Administrative Affairs Council Minutes
January 3, 2012 – 1:00 p.m.
Conference Call

Participants
Dave Clark and Tamara Barber – BSC
Kara Bowen – DCB
Alvin Binstock and Mark Lowe – DSU
Corry Kenner and Joann Kitchen – LRSC
Steve Bensen – MaSU
Brian Foisy – MiSU
Mike Renk, Keith Johnson, Steve Oakland and Dallas Fossum – NDSCS
Bruce Bollinger, Gary Wawers, Ramona Adams, Joan Chapek, Karin Hegstad and Mike Ellingson – NDSU
Peggy Lucke and Sharon Loiland – UND
Bill Ament – VCSU
James Foertsch – WSC
Laura Glatt, Randall Thursby, Mick Pytlik, Pat Seaworth, Cynthia Wagner Goulet and Deanna Dailey – NDUS Office

NOTE: There were technical issues at the start of this meeting, resulting in a delayed start.

Ms. Glatt called for agenda additional items. There were none; however, the order will be rearranged to accommodate individual schedules.

Policies 809.2 and 810: Investment Policies
Mr. Seaworth explained that the current version of SBHE Policy 809.2 (Gift Funds) does not provide clear and explicit campus authority to manage and invest gift and quasi-endowment funds, although this was the intent of the policy. In order to correct this oversight, Mr. Seaworth has made revisions to SBHE Policy 810 to include this language and proposed that SBHE Policy 809.2 be deleted and merged with policy 810. In response to a question from Ms. Glatt, Mr. Seaworth said that this policy only applies to funds held by the university and does not affect foundation funds or foundation authority to manage foundation-held funds.

Mr. Wawers asked Mr. Seaworth if it is appropriate for the institutions to invest gift funds anywhere other than with the Bank of North Dakota (BND), as most times the gift is silent on investment. Mr. Seaworth responded that yes, as long as the funds are being invested according to the intent of the donor, they can be invested outside the BND. He pointed out that according to the proposed new subsection (6) of SBHE Policy 810, “absent terms expressing donor intent in a gift instrument, NDUS institution officers initially shall deposit the funds in institution accounts at the Bank of North Dakota as required by law. Thereafter, the funds may be invested according to NDCC chapter 59.21, the Uniform Prudent Management of Institutional Funds Act (UPMIFA).”
In response to a question, Mr. Seaworth said that the donors express intent governs; however, if it is vague or loosely stated, than institutions have discretion over the investment.

In response to a question about whether this applies to all gift funds (e.g. quasi-endowment, endowment, scholarships, plant funds, restricted funds, etc.), Mr. Seaworth indicated it applied to all gift funds, regardless of classification.

Following discussion, it was agreed that the proposed policy amendments be moved to the Chancellor’s Cabinet and SBHE for consideration at their next meeting.

900 Procedures
Ms. Goulet said she has been working with Mike Ellingson, Rick Tonder, Chuck Evans, and several other individuals to develop the 900 procedures. As part of the process, the A&E manual has been incorporated into the 900 procedures. According to Ms. Goulet, some of the exhibits are not yet completed, but she added that many of the exhibits are common architectural and construction templates which have not yet been formatted for the NDUS. Ms. Goulet said there is not a lot of new information in the 900 procedures but instead, they comprise many existing procedures and manuals.

There was some discussion regarding the need for clarification of Exhibit A of Procedure 902 and Exhibit B of Procedure 909. Ms. Glatt said the reference to FF&E (furniture, fixtures and equipment) in Exhibit A will need to be removed consistent with recent SBHE policy changes. She said the template to which this will be linked has been modified to separate the FFE, which should clarify the procedure.

