

# RADFORD UNIVERSITY

Board of Visitors

## QUARTERLY MEETING

1:00 P.M.

SEPTEMBER 11, 2020

MARY ANN JENNINGS HOVIS MEMORIAL BOARD ROOM  
AND ELECTRONIC COMMUNICATION  
THIRD FLOOR, MARTIN HALL, RADFORD, VA

### **DRAFT** **MINUTES**

#### **BOARD MEMBERS PARTICIPATING IN BOARD ROOM**

Mr. Robert A. Archer, Rector  
Dr. Thomas Brewster  
Dr. Rachel D. Fowlkes  
Mr. Mark S. Lawrence  
Ms. Georgia Anne Snyder-Falkinham

#### **BOARD MEMBERS PARTICIPATING BY ELECTRONIC COMMUNICATION**

Dr. Jay A. Brown  
Mr. Gregory A. Burton  
Ms. Krisha Chachra  
Dr. Debra K. McMahon  
Ms. Karyn K. Moran  
Ms. Nancy A. Rice  
Mr. David A. Smith  
Ms. Lisa Throckmorton  
Dr. Katie Hilden, Faculty Representative (Non-voting Advisory Member)  
Ms. Samantha Powell, Student Representative (Non-voting Advisory Member), joined upon selection

#### **BOARD MEMBERS ABSENT**

Mr. James R. Kibler, Jr., Vice Rector  
Dr. Susan Whealler Johnston

#### **OTHERS PRESENT**

Dr. Brian O. Hemphill, President  
Ms. Karen Castelee, Secretary to the Board of Visitors and Special Assistant to the President  
Mr. Craig Cornell, Vice President for Enrollment Management (For Presentation)  
Dr. Lyn Lepre, Provost and Vice President for Academic Affairs (For introduction)  
Ms. Wendy Lowery, Vice President for Advance and University Relations (For presentation)  
Mr. Chad A. Reed, Vice President for Finance and Administration and Chief Financial Officer (For Presentation)  
Ms. Ashley Schumaker, Chief of Staff and Vice President for Strategic Operations  
Mr. Allen T. Wilson, Assistant Attorney General, Commonwealth of Virginia

## **CALL TO ORDER AND OPENING COMMENTS**

[Recording](#)

Rector Robert A. Archer called the quarterly meeting of the Radford University Board of Visitors to order at 1:00 p.m. from the Mary Ann Jennings Hovis Memorial Board Room on the Third Floor in Martin Hall. Rector Archer began by welcoming the Board members to the September 2020 virtual meeting. Rector Archer asked that everyone be reminded of the significance of the day and to keep those effected by the events of September 11, 2001 in their thoughts.

Rector Archer thanked the Board of Visitors members for their continued commitment to Radford University and the students by devoting time, energy and expertise to the meeting and their continued support moving forward together during these difficult times. Rector Archer acknowledged the timely updates from President Hemphill and his team on the campus reopening and recognized them for their hard work. He thanked students, faculty and staff who have done all that is humanly possible to ensure a safe and healthy environment in which to learn.

Rector Archer closed by sharing that he believed we would be dealing with the impact of COVID-19 for an extended period of time and it will be part of the Board's responsibility to continue providing support.

## **APPROVAL OF AGENDA**

Rector Archer asked for a motion to approve the Board of Visitors meeting agenda for September 11, 2020, as published. Ms. Georgia Anne Snyder-Falkinham so moved, Dr. Thomas Brewster seconded, and the motion carried by roll call vote. (Ayes: Archer, Brewster, Brown, Burton, Chachra, Fowlkes, Lawrence, McMahon, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None)

## **APPROVAL OF MINUTES**

Rector Archer asked for a motion to approve the August 4-5, 2020 and June 12, 2020 minutes of the Board of Visitors meetings in a block. Mr. Mark Lawrence so moved, Ms. Snyder-Falkinham seconded, and the motion carried by roll call vote. (Ayes: Archer, Brewster, Brown, Burton, Chachra, Fowlkes, Lawrence, McMahon, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None)

## **CLOSED SESSION**

Rector Archer requested a motion to move into closed session. Dr. Rachel Fowlkes made the motion that the Executive Committee of the Radford University Board of Visitors convene a closed session pursuant to Section 2.2-3711 (A) Item 1 under the Virginia Freedom of Information Act for the discussion of personnel matters. Mr. Mark Lawrence seconded the motion. The Executive Committee went into closed session at 1:15 p.m.

## **RECONVENED SESSION**

[Recording](#)

Following closed session, public access to the meeting was reconnected. Rector Archer called the meeting to order at 2:31 p.m. On the motion made by Dr. Fowlkes and seconded by Mr. Lawrence, the following resolution of certification was presented.

