Administrative Affairs Council Minutes
October 17, 2008
Conference Call – 9:00 a.m.

Participants
Dave Clark and Tamara Barber – BSC
Alvin Binstock and Mark Lowe – DSU
Corry Kenner – LRSC
Ron Dorn and Jonelle Watson – MiSU
Jim Borkowski – MiSU-BC
Mike Renk – NDSCS
John Adams and Broc Lietz – NDSU
Bob Gallager – UND
Trudy Collins – VCSU
Laura Glatt, Pat Seaworth, Cathy McDonald, Darci Trenda, Randall Thursby, Mick Pytlik, Rich Lehn, and Deanna Dailey – NDUS

Proposed policy revision 805.3 application fee
Dave Clark said Bismarck State College has been selected as one of three pilot schools to participate in General Education – Mobile (GEM) with the Community College of the Air Force, a program for active duty Air Force men & women. The other two institutions involved in this pilot program have waived the application fee for military students. In order to be competitive, BSC would also like to waive the application fee for this select group of students. BSC will begin marketing these programs in November.

In response to a question from Alvin Binstock about current presidential tuition and fee waiver authority under SBHE Policy 820, Mr. Seaworth said he believes it would be best to have the waiver of the application fee specifically addressed in SBHE Policy 805.3 policy, since there is a specific policy addressing the application fee and the original intent of the application fee policy was to ensure a uniform and consistent application fee across NDUS institutions.

It was the consensus of the Administrative Affairs Council to amend the proposed policy draft 805.3, which would give the Chancellor the authority to waive the application fee based on special circumstance, to instead give the institutional president that specific authority as part of the application fee policy 805.3. Ms. Glatt said this will be considered by the cabinet on October 22nd and the SBHE on November 6th. The SBHE will be asked to waive first reading, and proceed to final passage in November.

Discuss UPMIFA
Mr. Adams said the Commission on Uniform State Laws will be lobbying for a policy recently adopted by NACUBO’s Board of Directors calling for the prompt adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFIA). According to Mr. Adams, NDSU’s Development Foundation Board would like to see this legislation passed in North Dakota. It was agreed that this legislation should be on the list of bills to be supported by the SBHE. In
response to a question, Mr. Adams said Mr. Mike Unhjem, President and CEO of Blue Cross/Blue Shield of ND who is a member of the Commission on Uniform State Laws, is working with an unnamed legislator to draft a proposed bill regarding the UPMIFA during the 2009 Legislative Session. In response to a question from Ms. Collins, Mr. Seaworth said this legislation would apply to institutions’ endowment funds, in addition to foundation monies, if those endowment funds are given with specific guidelines. This group will track this legislation and if necessary, the Controller’s Group may be asked to work on this issue, as well.

**Review proposed document imaging procedures**

In response to a recommendation in the FY07 NDUS financial statement audit, the NDUS has agreed that by the end of 2009, a system procedure will be developed for the implementation and management of imaging systems. Rich Lehn, who chaired a NDUS committee, presented draft imaging procedures. Mr. Thursby said the CIO council reviewed this policy recently and there was no question with the policy itself; however, they do feel that the document imaging software should be secured just as a server is, possibly located at the system level. The CIO Council will continue to work through this issue.

It was the consensus of the Administrative Affairs Council to recommend approval of the draft procedure for document imaging as presented.

**Other**

**Measures 1 & 2**

Regarding the press release and talking points on the SBHE’s position to oppose Measures 1 & 2 that was recently distributed, Mr. Clark asked if it would be appropriate to forward this information to student and employee listservs, or would this be considered an inappropriate use of state resources? Mr. Seaworth said it is appropriate; in fact, this is why the information was distributed. In their official capacities, institution officers have an obligation to support the SBHE position. In supporting an SBHE position and distributing information explaining that position, NDUS officers are performing their duties and may use system resources to do so. On the other hand, public employees have the right to speak out on issues of public concern and NDUS employees may, speaking as individuals and not as institution representatives, oppose SBHE positions or criticize the SBHE or NDUS officials. However, these activities are not part of official duties and should take place only outside of work time and without using system resources.

**Changes in the 990 reporting and IPEDS Functional Classification**

Ms. Barber said changes to IPEDS reporting now requires depreciation and plant expense to be allocated to the functional classifications. She said these new changes will require institutions to make changes to their IPEDS reporting and possible to their financial statements so the two are consistent, which would require working closely with the auditors. This must be implemented in FY10.

In addition, Ms. Barber pointed out that at least two NDUS institutions have received the IRS Compliance Questionnaire. She suggested that the controller’s group review the questionnaire. In response to a question, Ms. Barber said that any 990 filed in the future, requires Board approval.
Ms. Barber requested the Controller’s Group review both of these issues and report back to the Council. Ms. Trenda agreed to follow up on this request.

Red Flag Rule
Mr. Seaworth asked Ms. Trenda if the Controller’s Group is working on the red flag rule which will requires the NDUS to have a policy in place, and perhaps more specific campus procedures in place. Ms. Trenda said that they are currently reviewing this issue. In response to a question, Mr. Seaworth said there is a November 1st deadline, but believed that if something were in place by the end of the calendar year that would be acceptable.

Mr. Lowe said there is software that will print out the red flag rules and suggested this software be researched to determine whether this would help. Ms. Glatt asked Mr. Lowe to research this alternative in order to share that information with the Controller’s Group. Mr. Lowe agreed to do this.

Meeting adjourned 9:55 a.m.