Mr. Fossum asked whether it is still necessary to track/report on FF&E costs after the fact, even though it is separated from the total cost of the project (for approval purposes). Ms. Glatt said that all other reporting (e.g. OMB monthly reporting) will follow the SBHE approved amounts, which would exclude FF&E, unless it has been specifically appropriated by the legislature as part of a project. She stressed the need to be very clear whether or not FF&E is included in the capital project request to avoid complications if state funding is required to pay for the FF&E, and, to be sure that SBHE authorizations tie to legislative appropriations, should FF&E be included in the legislative authorization. In response to a question from Mr. Fossum, the change in how FFE is handled is not retroactive, only prospective from the date of the policy change.

Ms. Glatt said it appears more time is needed to fill in the blanks and clean up the language in the proposed 900 procedures. She asked the council members to share their comments and suggestions with Ms. Goulet, who will make the necessary revisions/clarifications, with a revised version distributed to the Administrative Affairs Council for review upon completion. The expectation is that this will be placed on the February Cabinet agenda for approval.

Procedure 806.1: Meal Reimbursement Amount
Ms. Glatt briefly explained the documents as distributed and asked Ms. Loiland to summarize them. Ms. Loiland said that UND staff has attempted to find the best definition for “business meetings” as it relates to this procedure. She said the UND representatives feel that the policy should not set a limit on the meal reimbursement amount because there are some outliers and
having a limit could create additional audit challenges. Ms. Loiland also said they don’t want a limit that has been set too high, as it could allow individuals to get used to using the highest amount possible when requesting reimbursement, instead the proposed procedure promotes appropriate documentation and oversight.

Ms. Barber asked whether the reimbursement for a meal when there is no overnight stay is taxable. Mr. Seaworth replied that it is his understanding that the IRS rules state the reimbursement is taxable in that instance. However, if the employer pays for a meal not involving an overnight stay, it is considered “de minimus” or reasonable under IRS regulations, and therefore, not taxable to the employee.

There was some discussion regarding meals that are hosted by a campus (for example, Cabinet meetings that are held at BSC) and how to ensure that individuals do not submit a request for per diem meal reimbursement when the host campus provides the meal. Mr. Seaworth responded that we have to depend upon the individual to comply with section 2 of current SBHE Procedure 806.1, “If the cost of a meal is paid as part of a fee for a conference, seminar or other meeting or function, or if an employee seeks reimbursement for such cost paid by the employee, the employee may not claim the applicable quarter per diem allowance for the meal.” Ms. Loiland also pointed out that UND is developing a statement for employees to sign indicating that they are not or have not received payment of costs in some other manner.

Mr. Seaworth said that in response to a suggestion from Ms. Loiland, he revised the language in section 9. He said he tried to keep the message consistent and not change the overall intent of the procedure. Mr. Seaworth asked Ms. Loiland to contact him if he misinterpreted her suggestions.

Discussion took place regarding the difference between “formal” and “informal” events referenced in subsection 3 and whether or not it would be helpful to have a list of individuals who attend hosted events to help eliminate the reimbursement of meals that were served as part of an event. Concerns were raised by some about the ability to develop a list of names for large events. Ms. Glatt suggested adding a requirement to the procedure for the submission of a list of employees attending a meeting as the default, but allow for exemptions when the meeting is too large for that to be practical.

In response to a question regarding OMB policy on payment of employee meals, Mr. Seaworth said the NDUS is not required to follow OMB policies. He said it is important to draw the distinction about whether the employee is required to attend an event during mealtime. If so, they should be reimbursed, unless the meal is paid and provided by the institution or some other entity.

It was agreed that more work needs to be done on this policy. Ms. Glatt asked that everyone send their comments and suggestions to Mr. Seaworth. He will circulate a revised version via email, with targeted Cabinet consideration in February.

Procedure 404: Undergraduate Collaborative Student Procedure
Ms. Glatt said Dr. Hillman asked her to bring this policy to the Administrative Affairs Council. The Academic Affairs Council has reviewed and approved it as distributed, based on
recommendations from the Collaborative Student Workgroup. When asked for comments or suggestions, Mr. Seaworth asked about the last sentence on the second page of the draft procedure: “Every institution will use this standard format for completing collaborative requests. Changes to this format must be agreed upon.” He questioned who must agree to the changes. Ms. Hegstad said she believes changes must be agreed upon between the home and provider institutions. She will get clarification from the student users group and notify Ms. Glatt so the language can be added to the procedure.