### **Resolution of Certification**

**BE IT RESOLVED**, that the Radford University Board of Visitors certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Board. The resolution of

certification was adopted by roll call vote. (Ayes: Archer, Brewster, Brown, Burton, Chachra, Fowlkes, Lawrence, McMahon, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None)

### **STUDENT REPRESENTATIVE TO THE BOARD OF VISITORS**

Rector Archer asked for a motion to elect Ms. Samantha Powell to serve as the Non-voting Advisory Student Representative to the Board of Visitors for 2020-2021. Ms. Lisa Throckmorton so moved, Dr. Deb McMahon seconded, and the motion carried by roll call vote. (Ayes: Archer, Brewster, Brown, Burton, Chachra, Fowlkes, Lawrence, McMahon, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None)

### **RECOGNITION**

[Recording](#)

Rector Archer asked Breon Case, who served as Non-voting Advisory Student Representative for 2019-2020, to please enter the Board Room. Rector Archer presented Mr. Case with a plaque and stated that the Board of Visitors appreciated his participation on behalf of the student body and what they learned from him. Mr. Case stated it was an honor to serve on the Board of Visitors and appreciated the opportunity.

Rector Archer then addressed Dr. Jake Fox, who was participating electronically, and thanked him for his service as Non-voting Advisory Faculty Representative to the Board of Visitors from 2017 to 2020. Rector Archer then asked Dr. Brewster to read the resolution recognizing Dr. Fox. Following the reading, Dr. Fox added that he was grateful for the opportunity and he always felt supported and was treated like a full member of the Board. Mr. Lawrence added that the Board was thankful for not only what he accomplished, but how he did it. Adding, his collaborative and thoughtful approach was a testament to the kind of person he is. A copy of the resolution is attached hereto as *Attachment A* and is made a part hereof.

### **PRESIDENT'S REPORT**

President Brian O. Hemphill, Ph.D. began his report by thanking the Board of Visitors members for the opportunity to share his perspectives about the University as we navigate the Fall 2020 semester with robust campus operations and in-person engagement in the midst of the COVID-19 global health pandemic.

President Hemphill provided an update to the Board members on the COVID-19 planning and response efforts, with a focus on implementing the Campus Reopening Plan, while also responding to emerging needs and individual situations. President Hemphill shared that the University has engaged in transparency to share campus-based testing information on the University COVID-19 Dashboard. He shared that last week, public health experts advised that our campus plateaued in terms of COVID-19 cases and should expect to see a decline and recent data clearly demonstrates that we have successfully slowed the spread of COVID-19 on our campus.

President Hemphill continued by sharing that a gathering limitation of 10 individuals was recently instituted for the main campus and a call center was established in order to provide increased staffing and expanded support to the Dean of Students Office. He shared that, this past Tuesday, he hosted a Health and Safety Faculty Forum and was joined by New River Health District Director Noelle Bissell, M.D., and a similar forum will be held for administrative and professional faculty and classified staff on Wednesday, September 16, 2020.

President Hemphill acknowledged the incredible leadership of Dr. Bissell and her dedicated team for their exemplary service and expert guidance. He said that they have been true partners with the University throughout the planning and response efforts.

President Hemphill provided an update to the 2020 Virginia General Assembly Special Session, which convened on August 18, 2020. The Joint Money Committees met on August 18, 2020 to receive the revised revenue forecast and Governor Northam's proposed budget amendments for the 2020-22 biennium. Most of the new spending items unallotted in the 2020-22 Biennial Budget were eliminated by the Governor, including the additional operating support for RUC, additional need-based financial aid, the Tuition Moderation Fund, and state employee compensation adjustments. The Governor's proposed budget amendments left capital outlay relatively intact, including the Center for Adaptive Innovation and Creativity. Moving forward, the House and Senate will approve their respective budgets, and a final budget will be negotiated by a Committee of Conference and adopted by the General Assembly. After the Special Session adjourns, the Administration will begin to work on the revenue forecast and the Governor's proposed budget amendments that he will introduce in December for the 2021 General Assembly session.

President Hemphill introduced Provost and Vice President for Academic Affairs Lyn Lepre, Ph.D., who began her service on July 1, 2020. He added that Provost Lepre has been an excellent addition to our campus community and in just a few short months, has learned Radford's history and shown her Highlander spirit. Provost Lepre thanked President Hemphill for his comments and shared her excitement for being part of President Hemphill's team and working with the Board of Visitors. A copy of the report is attached hereto as *Attachment B* and is made a part hereof.

