

**BOARD OF REGENTS**  
**EASTERN MICHIGAN UNIVERSITY**

**SECTION:**

**DATE:**  
December 15, 2011

**RECOMMENDATION**

**FINANCE AND AUDIT COMMITTEE**

**ACTION REQUESTED**

It is recommended that the Board of Regents receive and place on file the minutes from the October 18, 2011 Finance and Audit Committee meeting, the Working Agenda for the December 15, 2011 meeting and the Informational Reports and Financial Updates.

**STAFF SUMMARY**

October 18th, 2011

Agenda items discussed at the October 18, 2011 Finance and Audit Committee included; financial updates on general fund revenue and expenses through October 15, 2011, auxiliary fund operating budget through September 30, 2011, grants and contracts through August 31, 2011 fundraising collected through September 30, 2011, and cash and investments through September 30, 2011. In addition, an update on Information Technology initiatives was reported. The Committee also reviewed recommendations to the Board for:

- Consolidated Financial Statements and Supplementary Information as of June 30, 2011
- Fiscal Year 2012-13 State Capital Outlay Request
- Fiscal Year 2012-13 General Fund Scholarships, Awards, and Grants Request
- Authorizes the President on Behalf of the Board of Regents to submit the FY2012-13 State Appropriations Request

December 15th, 2011 Meeting Agenda

Agenda items will include an Informational Report and Financial Updates as of October 31, 2011. The Committee also will review a recommendation to the Board for:

- Fiscal Year 2010-11 Eastern Michigan University Foundation's Annual Report

**FISCAL IMPLICATIONS**

None

**ADMINISTRATIVE RECOMMENDATION**

The proposed Board action has been reviewed and is recommended for Board approval.

\_\_\_\_\_  
University Executive Officer

12/15/11  
\_\_\_\_\_  
Date

**Eastern Michigan University  
Finance and Audit Committee  
Meeting Minutes  
October 18, 2011**

The meeting was called to order at 3:00 PM.

**Section 11      Recommendation      Monthly Reports – Finance and Audit Committee,  
Informational Reports and Financial Updates**

A motion was made and seconded to accept the minutes from the previous Board of Regents meeting on September 20, 2011.

John Lumm presented the financial updates in a power-point presentation format.

Total General Fund Revenue (Slide 1)

The FY12 total general fund revenue budget is \$283.1M. Through October 15, 2011, actual general fund revenue is \$102.1M.

Total General Fund Expenses (Slide 2)

The FY12 total general fund expense budget is \$283.1M. Through October 15, 2011, actual general fund expenses are \$77.0M.

Total Auxiliaries Fund Operating Budget (Slide 3)

The FY12 total auxiliaries fund operating budget is \$40.7M. Through September 30, 2011, revenues are \$5.2M, while expenses are \$4.7M. This is a \$0.5M surplus, which is expected as the fall housing and dining revenue has not been fully received as of September 30.

Grants and Contracts (Slide 4)

Through August 2011, \$2.3M grants and contracts have been awarded. \$2.0M had been awarded through August 2010. The total awards for FY11 were \$12.5M.

Fundraising (Cash and Gifts-in-kind) (Slide 5)

As of September 30, 2011, \$5.9M has been received compared to \$0.6M for the same time frame last year. This is partially due to two large donations. All but \$35k of the \$5.9M fundraising received is cash. The FY12 fundraising goal is \$9.5M. The FY11 fundraising total was \$5.1M.

Fundraising (Capital Campaign) (Slide 6)

As of September 30, 2011, \$48.5M of the \$50M goal has been received. The breakdown is \$37.8M in Cash and gift-in-kind, \$8.8M in revocable bequests, and \$1.9M in pledges.

Cash and Investments (Slide 7)

As of September 30, 2011, Eastern has \$80.7M in cash and investments. This is broken down into - \$26.4M or 33% in cash & short-term investments, \$14.9M or 18% in intermediate-term investments, and \$39.4M or 49% in long-term investments. In addition, the long-term pool is dispersed into - \$27.7M or 70% in fixed income, \$9.8M or 25% in domestic equities, and \$1.9M or 5% in international equities. This is all consistent with the University's investment policy.

