

**FY 2011
BUDGET PRESENTATION**

**BOARD OF TRUSTEES
INTERNAL AUDIT**

**THOMAS L. STEPP
MAY 10, 2010**

Board of Trustees

Vision

Operate the most effective communications arm supporting the governing board of any higher education institution in America.

Mission

Prepare timely, complete, and accurate materials to support the various agenda of the board and its committees. Further, maintain comprehensive, historic minutes of the actions and discussion of the board and its policies. Execute fully the responsibilities outlined in Article X and other sections of the Bylaws of the Board of Trustees.

Goals, Initiatives, Action Plans and Indicators

Goal 1

Expand the distribution of information to board members in ways not directly related to specific board meetings.

Initiative

Explore establishment of a password protected website accessible to only Board members so that information can be posted timely and efficiently.

Action Plan

Assign a staff member to examine and assess similar systems of five other major universities.

Indicator

Evaluate the costs, advantages and disadvantages as discovered by the initiative research.

Goal 2

Enhance computer communications among the board and between the board and the administration.

Initiative

For the first time in the history of the University it appears that all Board members will have computer access.

Action Plan

Survey the Board members on communication preferred by computer, hard mail or other forms of communication.

Indicator

Implement system reflecting the wishes of a majority of the Board.

Goal 3

Enhance administrative preparation by the administration for board meetings and requests.

Initiative

Expand the duration of and participation in Board prep meetings.

Action Plan

Request written input before prep meetings from key administrators about forthcoming Board meetings.

Indicator

Achieve more decisions made in final form during Board prep meetings with fewer deferred for later action

Goal 4

Continue intensive, private board/administrative communications to enhance and improve clarity and efficiency of the setting of University policy.

Initiative

Continue to refine and operate under current procedure

Action Plan

Formally track, for one year, scores of telefax, e-mail and distribution of written messages.

Indicator

Assess Board satisfaction with timing and receipt of appropriate information.

ARTICLE III
RESPONSIBILITIES OF THE BOARD

- B. Elect a Secretary of the University and of the Board to serve at the will of the Board or for such term and compensation as the Board may prescribe;
- C. Elect a Treasurer of the University to serve at the will of the Board or for such term and compensation as the Board may prescribe;

ARTICLE V
OFFICERS OF THE BOARD

Section 6. SECRETARY OF THE UNIVERSITY AND THE BOARD OF TRUSTEES.

A Secretary of the University and of the Board of Trustees shall be elected by the Board to serve at the will of the Board. The Secretary need not be a member of the Board. He shall also serve as Secretary of all committees of the Board and the Board of Visitors. The Board may also elect assistant secretaries with such powers as may be delegated by the Secretary. The Secretary shall perform those duties prescribed in Article X of these Bylaws.

ARTICLE VIII
MEETINGS OF THE BOARD AND COMMITTEES

Section 6. RELEASE OF EXECUTIVE SESSION INFORMATION.

All matters discussed in executive sessions are confidential and shall be released to the public only as the Board shall direct, or in the event an executive session of a standing committee is involved, only as that standing committee shall direct, except that:

- A. Executive session items which require release from confidentiality in order that the ordinary business of the University might be conducted may be so released as directed by either the permanent Chairman of the Board, the President or the Secretary of the Board.

- B. The Secretary of the Board, in consultation with the permanent Chairman of the Board, is authorized to release for scholarly purposes executive session minutes of Board meetings, when the substance of such minutes would not now be considered in executive session or when the minutes pertain to meetings held more than twenty-five years ago.

ARTICLE IX

BOARD AND COMMITTEE PROCEDURES

Section 7. COMMUNICATIONS. The Secretary of the Board shall serve as the official medium of communication within the University System between the Board, and the University faculty, administrative officers, individual members of the staff, student organizations and students. The sole exception to this rule of procedure shall be communications made directly to the Board or its members by the President.

Section 9. MINUTES OF BOARD AND COMMITTEE PROCEEDINGS.

- A. Minutes of the proceedings of the Board shall be kept by the Secretary, and as soon as practical after a meeting, a copy of said minutes shall be mailed to each member of the Board.
- B. Minutes of the proceedings of each committee shall be kept by the Secretary, and as soon as practical after a meeting, a copy of said minutes shall be mailed to each member of the Board.
- C. The minutes of executive sessions of the Board and its committees shall be recorded and maintained in accordance with the South Carolina Freedom of Information Act.