#### **ENROLLMENT MANAGEMENT UPDATE**

Vice President for Enrollment Management Craig Cornell provided the fall preliminary census enrollment and retention data, and shared observations for the incoming classes at Radford University and Radford University Carilion. He also shared an overview of the unprecedented challenges and realities being faced in recruiting students during a pandemic and the Division of Enrollment Management's efforts in addressing them.

Vice President Cornell said freshman enrollments for fall 2020 at Radford University were at 1,267 compared to 1,599 last fall and 69 compared to 52 last fall for Radford University Carilion. He added that there is a continued increase of out-of-state students as a percentage of the class, now at 10.7% for main campus, up from 10.1% from last fall. Vice President Cornell stated that student academic preparedness has increased this year at both campuses, resulting in a new record for main campus with an average high school GPA of 3.50, up from 3.49, as well as 3.64, up from 3.45, at Radford University Carilion. He added that the overall preliminary enrollment is at 10,456, down from 11,752, with expected growth as final enrollments are established.

Vice President Cornell shared highlights of student retention data, including Fall 2019 to Fall 2020 retention rate of 74.7%, a 3.4% increase over last year and the highest freshman rate since Fall 2016. There is also an increase in retention for each class of sophomores, juniors, seniors and overall of 0.2%, 0.5%, 0.2% and 1.9%, respectively.

In closing, Vice President Cornell provided an overview of the current enrollment climate post-COVID affecting all institutions across the Commonwealth and nationally, with a specific emphasis on Radford's efforts to mitigate these contingencies. These include limited in-person access to prospective students

and their parents throughout the enrollment cycle, shifts to more online learning and services are being met with both positive and negative comments from families, a more tailored enrollment approach to reflect what was learned from the experiences of this fall, and the development of college and academic program-specific facilitated communications and recruitment efforts. A copy of the report is attached hereto as *Attachment C* and is made a part hereof.

### **UNIVERSITY AUDITOR'S REPORT**

University Auditor Margaret McManus presented oral reports related to auditor independence and the internal quality assurance program. She further reported that one hundred percent of University Discretionary Fund expenditures for the quarters ended March 31, 2020 and June 30, 2020 were reviewed, and all were found to be in compliance with the Board of Visitors guidelines. Ms. McManus provided a copy of the Office of the State Inspector General report on Higher Education Institutions: Chemical Inventory Management, and discussed it as it pertained to Radford University. She also reviewed several reports related to prior and projected audit department activity. A copy of the report is attached hereto as *Attachment D* and is made a part hereof.

### **BYLAWS AMENDMENT APPROVAL**

Rector Archer stated that recent administrative changes and Board practices has made it necessary to amend the Board of Visitors Bylaws and called upon Chief of Staff and Vice President of Strategic Operations Ashley Schumaker to further describe the proposed changes. Chief of Staff Schumaker stated that the changes are a result of Information Technology integrating with the Division of Finance and Administration and would no longer be reporting to the Governance, Administration and Athletics Committee. Additionally, consistent with the Strategic Plan, the position of Special Advisor to the President for Partnerships and Chief Innovation Officer, held by Angela M. Joyner, Ph.D., will share reports and updates with the Governance, Administration and Athletics Committee on the areas of economic development, innovation and partnerships. The change to the University Advancement, University Relations and Enrollment Management Committee reflects the integration of University Relations into Advancement and name change of the division. The final change is moving the responsibility of evaluating the President to the Executive Committee. Following discussion, the Rector asked for a motion to approve the resolution to amend the Bylaws as noted in their materials. Ms. Nancy Rice so moved, Dr. Deb McMahon seconded, and the motion carried by roll call vote. (Ayes: Archer, Brewster, Chachra, Fowlkes, Lawrence, McMahon, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None) Note: Mr. Burton left the meeting, and Dr. Brown lost internet connection to the meeting. A copy of the Bylaws amendment and resolution are attached hereto as *Attachment E* and is made a part hereof.

### **GIFT ACCEPTANCE POLICY APPROVAL**

Vice President of Advancement and University Relations Wendy Lowery shared with the Board of Visitors a draft policy that would meet the requirements of HB 1529, which requires the governing board of each public institution of higher education to establish a policy for the acceptance of terms and conditions associated with any donation, gift or other private philanthropic support. The bill requires that the policy include an administrative process for reviewing, accepting and documenting terms and conditions associated with gifts that direct academic decision making and gifts of \$1 million or more that impose a new obligation on the institution. Following discussion, Rector Archer asked for a motion to approve the Gift Acceptance Policy. Mr. Lawrence so moved, Ms. Snyder-Falkinham seconded, and the motion carried by roll call vote. (Ayes: Archer, Brewster, Chachra, Fowlkes, Lawrence, McMahon, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None) A copy of the policy and resolution are attached hereto as *Attachment F* and is made a part hereof.

