

## **Budget & Finance Committee and Executive Committee**

### **THE BOARD OF TRUSTEES**

**Temple University – Of The Commonwealth System of Higher Education**

**Thursday, February 17, 2005, at 3:00 p.m.**

**Room 200, Sullivan Hall**

**Liacouras Walk and Berks Mall**

## **MINUTES**

*Note: The Trustees met in executive session for a discussion of Billing Compliance Program Activities and the status of labor negotiations.*

## **PUBLIC SESSION**

### **PARTICIPANTS**

**Trustees:** David Adamany (in person), Leonard Barrack, Jon A. Boscia, James F. Cawley, IV, Nelson A. Diaz, Lewis F. Gould, Jr. (in person), Susanna E. Lachs, Patrick V. Larkin (in person), Solomon C. Luo (in person), Joseph W. Marshall, III (in person), Theodore A. McKee, Christopher W. McNichol, Stephen A. Miskin, Mitchell L. Morgan, Daniel J. Whelan, James S. White (All Trustees by phone except as noted)

**University Counsel:** George E. Moore

**Administration and Staff:** Frank Annunziato, Clarence D. Armbrister, James C. Bausman, Jr., William T. Bergman, Robert Buchholz, Ainsley Carry, Martin S. Dorph, Richard M. Englert, Mark Eyerly, Thomas M. Healey, Jack Nivens, Timothy C. O'Rourke, Catherine M. Paster, Theresa M. Powell, Robert J. Reinstein, Gregory S. Rost, Richard Rumer, Ira Schwartz, William J. Wilkinson

**Non-Voting Advisory Members:** Ryan M. Phelan

**Guests:** Gregory D. Kirk (Partner), Yasemin G. Agatan (Senior Manager, Audit Services);  
Deloitte & Touche

### **Approval of Minutes –**

**November 22, 2004; January 20, 2005**

The minutes of the meetings of November 22, 2004, and January 20, 2005, were approved as distributed.

## RECOMMENDATIONS FOR ACTION

### 1. **Housing Rates Proposal for 2005-2006**

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, approved the recommendation of the Student Affairs Committee (2/15/05), and approved an across-the-board increase of 3.75% in all housing for 2005-2006, as set forth substantially in Agenda Reference 1.

### 2. **Baptist Temple – Pre-Design Study**

Mr. Bergman explained that Daggart Saylor, an architectural firm with experience redesigning historical and entertainment space will develop conceptual plans and cost estimates for reuse of the Baptist Temple building. Mr. Gould indicated that he is very pleased with the restoration progress made thus far. President Adamany commented that once fully restored, many events will be held in the building. Refining the acoustics in the restored building will be a challenge.

Upon motion duly made and seconded, the Budget & Facilities Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, approved the recommendation of the Facilities Committee (2/10/05), that the officers be authorized to proceed with the pre-design study of Baptist Temple at a cost not-to-exceed \$200,000. The funding and financing source being the Plant Development Fund.

### 3. **Clinical Skills and Simulation Centers – Phase II**

Upon motion duly made and seconded, the Budget & Finance Committee and the Executive Committee, the latter acting on behalf of the Board of Trustees, approved the recommendation of the Facilities Committee (2/10/05), that the officers authorize Phase II of construction, furnishing and equipping of a clinical skills assessment center with support space and renovation of the main lobby, on the first floor of the Dental School I at a cost not-to-exceed \$1,500,000. The funding and financing source being the Department of Defense Funds (#40-2401-142).

## REPORTS FOR INFORMATION

### 4. **Presentation on the Status of International Programs**

Robert J. Reinstein, Dean of the Beasley School of Law, summarized the status of International Programs as set forth in Agenda Reference 4a.

Mr. Dorph summarized the Overview of International Programs as set forth in Agenda Reference 4b.

**5. Status of TUJ Accounting and Financial Reporting**

Mr. Dorph summarized the results of the audit conducted by Deloitte & Touche at Temple University Japan as set forth in Agenda Reference 5. Mr. Dorph noted that one of the major reasons for the accounting errors was due to a lack of training of the accounting staff.

Several operational weaknesses were identified during the audit, which have been or will be corrected. Some of the changes include: (1) the TUJ dean taking a stronger role in reviewing/signing-off on cash flow projections and overseeing operational matters; (2) improved training for the TUJ financial staff; (3) an TUJ accounting manual being drafted; (4) budget and cash projections and other analyses being included in the quarterly reporting to the University Controller; and (5) yearly audits of TUJ by external auditors.

The TUJ financial staff has been instructed to direct any questions or concerns to the Controller at Main Campus. The staff was further directed not to make any changes without the pre-approval of the University Controller.

Following conclusion of the Deloitte audit, a site visit was conducted by Richard Englert (Deputy Provost), Frank Annunziato (Controller), and William Wilkinson (Executive Director, Finance & Administration, Office of the Provost). The site visit team followed up on the Deloitte audit and other reporting and accounting issues.

TUJ underwent a strategic planning process a few years ago. One of the primary goals was to ensure that sufficient cash reserves would be on hand to cover costs in case TUJ operations needed to be closed down. Mr. Dorph indicated that based on accounting changes, there will be a small surplus, and that barring any unforeseen circumstances, TUJ is on target as planned.

Mr. Dorph indicated that he is confident that with the changes that have been implemented, there is a much better handle on TUJ financials, accounting and reporting going forward. He believes that the recent accounting errors will not recur in the future.

**OLD BUSINESS**

**NEW BUSINESS**

**ADJOURNMENT**