### Information Technology (Slide 8)

#### -IT Office in Pray-Harrold

- The IT staff has successfully moved back into Pray-Harrold.

#### -Project Management System

- Training of IT staff on the new Project Management toolkit (FlightPlan) is complete.

#### -Voice over Internet (VoIP)

- Installation in Pray-Harrold is complete. Halle and Porter is schedule for FY12.

#### -Network Infrastructure Upgrades

- Installation of the new switch equipment in Physical Plant and Mark Jefferson (phase 2 renovation) are now complete.

#### -Print Release Stations

- Initial set of student-accessible Print Release Stations have been installed in the Eateries and Crossroads. Installation took place in McKenny and Porter in Sept. All remaining will be operational in October and November.

#### -JustOne Program

- Limit administrative employees to one computer device purchased by the University. This would include desktop, laptop, or tablet computer devices funded by the University's General Fund. The program is intended to reduce the University's expenditure for "administrative" computers.

### **Section 12: Recommendation Consolidated Financial Statement and Supplementary Information as of June 30, 2011**

It is recommended that the Board of Regents receive and place on file the University's audited fiscal year 2010-11 financial statements and auditor's report.

### **Section 13: Recommendation Fiscal Year 2012-13 State Capital Outlay Request**

It is recommended that the Board of Regents approve the University's FY2012-13 Capital Outlay Request to the State of Michigan. The renovation of Strong Hall continues to be identified as the University's top capital project priority.

### **Section 14: Recommendation Fiscal Year 2012-13 General Fund Scholarships, Awards, and Grants Request**

It is recommended that the Board of Regents approve the 2012-2013 General Fund Scholarships, Awards, and Grants proposal for \$36,040,000.

### **Section 15: Recommendation Authorizes the President on Behalf of the Board of Regents to submit the FY2012-13 State Appropriations Request**

It is recommended that the Board of Regents authorize the President in conjunction with the Executive Committee of the Board of Regents to submit the Fiscal Year 2012-13 State of Michigan Appropriations Request

Meeting was adjourned at 3:30 p.m.

**BOARD OF REGENTS**  
**Eastern Michigan University**  
201 Welch Hall  
(734) 487-2410

Thursday, December 15, 2011  
3:00 PM

**FINANCE AND AUDIT COMMITTEE**

**REGULAR AGENDA**

Section:	Recommendation	Informational Reports and Financial Updates <ul style="list-style-type: none"><li>▪ Minutes from October 18, 2011</li><li>▪ December 15, 2011 Finance and Audit Committee Agenda</li></ul>
Section:	Recommendation:	Fiscal Year 2010-11 Eastern Michigan University Foundation's Annual Report

**GRANTS AND CONTRACTS**  
**FY 2012 PROGRESS REPORT**  
 December 15, 2011

**TABLE I: PROPOSALS**

	FY2012 Activity through 10/31		FY2011 Activity through 10/31		FY2010 Activity through 10/31		FY2012 vs. FY2011 Actual to Date Var.	
	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date
<b>Proposals by Activity:</b>								
Research & Development Service	33	\$7,384,149	29	\$6,259,861	31	\$34,820,162	4	\$1,124,288
Corporate/Community Training	33	\$11,346,325	16	\$5,044,803	13	\$2,028,503	17	\$6,301,522
Instructional Support & Other	6	\$356,141	3	\$419,596	8	\$930,581	3	\$116,545
Total Proposals	6	\$1,116,900	5	\$1,624,226	5	\$660,148	1	(\$507,326)
	78	\$20,383,515	53	\$13,348,486	57	\$38,439,394	25	\$7,035,029
<b>Proposals by Funding Source:</b>								
Federal	36	\$17,144,118	32	\$11,568,491	38	\$37,744,972	4	\$5,575,627
State	8	\$790,222	4	\$499,398	7	\$557,394	4	\$290,824
Foundations	13	\$399,079	8	\$224,183	4	\$58,315	5	\$174,896
Business & Industry	8	\$212,502	4	\$54,914	2	\$13,520	4	\$157,588
Local Govt. & Other Non-Profits	13	\$1,837,594	5	\$1,001,500	6	\$65,203	8	\$836,094
Total Proposals	78	\$20,383,515	53	\$13,348,486	57	\$38,439,394	25	\$7,035,029