### **DEBT ISSUANCE PLAN APPROVAL**

Vice President for Finance and Administration and Chief Financial Officer Chad A. Reed presented information regarding the expansion of off-campus housing. The expansion of student residential housing has been in the University's Master Plan and capital outlay initiatives for the last decade. In 2018, the Radford University Foundation purchased properties in close proximity to campus that provided an opportunity for Radford University to expand its residential housing through a capital lease. The University has strategically defined the first acquisition of approximately \$22.5 million worth of properties. As such, \$17.5 million is being requested to be financed through the issuance of 9(c) debt, while the remaining \$5.0 million will utilize auxiliary reserves. This transfer will allow Radford University to leverage the Commonwealth's favorable financing options to acquire the property. Following discussion, Rector Archer asked for a motion to approve the resolution declaring the intention to issue 9(c) bonds for the Acquire Property, Capital Outlay Project #17851 through the Higher Education General Obligation (GO) Bond Program. Mrs. Snyder-Falkinham so moved, Dr. Brewster seconded, and the motion carried by roll call vote. (Ayes: Archer, Brewster, Chachra, Fowlkes, Lawrence, McMahan, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None) A copy of the report and resolution are attached hereto as *Attachment G and H, respectively*, and is made a part hereof.

### **2019-2020 FINANCIAL PERFORMANCE REPORT AND APPROVAL OF RADFORD UNIVERSITY'S 2020-2021 OPERATING BUDGET**

Vice President Reed presented the 2019-20 Financial Performance Report, which included a review of year-end financial activity as of June 30, 2020. A copy of the report is attached hereto as *Attachment I* and is made a part hereof.

Vice President Reed continued by presenting the 2020-2021 Proposed Operating Budget for board consideration. Following discussion, Rector Archer asked for a motion to approve the Radford University 2020-21 Operating Budget as presented, Mr. Lawrence so moved and Ms. Falkinham seconded, and the motion carried by roll call vote. (Ayes: Archer, Brewster, Brown, Chachra, Fowlkes, Lawrence, McMahan, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None) Note: Dr. Brown's internet connection was re-established. A copy of the report and resolution are attached hereto as *Attachments J and K, respectively*, and is made a part hereof.

### **CLOSED SESSION**

Rector Archer requested a motion to move into closed session. Dr. Brewster made the motion that the Radford University Board of Visitors convene a closed session pursuant to Section 2.2-3711 (A) Items 1, 3, 7 and 19 under the Virginia Freedom of Information Act for the discussion of personnel matters; discussion or consideration of the acquisition of real property for a public purpose; consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure. Mr. Lawrence seconded the motion. The Board of Visitors went into closed session at 4:02 p.m.

### **RECONVENED SESSION**

Following closed session, public access to the meeting was reconnected. Rector Archer called the meeting to order at 4:35 p.m. On the motion made by Dr. Brewster and seconded by Mr. Lawrence, the following resolution of certification was presented.

[Recording](#)

## **Resolution of Certification**

**BE IT RESOLVED**, that the Radford University Board of Visitors certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Board. The resolution of certification was adopted by roll call vote. (Ayes: Archer, Brewster, Brown, Chachra, Fowlkes, Lawrence, McMahon, Moran, Rice, Smith, Snyder-Falkinham and Throckmorton; Nays: None)

### **ANNOUNCEMENTS**

Rector Archer announced the upcoming meeting dates:

December 3-4, 2020

February 11-12, 2021

April 29-30, 2021

### **ADJOURNMENT**

With no further business to come before the Board, Rector Archer adjourned the meeting at 4:40 p.m.

Respectfully submitted,

Karen Castele

Secretary to the Board of Visitors and Special Assistant to the President



**RESOLUTION RECOGNIZING  
JASON R. "JAKE" FOX, PH.D.**

**WHEREAS**, Dr. Jason R. Fox, known to his colleagues as Jake, began his career at Radford University in August 2007, after completing the doctoral program in Anthropology at the University of Pittsburgh; and

**WHEREAS**, Dr. Fox, from the moment he was first hired as a special purpose faculty member, has consistently demonstrated his love for teaching and passion for creatively engaging students, which earned him a tenure-track appointment in 2009, a promotion to associate professor and tenure in 2013. In 2019, Dr. Fox earned the rank of full professor; and