Mr. Lowe asked Ms. Hegstad, if we are moving away from the original intent of the collaborative student model to have one T&F bill, one financial aid package and one transcript as the proposed policy change, in 5. (f) now makes the home campus responsible for collection of T&F, and leaves optional the collection of other charges. Ms. Hegstad said this was driven by differing charge practices at campuses such as bookstore charges being accepted at some institutions, but not all of them. Ms. Kitchen said that LRSC is unable to collect parking fees for UND. Ms. Glatt suggested changing the language to indicate the institution should collect all charges, unless another agreement is struck. However, Ms. Hegstad said there was a lot of discussion at the user group meeting and they didn’t want the policy to state anything one way or the other. Ms. Glatt said she will discuss this issue with the chancellor before moving it on to the Cabinet, as he makes the final decision regarding procedural issues.

Policy 611.11: Cell Phone Policy
There was some discussion about the language contained within the policy. Mr. Thursby said he will contact Mr. Seaworth directly with his suggestions, which are mainly issues with the technical terminology and won’t impact the intent of the policy. There were no other suggestions for change.

2013-15 Budget
Ms. Glatt briefly reviewed the two budget-related documents that were distributed to the group for discussion. She explained that she didn’t get the opportunity to visit with SBHE president Grant Shaft until this morning regarding clarification and approval of the next budget process. Ms. Glatt said she will share more details from her discussion with Mr. Shaft in the near future. However, she did confirm that the information distributed with the agenda materials will remain unchanged, for the most part, and added that this is the form and format that the NDUS will use for the 2013-15 budget request.

As part of that budget model, new salary and benefit increases will no longer be included as part of the overall budget request. The initial plan is to not build any tuition rate increases into the 13-15 budget request; however, this may change as more budget information becomes available.

Timelines are provided in the “2013-15 Biennial Budget Process” document, which was emailed to the Administrative Affairs Council listserv just prior to this meeting. Ms. McDonald will be distributing more information regarding the 2013-15 budget process as it becomes available.

Ms. Glatt said there had been some discussion about hiring an outside consultant to assist the NDUS with the capital project review process. However, it has been decided that instead of using external consulting services, Joel Leapaldt from the Office of Management and Budget
will become engaged earlier in the review process, for state general funded projects only. Mr. Leapaldt will evaluate each project and create a list of pros, cons, issues and questions for each of them. He will work with campus officials to clear up any issues before the final projects are presented to the Board in June. Ms. Glatt has been working with Mr. Leapaldt to create a form for use by the institutions so that we are all working from a common template using the same requirements. This will be sent via email when available.

The group was reminded that campus master plans are due by March 30, 2012. This year, campuses are in an update cycle. Given the added review process step, no extensions will be granted on the March 30th deadline date.

Unified Telecommunications Plan
Mr. Thursby said that he and the staff at NDSU will continue to work with Minot State University, Lake Region State College and Dakota College at Bottineau to link their telephone switches with those of UND, NDSU, Mayville State, Valley City State, and NDSCS for intercampus calling. This will also provide them with the ability to use the conference number 777-5900 which would significantly reduce their long-distance telephone expenses.

At the present time, Mr. Thursby said there are eight institutions using the Microsoft BPOS mail and calendar system. This software will be updated to Microsoft 365 this Spring and Summer. Once the update is complete the staff will work with the CIO’s at the remaining three institutions to finish the updates. Mr. Thursby said the system won’t be able to take advantage of all of the new technology until every institution is using the Office 365 software.

Mr. Thursby said that anybody who would like more information about NDUS technology should feel free to contact him.

Meeting adjourned at 3:06 p.m.

Future Meetings
February 7, 2012
March 6, 2012
April 17, 2012
May 22, 2012
June 26, 2012
July 23-24, 2012 (retreat)
August 28, 2012
October 9, 2012
November 20, 2012