

**TEXAS WOMAN'S UNIVERSITY BOARD OF REGENTS
FINANCE AND AUDIT COMMITTEE MINUTES
May 20, 2021**

Videoconference

Roll Call:

Present Committee Members:

Regents McDavid (Chair), Hyde, Jester, Wilson, and Wu (ex-officio)

Present Administrators:

Dr. Carine M. Feyten, Chancellor and President; Ms. Katherine Antwi Green, General Counsel, Secretary to the Board, and Chief Compliance Officer; Dr. Carolyn Kapinus, Executive Vice President for Academic Affairs and Provost; Dr. Monica Mendez-Grant, Vice President for Student Life; Dr. Kimberly Russell, Vice President for University Advancement; Mr. Jason Tomlinson, Vice President for Finance and Administration

I. Call to Order:

With a quorum being present, Regent McDavid, Chair of the Finance and Audit Committee, called the meeting to order at **1:01 p.m.**

Regent McDavid told everyone that the meeting was being streamed live and asked that the Regents speak loudly and clearly as they make comments during the meeting. Regent McDavid further noted the procedural modifications necessary for the meeting.

Regent McDavid performed a roll call for the meeting noting the presence of Regents McDavid, Wilson, Jester, Hyde, and Wu.

II. Consider Approval of the Minutes of the Finance and Audit Committee Meeting of March 23, 2021

Motion to Approve Minutes: Regent Wilson motioned, and Regent Hyde seconded. The motion passed with a unanimous vote.

The minutes of the Finance and Audit Committee Meeting of **March 23, 2021**, were approved as submitted.

III. Agenda

Motion to Take up Agenda Items as Listed: Regent Jester motioned, and Regent Wilson seconded.

The motion passed with a unanimous vote.

Item A. Report on Texas Woman's University Investments Managed by the Texas A&M University System

Mr. Jason Tomlinson, Vice President for Finance and Administration introduced Mr. David Verghese, Executive Director of Investments, Texas A&M University System, which manages the bulk of TWU's investments, and which provides a report each year.

Mr. Verghese presented information regarding the Operating Pool and the Endowment Funds in which TWU is participating. The asset allocation, net earnings, book value and market values of the funds as of December 31, 2020 were shown. Mr. Verghese indicated that the Endowment Funds were invested for a longer term with less liquid funds than the Operating Fund, with their different goals in mind. Mr. Verghese showed the returns over time, the values on February 28, 2021, and the quarterly spending rate from fiscal year 2017 to 2022.

Mr. Verghese indicated that overall the fund performance had been strong, the investment pool diversified, and that markets continue to be healthy.

Regent Jester asked if there are indicators of the positive trend continuing.

Mr. Verghese acknowledged the dynamic nature of the market, but said that there has been pent-up demand in the economy due to COVID-19. He stressed the focus on longer term and said that the portfolios would continue to be positioned for the long-term.

Regent Hyde asked how often the portfolios are re-balanced and what the level of transaction activity is with regard to buying in to private equity.

Mr. Verghese indicated that adequate funds are maintained to respond to capital calls and that asset allocations are reviewed and adjustments made monthly.

Mr. Tomlinson told the Board that the investment arrangement with Texas A&M University System helped TWU greatly and that the University appreciates the opportunity to be included in their investment program.

Item B. Report on Staff Council

Mr. Jason Tomlinson, Vice President for Finance and Administration, introduced Ms. Cynthia Snider, Staff Council President and Manager of Library Administrative Services and Ms. Anna Hunter, Associate Director for Student Union Programming. Ms. Snider discussed the 2020-2021 activities of the Staff Council and initiatives within the individual Staff Council committees. Ms. Snider then indicated that Ms. Hunter had been elected as the incoming president for next year. Ms. Hunter thanked Ms. Snider for her leadership this past year and stated she was excited about leading Staff Council next year.

Ms. Hunter indicated that in the next year, the Staff Council will rally around one major goal which is to be selected during an upcoming summer retreat, and said she looks forward to serving as President of the Staff Council this next year.

Regent Jester asked how the program was carried out this year and how will next year be carried out to get the most involvement.

Ms. Snider said that one of the benefits of the last year was that it revealed that the three campuses worked

together very well. Ms. Hunter then indicated that the new team will be training in July and plans to continue virtual meetings; however, there are plans for on-site meet ups for the individual campuses as well.

Item C. Report on Philanthropic Support and the Texas Woman's University Foundation

Dr. Kimberly Russell, Vice President for University Advancement, presented a report on philanthropic support to the TWU Foundation for 3rd Quarter of the fiscal year through March 31, 2021. Dr. Russell summarized the TWU Foundation's quarter three commitments, quarter three five year comparison, endowment market value history, quarter three assets, and fiscal year 2021 liabilities and net assets. Dr. Russell also mentioned the new Digital Engagement Center, stating that it accommodates up to 20 callers, typically comprised of students doing calling campaigns.