**WHEREAS**, as an educator, Dr. Fox consistently demonstrates his desire to improve his teaching methods and continually revises his content and pedagogical style to match the advancements within the field and the changing needs of his students. Evaluations by his students provide evidence of the thoughtfulness and care that he devotes to his course development, as students feel challenged by his material and richly rewarded by their course experience; and

**WHEREAS**, Dr. Fox has contributed significantly to the overall development of the Anthropological Sciences major, and supported his colleagues and the operations in the Department of Anthropological Sciences and the Artis College of Science and Technology; and

**WHEREAS**, through his determination to always do more to serve others, Dr. Fox has made major contributions in University-wide service, most significantly in his leadership role as Faculty Senate President, and a wealth of campus committees and initiatives, which resulted in historic accomplishments for the University; and

**WHEREAS**, Dr. Fox fostered an outstanding Faculty Senate that addressed substantial and substantive matters to advance the faculty at Radford University now and into the future; and

**WHEREAS**, Dr. Fox spearheaded innovative and far-reaching curricular opportunities, including the initiation and support of the REAL model of general education that will have a positive impact on generations of Radford University students; and

**WHEREAS**, Dr. Fox faithfully served on the Radford University Board of Visitors as the Faculty Representative from 2017 to 2020, consistently demonstrating exemplary leadership and full collaboration on behalf of his faculty colleagues by clearly articulating and representing the needs and views of faculty; and

**WHEREAS**, Dr. Fox provided valuable insight and expert guidance to the Board, the President and others in all matters related to the faculty and shared governance, while providing unwavering collegiality and strong partnership at all times and during all interactions;

**NOW, THEREFORE BE IT RESOLVED**, that on this eleventh day of the month of September in the year two thousand twenty, the Radford University Board of Visitors does hereby consider and pass this resolution of commendation and appreciation for service and contribution to the Radford University Board of Visitors, the Radford University students, faculty and staff and the many contributions to national and regional communities, and furthermore that this resolution be preserved in perpetuity in permanent business records of the Radford University Board of Visitors and a copy be presented to Dr. Jason R. Fox.

A handwritten signature in black ink, appearing to read "Robert A. Archer", written over a horizontal line.

Robert A. Archer  
Rector

A handwritten signature in black ink, appearing to read "Brian O. Hemphill", written over a horizontal line.

Brian O. Hemphill, Ph.D.  
President



**RADFORD**  
**UNIVERSITY**Brian O. Hemphill, Ph.D.  
President

TO: Members of the Board of Visitors

FROM: Brian O. Hemphill, Ph.D.  
President

DATE: September 11, 2020

RE: President's Report

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I want to thank you for the opportunity to share my perspectives about our University as we navigate the Fall 2020 semester with robust campus operations and in-person engagement in the midst of the COVID-19 global health pandemic.

**A Tribute and Moment of Silence**

I would like to ask that those in attendance join me in a moment of silence for the victims of the September 11, 2001 attacks. It has been 19 years since our country joined together to celebrate the heroic efforts and true sacrifices of our fellow Americans, as well as the freedoms that we still enjoy to this day. At a time in which there is great unrest in our country, I am hopeful that today provides an rare opportunity for great reflection on the founding ideals and democratic principles from which our country was founded and continues to operate.

**COVID-19 Planning and Response Efforts**

As Radford University reopened on July 27, 2020 and began classes on August 12, 2020, we have focused on implementing our Campus Reopening Plan, while also responding to emerging needs and individual situations. We have engaged in transparency to share campus-based testing information on the University COVID-19 Dashboard. The most recent weekly update, which is available at [www.radford.edu/reopening](http://www.radford.edu/reopening), represents our continued commitment to actively engage in both accountability and transparency with regard to our on-going efforts.

Last week, public health experts advised that our campus plateaued in terms of COVID-19 cases and should expect to see a decline. This week's update clearly demonstrates that we have successfully slowed the spread of COVID-19 on our campus with a 67.18% decrease in new positive cases when comparing 195 from the prior update to 64 in this new update. Without question, our compliance and enforcement activities are proving to be successful.

I have expressed my sincere appreciation to our talented students, as well as world-class faculty, and dedicated staff, for their diligent efforts in wearing face coverings, exercising physical distancing, and washing hands frequently. I also shared my lasting gratitude with our supportive parents and engaged family members for encouraging these positive behaviors and responsible interactions by their Highlanders.

