitate student registration for room and board. A flat \$650 tuition increase is recommended, which will result in a 9% increase for in-state students and 3.4% increase for those from out of state. The rationale is that UMW appears to have reached a price point in the market for out-of-state students. The proposed fee will maintain UMW's relative position compared to other Virginia public schools.

The discussion of tuition and fees continued with Mr. Messplay, who reviewed the UMW budget plan for fiscal year (FY) 2011, including projected student enrollment, fund sources, and key priorities. The budget is balanced with projected sources and uses of revenue estimated at \$96 million, a 5.2% increase over the current budget. Mr. Messplay noted there is little change in State General Funds from FY 2010, and FY 2011 is the final year that UMW will receive federal ARRA funds. Bookstore revenue is expected to decline due to economic conditions along with housing revenue because Randolph and Mason Halls will be undergoing renovation. Among the key new priorities funded in FY 2011 are initial operating support for the Dahlgren Education and Research Center; an increase in base operating support for the Library; a permanent director

of student counseling services; establishment of a self-study director for SACS reaffirmation; and additional funding for Presidential Diversity Scholarships

Rector Sauder recognized Dr. Holcombe's pending retirement and thanked him for his service to the Board and the University. Mr. Roberts was recognized as trustee of the Stewart Jones Estate for its support of the Rappahannock Scholars program. And, congratulations were expressed to Mr. Searcy for the successful completion of his doctoral work as of May 8, 2010.

Mr. Searcy distributed the final copy of the proposed revisions to language for the 2010 Honor Guidebook and Honor Constitution. The revised language will address the University's new organizational structure, replacing references to the College of Arts and Sciences and the College of Graduate and Professional Studies with references to each campus location, Fredericksburg and Stafford.

Dr. Harper presented the candidates recommended by the faculty to receive master's and bachelor's degrees, subject to their successfully completing all degree requirements.

Mr. Meringolo described the Donor Terms of Agreement to establish the William B. Crawley, Jr. Endowment for Student Research and proposed a resolution to honor Dr. Crawley by naming a William B. Crawley, Jr. Seminar Room inside the newly renovated Monroe Hall.

Dr. Harper explained the two revisions proposed to the Board of Visitors Bylaws. Rector Sauder suggested a grammatical revision to Section II.D.

Mr. Hurley commented on the need for facility security clearance in order for the University to lease space to a defense contractor at the Stafford campus for training. A resolution by the Board is required to exempt members from personal facility security clearance due to the classified nature of the work provided by the defense contractor.

The proposed schedule for the 2010 Board of Visitors Retreat was presented.

Judge White distributed a revised document for UMW Board of Visitors Presidential Performance Review. After consultant Tom Ingram and Judge White drafted the proposed policy and procedures, she reviewed materials obtained at the Association of Governing Boards 2010 conference. Judge White expressed her opinion that the document is now complete to use for a one-year evaluation, and she requested the Board's formal approval. Board members agreed that the second paragraph of the document should specify that a more comprehensive assessment is expected to be conducted at the end of the first three years of Presidential service assisted by a qualified third party. Board members expressed their appreciation to Judge White for her work.

Rector Sauder appointed a nominating committee to recommend by July 1, 2010, a slate of Executive Committee officers for 2010-12 and two at-large members for one-year appointments. The committee comprises Ms. Berry, Mr. Eley, and Mr. Roberts, who will chair the committee.

Mrs. Revere moved to go into a closed meeting pursuant to Section 2.2-3711 (A) (1) of the Code of Virginia to discuss personnel matters pertaining to teaching, instructional, and administrative faculty appointments and adjustments and provisions of the president's contract. Mr. Poole seconded the motion, and all Board members present were in favor. Everyone left the room except Mr. Hurley and Dr. Harper for the first portion of the meeting. At the conclusion of the discussion, on a motion by Mrs. Revere, seconded by Mr. Roberts, and agreed to by all members present, the Board came out of Closed Meeting. In compliance with the Virginia Freedom of Information Act, Mrs. Revere made a motion, seconded by Mr. Richardson, to adopt the Certification of Closed Meeting that was read and is attached to these minutes as Appendix B. Mrs. Revere called the roll to ascertain whether each member was in agreement with the certification that the purpose of the Closed Meeting had been strictly adhered to. All members present were in agreement.

A packet of resolutions was distributed to Board members. Mr. Roberts moved approval of the resolutions attached hereto as Appendix C.

Rector Sauder appointed a Bylaws committee to study the Board Bylaws and make recommendations at the Board Retreat. Members are Mrs. Berry, Mrs. Leighty, Mr. Roberts, and Judge White.

