

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 18

DATE:
April 16, 2013

RECOMMENDATION

FINANCE, AUDIT & INVESTMENT COMMITTEE

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the minutes from the February 19, 2013 Finance, Audit, and Investment Committee meeting and the Working Agenda for the April 16, 2013 meeting.

STAFF SUMMARY

February 19, 2013

Agenda items discussed at the February 19, 2013 Finance, Audit, and Investment Committee meeting included a financial update and the committee reviewed recommendations to the Board for:

- FY2013-14 Room, Board and Apartment Rates
- 2011-12 Eastern Michigan University Foundation Consolidated Financial Report
- WEMU Financial Statement as of June 30, 2012
- Policy Revision: 3.2.5. Sick Leave

April 16, 2013 Meeting Agenda

Agenda items will include an informational report and financial updates and 2 Emeritus Staff Awards.

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

Date

BOARD OF REGENTS
Eastern Michigan University

201 Welch Hall
(734) 487-2410

FINANCE, AUDIT and INVESTMENT COMMITTEE

Tuesday, April 16, 2013
11:30 a.m.

REGULAR AGENDA

- Minutes from February 19, 2013
- April 16, 2013 Finance, Audit, and Investment Committee Agenda
 - Informational Reports and Financial Updates
 - Emeritus Staff Awards

Eastern Michigan University
Finance, Audit, and Investment Committee
Meeting Minutes
February 19, 2013

The meeting was called to order by the new chair of the Finance, Audit, and Investment Committee, Regent Mary Treder Lang at 11:30 a.m. Each Regent introduced themselves and the number of years they have served on the Board.

Section 22 Recommendation: Monthly Reports – Finance, Audit, and Investment Committee, Information Reports and Financial Updates

A motion was made, seconded and approved to accept the minutes from the December 6, 2012 Finance, Audit, and Investment Committee meeting.

Section 23 Recommendation: FY2013-14 Room, Board and Apartments Rates

It is recommended that the Board approve a 3.75% rate increase for all meal plans and residence hall rooms and a 1.55% rate increase for apartments for next fall.

In the last five years EMU has invested over \$20M on renovations in the residence halls and dining facilities which has paid dividends with a 14% increase in occupancy over two years ago. There were almost 500 more students living in the halls this fall than we had two years ago. We will continue to invest in our facilities and maintain an occupancy rate of 95% or higher and will raise the capacity as the demand continues to grow. We believe this is the proper balance between keeping costs affordable for our students and meeting our needs to continue to invest and be competitive in our area. The rate increases over the last 4 years for our room and board combined with tuition are the lowest among Michigan's 15 public universities.

Section 24 2011-12 Eastern Michigan University Foundation Consolidated Financial Report

It is recommended that the board receive and place on file the Foundation Consolidated Financial Report for June 30, 2012.

The annual financial audit of the Foundation and its subsidiary was performed by Plante & Moran, PLLC, and they have provided an unqualified financial opinion.

Statistics at EMU and nationally show that more money is raised during campaign years than years where there is no campaign. Our last campaign ended in June. President Martin has asked for a timeline for initiating our next campaign. This next campaign will focus more on strategic initiatives of the University.

Section 25 WEMU Financial Statement as of June 30, 2012

It is recommended that the Board of Regents receive and place on file the WEMU-FM financial statements as of June 30, 2012 and related auditor's report.

Plante & Moran, PLLC, did not identify any internal control material weaknesses or significant deficiencies.

Per the Boards request, there was a three year target to reduce the general fund support by \$250K (\$50K in FY2012, \$100K in FY2013 and FY2014). WEMU met the 2012 goal and their fundraising goal of \$650K with two record setting fundraising drives. They have 3,000 donors which is the largest number of donors in any single area of the University. Regent Morris applauded their efforts.

Section 26 Policy Revision: 3.2.5 Sick Leave

It is recommended that the Board of Regents approve revisions to the sick leave policy for all non-bargained for employees (AP, AC, AH, CC).

This policy change covers approximately 250 employees of which 65 are retirement eligible. Employees covered by Union contracts and those who have dual employee status as tenured faculty and as an administrative professionals are not impacted by the policy change. The main changes are: a new short term disability plan, eliminating sick time accruals, and modifying the sick time payout schedule. Informational meetings are scheduled to discuss specific details of the changes. The administration is recommending this policy revision to move our policies more in line with current trends and best practices.

The meeting was adjourned at 12:01 p.m.

Respectfully submitted,

Cathie McClure
Executive Secretary to the
Chief Financial Officer