As the University is committed to protecting and promoting the health, safety, and well-being of all students, as well as faculty and staff, by taking prompt action when necessary, a gathering limitation of 10 individuals was recently instituted for the main campus. The University has been monitoring compliance with the recent gathering restriction for all main campus students in both on-campus and off-campus environments. This increased restriction and related enforcement on gatherings was implemented due to student behavior in our broader community. In partnership with the VDH, an overwhelming majority of the early positive cases was attributed to students attending two unrecognized fraternity parties and one large gathering, all of which occurred off campus. Students following public health measures and engaging in on-campus activities, such as attending in-person classes while wearing face coverings and exercising physical distancing, have very minimal exposure to COVID-19.

In addition to the increased gathering limitation, the University has taken a number of recent actions to ensure that we are supporting every student in their unique experiences. A call center was established in order to provide increased staffing and expanded support to the Dean of Students Office. This change has allowed us to provide additional one-on-one assistance. Due to the decreased volume of both calls and e-mails, we reduced call center staffing and hours this past week.

The Student Health Center is entering the third week of offering weekend hours. Students can receive campus-based health services on Saturdays and Sundays from 9:00 AM to noon. Additionally, the intake process has been modified to serve more students. The Student Health Center will continue to offer full medical consultations, evaluations, and services for those needing them. However, informational sessions and COVID-19 testing are also being offered in the Buchanan House at the beginning of each hour. Students with mild symptoms associated with COVID-19 can report directly to the Buchanan House without making an appointment with the Student Health Center. I am also pleased to report that student health services are now available at Radford University Carilion (RUC) through an expanded partnership with Carilion Clinic.

Our campus continues to be a safe learning and living environment as we are disinfecting individual classrooms and common areas twice a day. Disinfecting has been prioritized over cleaning in an effort to ensure a healthy environment. We are requiring face coverings on campus and have reconfigured classrooms to enable physical distancing. Clear barriers have been installed in many areas, including at the front of podiums in classrooms and throughout reception areas in customer-facing offices. Our students, as well as our faculty, staff, and visitors, are completing daily health screenings and being supported through campus services and individual requests

This past Tuesday (September 8, 2020), I hosted a Health and Safety Faculty Forum and was joined by New River Health District Director Noelle Bissell, M.D. A similar forum will be held for administrative and professional faculty and classified staff this coming Wednesday (September 16, 2020).

Today, we are offering a second round of surveillance testing for students, faculty, and staff on the main campus. Next Friday (September 18, 2020), we will offer the first round of surveillance testing for RUC students, faculty, and staff.

I would like to acknowledge the incredible leadership of Dr. Bissell and her dedicated team for their exemplary service and expert guidance. They have been true partners throughout our planning and response efforts!

### **General Assembly Update**

The 2020 Virginia General Assembly Special Session convened on August 18. This session is historic in that it marks the first time that the Virginia House of Delegates convened electronically to conduct business, including floor sessions and votes. Alternatively, the Senate of Virginia has convened in Richmond at the Science Museum of Virginia for most committee meetings and floor sessions to allow for social distancing protocols while conducting business. Due to the COVID-19 pandemic, all meetings are closed to the public, and all committee meetings and floor sessions are live streamed.

### *Budget Summary*

The Joint Money Committees met on August 18, 2020 to receive the revised revenue forecast and Governor Northam's proposed budget amendments for the 2020-22 biennium. Most of the new spending items unallotted in the 2020-22 Biennial Budget were eliminated by the Governor, including the additional operating support for RUC, additional need-based financial aid, the Tuition Moderation Fund, and state employee compensation adjustments. The Governor's proposed budget amendments left capital outlay relatively intact, including the Center for Adaptive Innovation and Creativity. However, while all debt financed capital outlay projects remain unchanged at this time, the Debt Capacity Advisory Committee will be evaluating the Commonwealth's debt capacity this fall.

At this time, the House Appropriations Committee is considering a series of budget amendments offered by House members. Delegate Torian, Chair of the House Appropriations Committee, held several budget amendment hearings earlier this month. Senator Howell, Chair of the Senate Finance and Appropriations Committee, has stated that the Committee will not be considering any budget amendments offered by Senate members. Moving forward, the House and Senate will approve their respective budgets, and a final budget will be negotiated by a Committee of Conference and adopted by the General Assembly.

After the Special Session adjourns, the Administration will begin to work on the revenue forecast and the Governor's proposed budget amendments that he will introduce in December for the 2021 General Assembly session.

### *Legislation Summary*

While the Special Session was initially focused on addressing the projected budget shortfall and the COVID-19 pandemic, criminal and social justice reform became a primary focus. Over the summer, the House Courts of Justice and House Public Safety Committees hosted a series of virtual meetings to discuss potential legislation for the Special Session. In addition, the Senate Committee on the Judiciary, along with other relevant Senate committees, hosted similar virtual meetings as well.