Adjournment

There being no further items to discuss, the Rector declared the meeting adjourned at 5:05 p.m.

Approved: _____
Rector

Approved: _____
Secretary

Attachment: Appendix A – Campus Safety Report
Appendix B – Closed Meeting Certification
Appendix C – Resolutions

**UNIVERSITY OF MARY WASHINGTON
BOARD OF VISITORS MEETING
RESOLUTIONS
May 7, 2010**

RESOLVED by The Rector and Visitors of the University of Mary Washington that the Undergraduate and Graduate Tuition and Fee Schedule for the 2010-11 academic year is approved as presented.

RESOLVED by The Rector and Visitors of the University of Mary Washington that the 2010-11 internal operating budget is approved as presented.

RESOLVED by the Rector and Visitors of the University of Mary Washington that the clarifying language for the University of Mary Washington Honor Constitution, including Appendices A and B, is hereby approved as presented in order to reflect the changing organizational structure of the University and its student population by replacing references to the College of Arts and Sciences and the College of Graduate and Professional Studies with references to each campus location, Fredericksburg and Stafford.

RESOLVED by the Rector and Visitors of the University of Mary Washington that the list of candidates to be awarded master's and bachelor's degrees from the University during the 2010 Commencement exercises is hereby approved as presented, contingent upon the successful completion of all degree requirements.

RESOLVED by The Rector and Visitors of the University of Mary Washington that the William B. Crawley, Jr. Endowment for Student Research is established. The endowment shall be guided by the following criteria:

1. The endowment earnings shall be used to provide support for students majoring in history and American studies who are engaged in significant research projects that entail the acquisition of materials or travel beyond the ability of the student(s) or the department.
2. At the discretion of the chair of the Department of History and American Studies, endowment earnings may be used to acquire access to, or purchase, electronic data bases that hold manuscript materials necessary for student research; to travel to archives, libraries, or other repositories that hold manuscript collections, books, or public records necessary for student research projects; and to acquire electronic tools necessary for student creation of new

data bases or electronically accessible manuscript or material culture collections.

3. Spending authorization for these funds shall reside with the chair of the Department of History and American Studies in consultation with department faculty.

BE IT FURTHER RESOLVED that the Board appreciates the generosity of Theresa Young Crawley '77 in establishing this endowment in honor of her husband, Distinguished Professor William B. Crawley, Jr. on the occasion of his retirement from the faculty of the University of Mary Washington after 40 years of service to its students, faculty, staff, and friends. One of Professor Crawley's most significant legacies is the central role that undergraduate research plays in both the history and the American studies majors. During his tenure as chair of the Department of History and American Studies, Professor Crawley helped initiate HIST 485: Historical Research, the senior thesis required of all history majors that has long been one of the signature experiences of history majors at the University of Mary Washington. This capstone experience requires every history major to hone their skills in historical research, analysis, and writing by engaging themselves in the analysis of primary source materials. This requirement was most recently adopted by the American studies major.

Understanding that data retrieval and analysis and clear, direct writing are essential to professional success in the broader range of careers to which history and American studies majors are drawn, the William B. Crawley, Jr. Endowment for Student Research will honor its namesake while it sharpens student skills of pen and phrase, which Professor Crawley encouraged in all of his students.

WHEREAS, William B. Crawley, Jr. has had a long and distinguished career with the University of Mary Washington, beginning in 1970 when he first joined the faculty; and

WHEREAS, he continued his career at Mary Washington for the next forty years serving in various positions, often simultaneously, as Department Chair, Executive Assistant to the President, Director of the Governor's School for the Gifted, Director of the Center for Historic Preservation, Distinguished Professor of History, and University Historian; and

WHEREAS, throughout his multi-faceted career, Dr. Crawley helped initiate and perpetuate highly successful programs, including the Center for Historic Preservation, the First-Year Seminar in United States History, and the Great Lives lecture series; and

WHEREAS, he has earned the Mortar Board Outstanding Faculty Award, the Grellet C. Simpson Award, the Mary W. Pinschmidt Award, and the Rector and Visitors Professorship in History; and

WHEREAS, he and his wife, Theresa Young Crawley '77, were honored to have a Washington Scholarship named for them in 2002 and they each were awarded a Washington

Medallion in 2006 in recognition of their extraordinary accomplishments, service, and generosity, and

WHEREAS, their infinite generosity includes the endowment of the Joseph C. Vance Scholarship, the establishment of the William B. Crawley, Jr. Endowment for Student Research, their devotion to and personal support of students, and the donation of their homes through their estate plan and membership in the UMW Heritage Society; and