**TABLE II: AWARDS**

	FY2012 Activity through 10/31		FY2011 Activity through 10/31		FY2010 Activity through 10/31		FY2012 vs. FY2011 Actual to Date Var.	
	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date	No. to Date	Dollar Value to Date
<b>Awards by Activity:</b>								
Research & Development Service	13	\$681,608	20	\$2,430,507	12	\$1,717,353	(7)	(\$1,748,899)
Corporate/Community Training	19	\$5,863,420	17	\$2,898,511	18	\$4,363,350	2	\$964,909
Instructional Support & Other	4	\$333,391	2	\$332,557	1	\$279,855	2	\$834
Total Awards	6	\$462,561	6	\$256,818	3	\$66,157	0	\$205,743
	42	\$5,340,980	45	\$5,918,393	34	\$6,426,715	(3)	(\$577,413)
<b>Awards by Funding Source:</b>								
Federal	18	\$3,254,111	30	\$5,772,699	22	\$5,994,676	(12)	(\$2,468,585)
State	4	\$639,208	1	\$9,318	3	\$178,916	3	\$629,890
Foundations*	4	\$76,781	3	\$69,769	0	\$0	1	\$7,012
Business & Industry	4	\$42,290	7	\$98,607	2	\$13,520	(3)	(\$56,317)
Local Govt. & Other Non-Profits*	12	\$1,328,590	4	\$18,000	7	\$239,603	8	\$1,310,590
Total Awards	42	\$5,340,980	45	\$5,918,393	34	\$6,426,715	(3)	(\$577,413)

\*Grants reported jointly with the EMU Foundation:

Japan Foundation	\$2,000	Community Foundation of Southeastern Michigan	\$7,979
New Urban Learning	\$66,135	Michigan Japanese Bilingual Education Foundation	\$51,802
Project Management Institute Ed. Foundation	\$15,000	<b>Total:</b>	\$142,916

# EASTERN MICHIGAN UNIVERSITY

Summary of Grants and Contracts Received: September 1, 2011 - October 31, 2011  
Report to the Board of Regents: December 15, 2011

Project Title	Funding Agency	Project Director	EMU Unit	3rd Party In-kind	EMU In-kind	EMU Cash	Sponsor	Total
UM/NIH- Stroke Health and Risk Education Year 3	University of Michigan	Kathleen Conley	School of Health Promotion & Human Performance		\$9,201		\$26,626	\$35,827
EMU: Nurse Faculty Loan Program-Renewal 2011-2012	Health Resources & Services Administration	Virginia Lan	School of Nursing		\$1,422		\$12,794	\$14,216
Connecting Students to the Community: EMU GEAR-UP Partnership to Promote College Readiness and Success, Year 6 of 6	U.S. Department of Education	Russell Olweil	History & Philosophy	\$396,730	\$170,473	\$6,480	\$572,263	\$1,145,946
Observing Census Enumeration of Non-English Speaking Households in the 2010 U.S. Census, Supplement	U.S. Census Bureau	Kristine Ajrouch	Sociology, Anthropology & Criminology			\$155	\$800	\$955
The Dreams to Reality Information Assurance Capacity Building	Department of Defense	Gerald Lawver	School of Technology Studies				\$98,439	\$98,439
Washtenaw County Juvenile Court	Washtenaw County Government	Jennifer Kellman-Fritz	School of Social Work			\$1,500	\$139,917	\$141,417
Creating Safe Schools for LGBT Students	Community Foundation for Southeastern Michigan	Dennis Patrick	Communication & Theatre Arts		\$7,783		\$7,979	\$15,762
The Great Lakes Climate Change Science and Education Systemic Network (GLCCSSEN), 2011-2012 (supplement)	National Science Foundation	Sandra Rutherford	Geography & Geology				\$237,296	\$237,296
Upward Bound - MDE-Summer Food Program - 2011-2012	Michigan Department of Education	Julie Knutson	Upward Bound Program				\$5,714	\$5,714