Approximately 275 bills have been introduced. Most of the legislation is in the area of criminal justice and police reform, and would impact law enforcement agencies, including campus police departments. Below is a brief summary of legislation of interest.

- **Enforcement of Emergency Orders.** Under current law, a violation of an executive order declared by the Governor is punishable as a Class 1 misdemeanor. There are bills in the House and Senate which would grant flexibility in enforcing executive orders by allowing for violations to be punished either as a civil penalty of up to \$500 or a Class 1 misdemeanor. Both bills have passed their house of origin and crossed over to the other body for consideration.
- **Civil Immunity from Claims Relating to COVID-19.** Legislation was introduced in the House and Senate which would have provided businesses and other entities, including state agencies, immunity from civil claims related to COVID-19 transmission or exposure. However, the different stakeholder groups were unable to reach a compromise, and the House and Senate bills are no longer advancing. The House and Senate bill patrons are hopeful that this issue can be resolved during the 2021 General Assembly session.
- **Rapid Testing Priority for Essential Workers.** Emergency legislation was introduced in both the House and Senate which would prioritize access to rapid diagnostic COVID-19 testing for essential workers, which included employees of public and private institutions of higher education. The House bill was tabled when it was heard in committee, and the Senate bill unanimously passed the Senate and has crossed over to the House for their consideration.
- **Paid Quarantine Leave.** A bill which would require employers to provide paid sick time during a pandemic was introduced in the Senate, but was passed by indefinitely when it was heard in committee at the beginning of the Special Session. Subsequently, a House bill was later introduced and the House Appropriations Committee reported a substitute version of the bill last week. The bill is currently on the House floor, and is expected to pass and cross over to the Senate for their consideration. The substitute version narrows the definition of eligible employees to only include those employees eligible for benefits who are working an average of 20 or more hours a week; in addition, state employees would not be eligible unless federal COVID-19 pandemic relief funds are available to fund the cost of providing paid quarantine leave; and a sunset clause was added so the legislation would only be in effect until July 1, 2021 or when the state of emergency is no longer in effect, among other changes.
- **Mental Health and Law Enforcement Crisis Response.** There are several bills relating to crisis co-response team programs, which would have law enforcement and mental health counselors respond to crisis situations for individuals whose behaviors are consistent with mental illness and substance abuse problems, among other behaviors. A substitute version of the House bill was reported by the House Appropriations Committee and is on the House floor; the bill establishes a mental health awareness response and community understanding (MARCUS) alert system and community care teams. The House bill would

implement a phased in approach where five programs would be established by July 1, 2021 in geographical areas served by select community services boards; and would be statewide by July 1, 2026. The legislation also specifies community care team training, protocol, and assessment, among other requirements.

The Senate version being advanced would ask agencies to develop guidance around crisis response teams but would not have a mandate for localities to implement the program. The bill is scheduled to be heard by the Senate Finance and Appropriations Committee this week.

- **Military Surplus Property and Use of Kinetic Energy Munitions.** A bill which would prohibit state agencies from acquiring, purchasing, or accepting military surplus property was heard in committee, and a substitute version was reported by the House Appropriations Committee to the House floor. The bill would also prohibit agencies from using previously acquired military property unless they receive a waiver from the Department of Criminal Justice Services. In addition, the bill would prohibit the use of kinetic energy munitions (which includes bean bag rounds, baton rounds, and projectiles) except in very limited circumstances for crowd control measures.
- **Civil Immunity for Law Enforcement Officers and Employers.** Legislation was introduced which would have removed sovereign immunity for law enforcement officers, including those employed by campus police departments, from civil liability for alleged misconduct while on duty. The legislation failed to pass the House on a close vote; a similar bill in the Senate was passed by indefinitely but will be studied later this year.
- **Law Enforcement Training and Protocol.** Other legislation continuing to advance would require police to report wrongdoing by other officers; mandate the duty of one officer to intervene to stop the use of excessive force by another officer; ban the use of neck restraints by law enforcement; strengthen the assessments and vetting required before hiring law enforcement officers; require the decertification of a law enforcement officer who is terminated or resigns for violation of law, violation of departmental policies or procedures, or during an internal investigation.

#### *Next Steps*

After the 2020 Special Session adjourns, there will be a Reconvened Special Session later in the fall for the General Assembly to address any amendments or vetoes from the Governor. The 2021 General Assembly Regular Session will convene on January 13 and is scheduled to adjourn on February 27.