WHEREAS, they also willingly traveled across the country as Co-Chairs of the UMW Centennial Campaign to share their love of the University while encouraging alumni, parents, and friends to increase their support of Mary Washington; and

WHEREAS, William B. Crawley, Jr. devoutly chronicled the extensive history and brought to life the unique flavor of Mary Washington people, programs, and buildings to commemorate the 100th anniversary of the founding of the institution through the timely publication of his 900-page book: *University of Mary Washington – A Centennial History 1908-2008*;

NOW, THEREFORE, BE IT RESOLVED by the Rector and Visitors of the University of Mary Washington, that William B. Crawley, Jr. is honored and recognized for his infinite contributions with the naming of the new William B. Crawley, Jr. Seminar Room inside Monroe Hall – the institution's first academic building originally opened for classes in 1911 and the longtime home of UMW's Department of History and American Studies.

RESOLVED by The Rector and Visitors of the University of Mary Washington that Section II. D. and Section IX. A. of the Board of Visitors Bylaws are revised as follows.

Section II. D. FACULTY REPRESENTATION ON THE BOARD

The Faculty Representative to the Board is the Chair of the University Faculty Council, who may attend and participate in a nonvoting capacity in the meetings of the Standing Committees of the Board as well as meetings of the Board itself, with the exception that the faculty representative shall not attend closed meetings of the Board nor any of the closed meetings of the committees of the Board.

Section IX. A. THE EXECUTIVE COMMITTEE

The Executive Committee of the Board of Visitors shall consist of the Rector, the Vice Rector, and the Secretary of the Board and two additional members elected by the Board at its Annual Meeting each year. Any vacancy on the Executive Committee shall be filled for the unexpired term at the next regular meeting of the Board. The Rector shall be the Chairman of the Executive Committee.

The Executive Committee shall meet upon the call of the Rector or upon the call of three members of the Committee. Three members shall constitute a quorum provided that one of the

three is either the Rector or Vice Rector of the Board. The Executive Committee shall consider all matters referred to it by the Rector of the Board, the Board itself, or by the President of the University. The Executive Committee shall serve as the Board liaison with representatives from University Faculty Council – the faculty-elected group concerned with faculty welfare and other university-wide matters of importance to the faculty. The Executive Committee shall meet semi-annually with this faculty group to hear presentations of that group and for general discussion. The President of the University may attend all meetings of the Executive Committee with the representatives from University Faculty Council.

In the interim between meetings of the Board, the Executive Committee is vested by statute with the powers and authority of the full Board and shall take such actions as in its judgment are required. All actions taken by the Executive Committee between meetings of the Board shall be reported in writing to the Board at the next regular meeting.

WHEREAS, current Department of Defense Regulations contain a provision making it mandatory that the Chairman of the Board, Senior Management Official, and Facility Security Officer meet the requirements for eligibility for access to classified information established for a contractor facility security clearance; and

WHEREAS, said Department of Defense Regulations permit the exclusion from the personnel of the requirements for access to classified information of certain members of the Board of Directors and other officers, provided that this action is recorded in the corporate minutes;

NOW, THEREFORE, BE IT RESOLVED that the Chairman of the Board (Rector), Senior Management Official (President), and Facility Security Officer at the present time do possess, or will be processed for, the required eligibility for access to classified information; and

BE IT FURTHER RESOLVED that in the future, when any individual enters upon any duties as Chairman of the Board, Senior Management Official, and Facility Security Officer, such individual shall, if they do not already possess such, immediately make application for the required eligibility for access to classified information; and

BE IT FURTHER RESOLVED AND DIRECTED that the following members of the Board of Visitors and other officers shall not require, shall not have, and can be effectively and officially excluded from access to all CLASSIFIED information disclosed to the corporation and shall not affect adversely corporate policies or practices in the performance of classified contracts for the Department of Defense or the Government contracting activities (User Agencies) of the National Industrial Security Program.

RESOLVED by the Rector and Visitors of the University of Mary Washington that the policy and procedures for the Presidential Performance Review are hereby approved.

RESOLVED by the Rector and Visitors of the University of Mary Washington that the Personnel Docket for Teaching/Instructional Faculty dated May 7, 2010, is hereby approved.

RESOLVED by the Rector and Visitors of the University of Mary Washington that a bonus of \$1,000 is approved for the Director of Internal Audit, based on her performance during the 2009-10 academic year. The bonus payment will be made on June 1, 2010.

RESOLVED by the Rector and Visitors of the University of Mary Washington that a bonus of \$23,750 is approved for the Acting President, based on his appointment as Acting President on April 1, 2010.