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

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

Tuesday, May 28, 2024
10:00 a.m. EDT

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

MINUTES
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I. Call To Order

The Finance & Audit Committee's Chair, Regent Edward Hatchett, Esq., called the meeting to order at 10:03 a.m.

II. Roll Call

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

Regent Edward Hatchett, Chair	Present
Regent Ernie Fletcher, MD, Co-Chair	Not Present
Regent Tammi Dukes	Present
Regent Robert Ramsey, Sr.	Present

Three (3) Regents were in attendance and present at roll call. A quorum was therefore established.

III. Approval of the Agenda

MOTION by Regent Dukes:
Move the Committee to approve the agenda of the May 28, 2024, meeting of the Finance & Audit Committee.
Seconded by Regent Ramsey and passed without dissent.

IV. External Audit Updates

This agenda item was presented by Mr. Allen Norvell, Director for Blue and Co., LLC. Mr. Norvell stated that the final FY22 financial audit and FY22 compliance audit report was issued on April 15, 2024. Hearing no questions regarding the FY22 audit, he moved forward with the status of the FY23 audit.

Chair Hatchett and Regent Ramsey queried whether the deadlines for FY23 audit completion would be met.

President Akakpo stressed the significance of timely completing the FY 23 audits.

Chair Hatchett asked whether the timely completion of GASB 87 and 96 were manageable.

Regent Moyer inquired whether KSU was the last university in Kentucky to complete its FY 2023 audit. Mr. Norvell stated that he believed so.

A discussion followed regarding the critical need to have the FY23 audit completed prior to the deadline and the negative impact that the failure of having the audit completed is already creating for the University.

Chair Hatchett thanked Mr. Norvell for his presentation.

V. Internal Audit Updates

Ms. Megan Young, CBIZ, presented this agenda item. The Financial Aid and Fixed Asset Existence audits have been completed with management responses and timelines gathered for each CBIZ recommendation. Next steps include re-performing the AP and procurement audits that occurred in early 2023, addressing the ERM (PSC renewal form and ERM engagement letter to follow later this week), and addressing additional process areas of audit and reviews identified throughout the year. No new significant issues have been identified.

Regent Dukes requested that moving forward, CBIZ also provide a summary of issues identified in each audit as they are completed, as well as an open issues report that includes analytics around the timely remediation of those items.

VI. Budget to Actual Analysis

Ms. Vicki Dunaway, VP, Finance & Administration and Chief Financial Officer, provided an analysis of the University's budget to actuals.

VP Dunaway stated that her department has been working with Blue and Co. to provide them with information needed to complete the FY23 audit. Next, she discussed a budget to actual report for E&G revenues and expenses.

Regent Dukes asked VP Dunaway to what she attributes the favorable report. President Akakpo responded that tighter controls have created a favorable impact. Ms. Dunaway concurred and provided additional commentary.

Chair Hatchett requested additional commentary regarding the academic support expenses.

VP Dunaway continued with an update regarding auxiliary services as well as a cash balance report.

Regent Fields queried whether land grant portions were included in the budget items. VP Dunaway responded that they only included E&G but land grant activities would be reported in the upcoming fiscal year. VP Dunaway also reported on student accounts receivable and provided an accounts payable aging report.

Chair Hatchett thanked Ms. Dunaway for her work and for her reports.

VII. Finance & Administration's Initiatives, Opportunities, and Challenges

Next, VP Dunaway led a discussion regarding her department's initiatives, opportunities, and challenges.

As to VP Dunaway's comments relative to staffing, Chair Dukes inquired whether she felt that she would have enough staffing support once several key positions were filled.

VIII. Call to Order

Following the conclusion of the final Finance & Administration Committee agenda item, the Investment and Advancement Committee's Chair, Regent Charles Moyer, PhD, called the meeting to order at 11:13 a.m.

IX. Roll Call

The Board's Secretary, Mr. Zachary Atwell, called the roll:

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

Three (3) Regents were in attendance and present at roll call. A quorum was therefore not established. Secretary Atwell advised the Committee that no substantive action could be taken without a quorum. Therefore, the Committee proceeded on an informational basis only.

X. Approval of the Agenda

MOTION by Regent Hatchett:
Move the Committee to approve the agenda of the May 28, 2024, meeting of the Investment & Advancement Committee.
Seconded by Regent Ramsey and passed without dissent.

XI. Upcoming RFP's

Mr. Michael DeCourcy, Interim VP, institutional Advancement & External Relations, presented this agenda item. He began with a discussion of three RFPs relative to banking, investments, and philanthropy, noting that the banking and investment RFP drafts were nearly complete and almost ready for posting. The philanthropy RFP has been posted online and will close June 25, 2024.

Regent Hatchett inquired how long it had been since RFPs in these three areas had been issued.

Chair Moyer asked whether the investment RFP would include the recently approved investment policies for the endowment.

Next, Mr. DeCourcy discussed Philanthropy Review RFP 24-07 in detail, highlighting its major objectives.

XII. FY 2024 Institutional Advancement Activity

VP DeCourcy provided a historical and present perspective on institutional advancement activity, as well as institutional advancement plans for FY 2025.

Chair Moyer queried whether the figures presented on the KSU Endowment Net Assets slide were endowment dollars or total assets and sought clarification as to the spending policy out of the endowment.

Moving ahead, Mr. DeCourcy discussed the Thorobreds Leading With Impact campaign, as well as various fundraising campaigns.

Regent Hatchett requested additional information regarding the time frame and circumstances surrounding the one-million-dollar contribution received from the Diageo Foundation and inquired how Mr. DeCourcy would characterize the return on Diageo's investment in terms of any recognition they received.

Regent Dukes inquired into the number of scholarships that were granted from the Diageo contribution. Mr. DeCourcy responded that he was not aware of any scholarships being granted from those funds. Since the original contribution was one million dollars and the current balance is $900,000, Regent Dukes asked where $100,000 went if no scholarships had been granted.

Regent Hatchett asked whether the KSU Foundation has highlighted the gift from Diageo at any point since 2021 and whether the Foundation's annual Fact Book is the only place where significant donors receive recognition.

As to the Diageo gift, Regent Dukes again sought clarification that the million-dollar endowment is now $900,000 as of FY22, and that the University is not accounting for any interest on that investment, and yet the contribution is down $100,000. President Akakpo echoed Regent Dukes' concern and offered additional commentary.

XIII. Institutional Plans for FY 2025

This agenda item was included in the prior discussion.

XIV. Adjournment

MOTION by Regent Dukes:
Move the Finance & Audit Committee to adjourn.
Seconded by Regent Ramsey and passed without dissent.

The Finance & Audit Committee meeting was adjourned at 11:57 a.m.

MOTION by Regent Hatchett:
Move the Investment & Advancement Committee to adjourn.
Seconded by Regent Ramsey and passed without dissent.

The Investment & Advancement Committee meeting was adjourned at 11:57 a.m..