Project Title	Funding Agency	Project Director	EMU Unit	3rd Party In-kind	EMU In-kind	EMU Cash	Sponsor	Total
Observing Census Enumeration of Non-U.S. Census Bureau English Speaking Households in the 2010 U.S. Census, Supplement--Modification 004	U.S. Census Bureau	Kristine Ajrouch	Sociology, Anthropology & Criminology				\$15,100	\$15,100
UMTSSNFSM1 Effectiveness of In-Classroom Breakfast Programs	University of Southern Mississippi	Alice Rainville	School of Health Sciences	\$43,649			\$60,132	\$103,781
Emu National Writing Project-Literacy National Writing Project Design Collaborative	National Writing Project	William Tucker	English Language & Literature				\$5,000	\$5,000
Project Lead The Way_Michigan	Project Management Institute Educational Foundation	John Drueger III	School of Engineering Technology				\$15,000	\$15,000
Ideas for a book Series for NCTE, Continuation for 2012	National Council for Teachers of English	Cathy Fleischer	English Language & Literature		\$4,680		\$12,000	\$16,680
McNair Postbaccalaureate Achievement Program-Year Five Continuation Funding	U.S. Department of Education	Heather Neff	English Language & Literature		\$117,693	\$18,824	\$213,180	\$349,697
Impacting of Material Trauma on Infant Social Emotional Development: The Critical Role of Disrupted Maternal Representations	American Psychoanalytic Association	Alissa Huth-Bocks	Psychology				\$3,000	\$3,000
Summer Experiences for Middle School Students	Gordian Charter Solutions, Inc.	James Carroll	Physics & Astronomy				\$5,000	\$5,000
Getting on the Right Track--Trackers Program (Michigan 4-S program)-Competitive Renewal	Michigan Department of Labor and Economic Growth	Mary Zdrojkowski	Holman Success Center	\$72,505	\$94,813		\$130,000	\$297,318
Charter School Implementation Consultation Support	Michigan Japanese Bilingual Education Foundation	Rosemary Weston	World Languages				\$51,802	\$51,802

Project Title	Funding Agency	Project Director	EMU Unit	3rd Party In-kind	EMU In-kind	EMU Cash	Sponsor	Total
University Collaboration to Support System-Wide Implementation of Best Practices and Evidence-Based Practices in Community Mental Health	Detroit/Wayne County Community Mental Health Agency	Muralidharan Naik	Office of the Dean of Health & Human Services				\$920,000	\$920,000
NLA Comprehensive Internship Integration Study	NonProfit Leadership Alliance (formerly American Humanities)	Claudia Petrescu	Political Science				\$2,434	\$2,434
Training Content Area Teachers to Teach English Continuation: 2011-2012	U.S. Department of Education	Alexander Popko	World Languages				\$283,613	\$283,613
Evaluating The Development and Advanced Competency Based Training Model for DMH Professionals	Detroit/Wayne County Community Mental Health Agency	Crystal Mills	Office of the Dean of Health & Human Services				\$8,104	\$8,104
EMU Alzheimer's Education and Research Program, 2011-2012	Michigan Department of Community Health	Shelly Weverdyck	Gerontology		\$11,567		\$63,103	\$74,670
Michigan Level of Functioning Project Year 16, 2011-2012	Michigan Department of Community Health	Vannie Hodges	Psychology				\$103,328	\$103,328
NUMBER OF AWARDS: 25				TOTAL:	\$469,235	\$461,281	\$26,959	\$2,992,624
								\$3,950,099



