Call to Order and Chairman’s Comments

Chairman Richard A. Beard, III convened the regular meeting of the University of South Florida Board of Trustees Executive Committee/Fiscal and Governmental Workgroup in the Phyllis P. Marshall Center, USF Tampa Campus, Tampa, Florida, at 10:00 a.m. He asked President Genshaft to call the roll.

Corporate Secretary Genshaft called the roll with the following members present:

Lee E. Arnold, Jr.
Richard A. Beard, III
Steven G. Burton (phone)
Anne Wilkins Duncan (phone)
Rhea F. Law (phone)
Margarita Cancio
Bob Keith
Susan MacManus
Charles Michaels

Fiscal Workgroup Items:

I. USF Annual Audited Financials – Information Item
Nick Trivunovich reviewed the audit of financial statements by the Office of Auditor General. Hope to get approval by end of January; do not look at external controls, look for fraud only; current statements waiting for review; this is the first time USF St. Petersburg was audited separately, no opinion. Entire statement is online and they changed format for statements as of last year; GASB created new format; reviewed statements and cashflow worksheet that were developed; Trustee Arnold asked about asset and liabilities for university; management statement is produced by University w/self assessment year one and state assessment year two. The Board recommended that footnotes be added, especially losses attributed to New College separating from USF.

II. CFO Finance Committee Report – Information Items
Dr. Carlucci and Eric Walden reviewed the proposed reporting structure with the Board (handout). Dr. Carlucci explained that the DSO financial reviews and operating process have to be handled separately; the University financial committee
handles the annual review after they have gone through their audits; finance
committee recently reviewed 2 DSO operating reports with one showing all controls
are in place and the other showing no controls. The DSO lacking controls has to
implement measures and return before the committee. Mr. Walden reported that the
finance committee developed a DSO Annual certification checklist (handout) and that
quarterly reports from DSOs is the committee’s goal.

Code of Ethics…Mr. Walden requested that we hold off on discussions until future
meeting, after state reports and to see what other universities are doing. General
Counsel Prevaux discussed that that there are changes as to who will be submitting
financial disclosure forms to the Commission on Ethics. General Counsel supports
code as it gives notice to employees. Research and Health Sciences are concerned
with noticing process. The code includes a reporting obligation, all employees must
take responsibility.

Charter – Audit and Compliance Issues – Action Item
Is consistent with other universities, we need a charter to establish responsibility; Ms.
Hunniecutt gave an overview of office responsibilities, modifications since last
meeting and chart that shows flow of information. Trustee Law has worked with Dr.
Carlucci on development of structure. Materiality presented to Board was
questioned, therefore working with Trustee liaison about items. Asked to add to
statement what chart reflects.

Motion to approve with Trustee Law’s final approval of changes. Motion seconded
and passes.

III. Fee Approval – Schedule of meetings – Information Item
Dr. Carlucci distributed the revised fee approval schedule. No questions.

IV. Legislative Update – Jeff Muir
Mr. Muir distributed the legislative priority brochures and discussed the budget
projections with the Board. Estimates that the PECO funds will be in the $60M range
for SUS; Best estimate of current revenue projections is $500 M short for
continuation budget. Critical priorities is one university, one voice. Governor’s
budget comes out next week. Reported that President Genshaft has been making
presentations to our legislative delegations within the service area. BOG request does
not fully fund all our unfunded students ($82.2M system-wide is best considering
budget issues); funding for HSC and USFS/M academic facilities is the priority for
PECO; want to avoid fund shift to be replaced by tuition and tuition needs to stay on
campus. President Genshaft reviewed the proposed funding formula with the group.
President Genshaft also handed out a worksheet on faculty salaries to once again
stress the importance of enhancing salaries. She thanked Ralph Wilcox for his work
on the strategic plan and funding formula.
Executive Committee Session to approve Action Items

V. Federal Grant Resolution/Notice of Interest for Center for Biological Defense
   Rod Casto reviewed the request, explaining that Board approval was needed in order to receive federal funds for the Center for Biological Defense. The funding restrictions requires “a certified copy of the minutes or resolution of the Governing Board of the grantee…” A motion was made to accept the execution of the Notice of Federal Interest and recording of the instrument in the appropriate public records. Motion was seconded and approved.

VI. Master Lease for Interdisciplinary Research Building in the USF Research Park
   Rod Casto presented the request for approval. He explained that bond financing will occur by July 2004 for state; bridge financing by Bank of America until July 2004 (cannot wait for process (PECO) so went lease/lease with Carter); A limited liability corporation has been formed; master lease is required by Bank of America; doing it this way allows us to have the facility 6 months earlier. General Counsel explained that Board approval is not needed since President has authority but President felt it was important to bring to the Board for discussion. Discussion incurred. Legislative approval needed annually. Comment was made that seeking changes to process, if no state money is used we should not need approval from legislature. Trustee Arnold wanted it specified that the Managing member of LLC is Carter and Associates; upon issuance of bond of LLC, Research Foundation becomes owner; time money is borrowed, USF as dominate member of LLC therefore managing member can be replaced. Motion was made to authorize execution of Master lease on behalf of USF for the Interdisciplinary Research Building. Motion was seconded and approved.

With no further business, Chairman Beard adjourned the meeting at 12:03 p.m.

I certify these are official, true and accurate Minutes of the USF Board of Trustees Executive Committee/Fiscal and Governmental Relations Workgroup meeting held January 15, 2004.

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Cindy S. Visot
Chief of Staff/Director, Board of Trustees Operations
President’s Office
University of South Florida