A special meeting of the Board of Visitors of Virginia Commonwealth University was held on Wednesday, March 15, 1978, at 6:00 p.m. in the Sanger Hall Board Room.

Present were Drs. Blanton, Gayle and Gwathmey; Messrs. Bliley, Dabney, Grey, Norris, Seaborn and Shumate; and Mesdames Satterfield, Stone and Thalhimer. Absent were Messrs. McGehee, Obenshain and Scott. Also present were Drs. Ackell, Beller, Brooke, Hall, Neal and Woods; Mr. Guerdon; Miss Cosby; and Mrs. Price.

Dr. Blanton called the meeting to order and indicated that he had raised the question with Dr. Ackell concerning the distribution of financial and audit statements. Dr. Blanton stated that, with the Board's concurrence, financial statements would be sent directly to the entire Board and audit reports would be sent first to the Audit Committee of the Board.

Dr. Ronald E. Beller, Provost for Administration, presented Mr. James G. Guerdon, Vice President for Finance, Mr. Edward Mazur, Controller, and Mr. Lee Putney of Peat, Marwick, Mitchell and Company, who would be making various presentations concerning progress in financial services at VCU.

Mr. Guerdon presented the organization of his area which is comprised of three major components: Auxiliary Enterprises and University Services, Treasurer's Office and Controller's Office. Mr. Guerdon also reviewed some of the major accomplishments and projects of his staff including the reduction of outstanding credit memos from $168,600 to $14,700 and a computerized textbook inventory at the Academic Campus.
Bookstore; review of printing structure resulting in the elimination of a $30,000 loss and better billing controls in the Print Shops; installation of a new telephone system for the University on April 17 which will result in a $100,000 savings. Mr. Guerdon also detailed our current investment program. In 1978, the University has $5.5 million of investable funds of which $5.0 million are invested with an annual yield of 6.1 percent. Mr. Guerdon also reviewed the negotiations that had taken place with the Department of Health, Education and Welfare on the percentage rates of our indirect costs on federal grants and contracts. We received very favorable rates and are expecting a $750,000 refund from HEW.

Mr. Mazur presented a very detailed report on the Offices of the Controller and Treasurer. Mr. Mazur reviewed the present and former organization of these offices and the measures that had been used to increase employee morale. Mr. Mazur did point out that space needs continue to be a problem for his staff. Currently, they are located in three different locations, including one off-campus locale. Mr. Mazur pointed out that there are normal and periodic indicators which the Board should expect from the Controller's and Treasurer's Offices, including:

- Steady development and refinement of financial reports to be presented at each Board meeting
- Presentation of annual financial statements
- Presentation of summaries of special financial analyses
- Periodic briefings on the development of new federal and state compliance requirements and their affect on the University
- Periodic reports relating to the expenditures of restricted and unrestricted University (Local) funds
Timely and well-stated response to all audit reports and management letters presented to the Board, including followup status reports on contemplated actions.

Timely and candid appraisal of any material failures to comply with Board supported policies and practices.

Growing reputation for excellence in financial management among appropriate state officials.

There are also normal and periodic indicators which the Board should expect from independent third party sources. These indicators should confirm and evaluate the response of the Controller's and Treasurer's Offices to the needs of the Board.

The opinion of the University's annual financial statements by our certified public accountants.

The annual management letter from our certified public accountants evaluating our systems of internal accounting control and our accounting practices.

Reports from the University's internal audit staff resulting from the execution of the audit plan approved by the Board's Audit Committee.

Presentation, my management, of the results of all special state and federal audits of grants and contracts and other separately funded programs.

Mr. Mazur indicated that his staff had worked diligently to achieve many of the accomplishments presented to the Board at this meeting.

Mr. Lee Putney of Peat, Marwick, Mitchell and Company reviewed the work of his firm with VCU. Mr. Putney indicated that there had been great improvements in our financial area and that once the Financial Accounting System is installed the Board should see even greater progress.

The Board thanked everyone for their excellent presentations.

The meeting was adjourned at 8:45 p.m.
Approved:

Wyndham B. Blanton, Jr., M.D., Rector