Eastern Michigan University  
**CASH AND INVESTMENTS**  
October 31, 2011

<b>Operating Cash and Investments</b>	<b>Account Balance</b>	
	<b>Dollars</b>	<b>Pct. Total</b>
<b><u>Cash</u></b>		
Eagle Crest Citizen's Account	\$ 185,265	0.3%
Chase Commerical Checking Accounts	3,965,549	5.7%
Total Cash	\$ 4,150,814	6.0%
<b><u>Short-term Investments</u></b>		
Bank of Ann Arbor Trust Account	\$ 256,154	0.4%
Northern Institutional Government Select Money Market Fund	3,000,000	4.3%
Dreyfus Institutional Preferred Money Market Fund	3,014,799	4.3%
Vanguard Prime Money Market Fund	3,024,277	4.3%
Total Short-term Investments	\$ 9,295,230	13.3%
<b><u>Intermediate Investments</u></b>		
WESTERN Asset Intermediate	\$ 7,521,397	10.8%
PIMCO Low Duration Institutional	7,476,711	10.7%
Total Intermediate Investments	\$ 14,997,108	21.5%
<b><u>Long-term Investments</u></b>		
U.S. Treasury Strips	\$ 74,141	0.1%
Western Asset Inflation	2,103,408	3.0%
Vanguard Developed Markets	2,051,245	2.9%
Vanguard Small Cap Index	2,205,236	3.2%
Loomis Sayles Bond Fund	4,247,407	6.1%
JPMorgan Core Bond Fund Select	4,739,829	6.8%
Vanguard Institutional Index	8,752,996	12.6%
PIMCO Total Return Bond Fund	17,045,505	24.5%
Total Long-term Investments	\$ 41,219,767	59.2%
Total Investments	\$ 65,512,105	100.0%
<b>Total Operating Cash And Investments</b>	\$ 69,662,919	
<b><u>Less: Outstanding Check and Reconciliation Items</u></b>	\$ (3,884,981)	
<b>Total Net Operating Cash and Investments</b>	\$ 65,777,938	
<b><u>Bond Proceeds Investments</u></b>		
<b><u>Fixed Income</u></b>		
Cash	\$ -	
Certificate of Deposit's	3,307,817	
US Treasury Securities	327,412	
US Government Bonds	6,618,910	
Corporate Bonds	5,648,921	
Comerica 2009 Bond Proceeds Account	2,366,352	
CD Placements	3,687,000	
<b>Total Bond Proceeds Investments</b>	\$ 21,956,412	
<b>Total Net Operating Cash, Investments and Bond Proceeds</b>	\$ 87,734,350	

Eastern Michigan University  
LONG-TERM INVESTMENTS  
 October 31, 2011

Portfolio Composition	Account Balance		Target	Range
	Dollars	Pct. Total		
<u>Domestic Equities</u>				
Vanguard Small Cap Index	\$ 2,205,236	5.3%	5%	0-10%
Vanguard Institutional Index	8,752,996	21.2%	20%	5-35%
Total Domestic Equities	\$ 10,958,232	26.6%	25%	10-40%
<u>International Equities</u>				
Vanguard Developed Markets	\$ 2,051,245	5.0%	5%	0-10%
Total International Equities	\$ 2,051,245	5.0%	5%	0-10%
<u>Fixed Income</u>				
U.S. Treasury Strips	\$ 74,141	0.2%		
Western Asset Inflation	2,103,408	5.1%		
Loomis Sayles Bond Fund	4,247,407	10.3%		
JPMorgan Core Bond Fund Select	4,739,829	11.5%		
PIMCO Total Return Bond Fund	17,045,505	41.4%		
Total Fixed Income	\$ 28,210,290	68.4%	70%	50-90%
<u>Cash Equivalent/Other</u>				
Total Cash Equivalent	\$ -	0.0%	0%	0-60%
Total Long-Term Investments	\$ 41,219,767	100.0%	100%	100%