ARTICLE X

DUTIES OF THE SECRETARY

The Board shall elect a Secretary of the University and of the Board of Trustees as provided in Articles III and V of the Bylaws who, as the

Board's elected representative, shall be one of the principal officers of the University System and who shall be charged with the responsibility of performing the many duties assigned to the Secretary by these Bylaws or by the Board, including but not limited to the following:

- A. Attend all meetings of the Board and of its committees and keep or cause to be kept a full and accurate record of proceedings of the Board and its committees.
- B. Promptly furnish a copy of the minutes of every Board and committee meeting to all members of the Board and to the President.
- C. Give due notification to the University administration and to State and civic bodies of the pertinent decisions and actions of the Board.
- D. Prepare and send out notices of all meetings of the Board and its committees, together with an agenda and other pertinent material relating thereto, in the manner and time provided in these Bylaws.
- E. Be responsible for the effective staffing and management of office premises to serve the working needs of the Board and ensure that the University provides sufficient and suitable space for the Secretary and the Secretary's staff and for the holding of all Board and committee meetings.
- F. Select and administer the staff of the Board Office and provide such staff assistance to the members of the Board and to the committees of the Board as may be requested or required from time to time in furtherance of their duties; appoint assistant secretaries, as necessary, to accomplish the responsibilities set forth in these Bylaws.
- G. Be responsible for the welfare, travel and compensation of the Board in accordance with applicable State statutes.
- H. Be responsible for and provide for the preservation of the records of the Board and all documentary files thereof.

- I. Be responsible for the text of all official plaques and notices erected on University premises by order of the Board.
- J. Be responsible for preparation of recommendations and citations for all honorary degrees granted in the name of the University.
- K. Ensure that the Board is informed of all other honors and distinctions given in the University's name.
- L. Be responsible for keeping members of the Board and such persons as the Board may direct supplied with copies of any changes or amendments to these Bylaws or the policies of the University as adopted or amended by the Board from time to time and any interpretive rulings previously made regarding matters being or to be considered.
- M. Provide liaison between the Board and its members as well as provide an additional communication link between the Board and the President and be responsible for communications between the Board and others as set forth in Article IX, Section 7 of these Bylaws.
- N. Be custodian of the official seal of the University.
- O. Certify as to the authority of all administrative or executive officers of the University when necessary.
- P. Assist the Board, in liaison with the President, in activities involving local higher education commissions associated with the two-year and four-year campuses.
- Q. Generally act as the coordinator of the Board and its members for all official functions and activities of the Board or with which the Board is involved.
- R. Perform such other duties and functions as may be prescribed by the Board.

Internal Audit

The Internal Audit Department is a service unit established to assist management and the Board of Trustees of the University of South Carolina in providing independent, proactive analyses of operations, financial activities and systems of internal control.

The goal of the department is to evaluate whether resources are used efficiently and effectively in keeping with mandated requirements and the University's mission, goals and objectives.

Internal Audit Budget Process

1. Have detailed budget submitted in writing to the Fiscal Policy Committee at the same time it is submitted to the Secretary.
2. Have Secretary's proposed budget for Internal Audit submitted to the Fiscal Policy Committee for approval prior to it being submitted to the Internal Budget Committee.
3. Have the Secretary of the Board submit the detailed recommendations of the Internal Audit Department as proposed by the Internal Budget Committee for review and/or approval of any differences to that submitted by the Secretary of the Board of Trustees.
4. Have the Fiscal Policy Committee submit the final budget for Internal Audit to the Board of Trustees for approval.

**Board of Trustees 60000 A000
FY 2011 Budget**

	Actual FY08	FY09 Mid-Year Cuts	Actual FY09	Estimated FY10	Needed FY11
Permanent Salaries	450,993		489,091	479,000	479,000
Fringes	113,322		121,716	119,750	119,750
Temporary Salaries	18,544	(4,520)	14,024	9,000	9,000
Student Salary	7,200		7,200	6,000	6,000
BOT Per Diem	8,855		8,435	8,500	8,500
BOT Travel	25,140	(3,203)	21,937	19,000	19,000
Employee Travel	5,014		4,982	5,000	5,000
Motor Pool	4,632		4,080	4,600	4,600
Telephone toll & equipment	12,115		12,531	13,200	13,200
WATS	600		600	600	600
Printing	6,626		3,111	3,800	3,800
Contractual Services	64,051		46,751	54,763	54,763
DP Service & Supplies	150		600	600	600
Office Products & Supplies	27,341		6,197	6,000	6,000
Postage	6,887		4,285	4,500	4,500
BOT & Bd. Of Visitors Food	31,485	(13,913)	17,572	16,000	16,000
Rentals	3,323		3,728	3,500	3,500
Contributions & Dues	265		918	600	600
Total	786,543	(21,636)	767,758	754,413	754,413
<u>Source of Funds</u>					
Current Recurring Budget	669,619	(69,843)	599,776	599,776	655,776
Non-Recurring	93,844		89,522	90,371	98,637
Carry Forward	49,806		36,726	8,266	
1807 Non-Recurring Initiative	10,000				
Mid-Year Non-Recurring			50,000		
Partial Cut Restored				50,000	
FY 2010 Initiative Request				6,000	
Total Source of Funds	823,269		776,024	754,413	754,413

Internal Audit - 62060 Recurring Budget

Classified Positions	373,424
Unclassified Positions	117,772
Temporary Help	1,000
Undergrad Student Asst	1,000
Employee Travel	18,364
Telephone Toll Charges	100
Voicemail	250
Telephone Monthly Service	2,414
Printing	1,000
Office Supplies	1,000
Postage	150
Data Processing Supplies	1,000
FSI Office Products	600
Data Processing Hardware	0
Rent - Copier	200
Contributions and Dues	1,000
Tuition/Fees Participants	1,000
Employee Fringe Benefits	121,000
	<u>641,274</u>