Regent Coleman said that she received a phone call from the Digital Engagement Center recently, and it was a wonderful experience.

Item D. Report on Office of Compliance

Ms. Alex Yarbro, Interim Director of Compliance, presented a report summarizing the priorities of the Office of Compliance. Ms. Yarbro discussed the ongoing HIPAA audit mediation plan and presented updates on the University Policy initiative.

Item E. Report on Office of Audit Services

Ms. Shannon South, Director of Audit Services, provided an update on the Office of Audit Services for the third quarter of fiscal year 2021. She shared with the Board projects that had been completed as well as their results. Ms. South discussed audit scope, objectives and conclusion for the review of Research and Sponsored Programs audit and the Coronavirus Aid, Relief, and Economic Security (CARES) Act Compliance audit.

Mr. Jason Tomlinson provided some background and history for the Board related to the CARES Act and discussed the strategic initiative toward constant improvement.

Ms. South told the Board about audits currently in progress and those marked for follow-up, describing the audit follow-up process. Ms. South then discussed the Quality Assurance Review, including both an internal self-assessment and an external validation peer review. Finally, Ms. South discussed the ACUA Interactive, Dallas IIA Fraud Summit, and her election to the TACUA Board of Directors.

Regent Wilson asked if it was because of the CARES Act that TWU students on campus were able to continue working at the University. She indicated that some campuses weren't able to keep their student employees on the job.

Mr. Tomlinson indicated that keeping student employees in their roles had been a Cabinet level decision with the Chancellor's support, and that TWU had made it a priority. Chancellor Feyten agreed that it was a very important and good thing to do, as well as a student retention strategy.

Item F. Recommend Approval of Budget for the Design and Installation of LED Video Boards

Mr. Jason Tomlinson, Vice President for Finance and Administration, introduced Mr. Rob Ramirez, Senior Associate Vice President for Facilities Management and Construction. Mr. Ramirez presented to the Board the proposal to design and install three large video boards along Highway 380 to give TWU's

campus enhanced visibility. Mr. Ramirez stated that the budget for the project is not to exceed \$1.5 million and that the recommendation delegates authority to the Chancellor to negotiate and execute any design and construction contracts.

Regent Hyde asked if there was a way to also utilize space in a similar fashion at the Dallas and Houston campuses. Mr. Ramirez indicated that visibility for the Houston campus had recently been upgraded but that the University could further explore the idea.

Regent Coleman said that the signs would help direct students and parents looking for TWU.

Regent Jester asked where the 3rd sign may be placed. Mr. Ramirez said possibly at Bell Avenue but it was still being considered. Regent Jester indicated it would be money well spent, that it would maximize exposure in Denton, and also get information out to students regarding events.

Motion to Move Approval of Item to Consent Agenda: Regent Jester motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

Item G. Recommend Approval of the Pioneer Hall Renovation for the Kinesiology Department

Mr. Rob Ramirez presented to the Board a proposed renovation to Pioneer Hall. This renovation would repurpose three racquetball courts and the climbing wall area and transition these areas to the new Kinesiology Department Faculty Suite. Mr. Ramirez stated the budget for the project is not to exceed \$1 million and that the recommendation delegates authority to the Chancellor to negotiate and execute any design and construction contracts.

Regent Coleman asked if the University has two climbing walls. Mr. Ramirez confirmed that a climbing wall would remain in the rec center and that one of the racquetball courts would remain in Pioneer Hall. He indicated that the weight room may be relocated in the future, maximizing use of the space.

Motion to Move Approval of Item to Consent Agenda: Regent Hyde motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

Item H. Recommend Approval of Acceptance of Grants

Mr. Jason Tomlinson told the Board that he is recommending approval of the acceptance of grants awarded to Texas Woman's University as reflected in the Grants Report from January 15, 2021 to April 14, 2021.

Motion to Move Approval of Item to Consent Agenda: Regent Jester motioned, and Regent Hyde seconded. The motion passed with a unanimous vote.

IV. Adjourn to Executive Closed Session

Regent McDavid said that the Board would adjourn to Executive Closed Session for deliberations regarding security devices or security audits pursuant to Section 551.076 and 551.089 of the Texas Government Code. She stated that the Board will engage in consultation regarding contemplated, ongoing, and/or finalized audits and any findings, conclusions, or recommendations related to those audits.

Regent McDavid said that Mr. Jason Tomlinson, Vice President for Finance and Administration, and Ms. Shannon South, Director of Audit Services, would join in the Executive Closed Session.

The meeting was adjourned at **2:07 p.m.**

V. Reconvene into Open Session and Take Any Possible Action Regarding Matters Discussed in Executive Closed Session

Regent McDavid called the meeting back to order at **2:17 p.m.** Regent McDavid said that the Board would now take any possible action regarding matters discussed in the Executive Closed Session.

VI. Adjourn Finance and Audit Committee Meeting

With no further business coming before the Finance and Audit Committee, Regent McDavid adjourned the Finance and Audit Committee meeting at **2:17 p.m.**