#### **Warm Highlander Welcome**

I would also like to officially introduce Lyn Lepre, Ph.D., who began her service as the University's Provost and Vice President for Academic Affairs on July 1, 2020. Provost Lepre has been an excellent addition to our campus community. In just a few short months, she has learned Radford's history and shown her Highlander spirit. I know that each of you will enjoy getting to know and work with her in the months and years to come!

President's Report  
September 11, 2020  
Page 6

In closing, I would like to distribute copies of the Fall 2020 edition of The Magazine of Radford University. The recent magazine from the Advancement and University Relations team highlight the lasting impact of the Radford journey and the powerful nature of the Highlander experience.

This concludes my report.

# Enrollment Management Update

## Fall 2020

**RADFORD**  
UNIVERSITY

# New Freshmen

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Main Campus	Fall 2018	Fall 2019	Fall 2020
In-State	1,596	1,451	1,144
Out-of-State	166	148	123
<b>Total Main Campus</b>	<b>1,762</b>	<b>1,599</b>	<b>1,267</b>

Radford University Carilion	Fall 2018	Fall 2019	Fall 2020
In-State	62	46	67
Out-of-State	4	6	2
<b>Total RUC</b>	<b>66</b>	<b>52</b>	<b>69</b>



# Freshmen Indicators - Radford Main Campus

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Measure	Fall 2018	Fall 2019	Fall 2020
High School GPA	3.25	3.29	3.30

Measure	Fall 2018	Fall 2019	Fall 2020
SAT Verbal	531	528	524
SAT Mathematics	508	502	497
SAT Combined	1,039	1,030	1,021
ACT Composite	20.1	20.2	20.2

# Freshmen Indicators - Radford University Carilion

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Measure	Fall 2018	Fall 2019	Fall 2020
High School GPA	3.47	3.45	3.64

Measure	Fall 2018	Fall 2019	Fall 2020
SAT Verbal	529	533	537
SAT Mathematics	506	512	519
SAT Combined	1,035	1,045	1,056
ACT Composite	20.4	20.3	18.8

# New Freshmen by Ethnicity - Radford Main Campus

Ethnicity	Fall 2018	Fall 2019	Fall 2020
American Indian or Alaska Native	4	7	5
Asian	24	18	14
Black or African American	342	361	283
Hispanic	151	122	110
Native Hawaiian/Other Pacific Islander	2	0	0
White	1,064	912	743
Two or more races	113	118	86
Nonresident Alien	14	7	3
Race and Ethnicity Unknown	48	54	23
<b>Total New Freshmen</b>	<b>1,762</b>	<b>1,599</b>	<b>1,267</b>
<b>% Multi-Cultural*</b>	<b>36.0%</b>	<b>39.1%</b>	<b>39.3%</b>

\* Multi-Cultural: American Indian or Alaska Native, Asian, Black or African American, Hispanic, Native Hawaii/Other Pacific Islander, Two or More Races

# New Freshmen by Ethnicity - Radford University Carilion

Ethnicity	Fall 2018	Fall 2019	Fall 2020
American Indian or Alaska Native	0	0	0
Asian	2	1	1
Black or African American	6	4	3
Hispanic	4	2	4
Native Hawaiian/Other Pacific Islander	0	0	0
White	43	34	53
Two or more races	2	5	3
Nonresident Alien	0	0	0
Race and Ethnicity Unknown	9	6	5
<b>Total New Freshmen</b>	<b>66</b>	<b>52</b>	<b>69</b>
<b>% Multi- Cultural*</b>	<b>21.2%</b>	<b>23.0%</b>	<b>15.9%</b>

\* Multi-Cultural: American Indian or Alaska Native, Asian, Black or African American, Hispanic, Native Hawaii/Other Pacific Islander, Two or More Races

# New Transfers

---

Main Campus	Fall 2018	Fall 2019	Fall 2020
In-State	563	493	439
Out-of-State	26	18	27
<b>Total Main Campus</b>	<b>589</b>	<b>511</b>	<b>466</b>

Radford University Carilion	Fall 2018	Fall 2019	Fall 2020
In-State	110	92	94
Out-of-State	3	5	2
<b>Total RUC</b>	<b>113</b>	<b>97</b>	<b>96</b>

# New River Community College/Radford University Bridge Program

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	Fall 2020
Bridge Program Enrollments	54



# Overall Enrollment

Level	Fall 2018 (Preliminary)	Fall 2019 (Preliminary)	Fall 2020 (Preliminary)
Radford Main Campus	7,890	7,218	6,580
Radford University Carilion	-	712	717
IMPACT (through September 1)*	33	37	8
<b>Total Undergraduates</b>	<b>7,923</b>	<b>7,967</b>	<b>7,305</b>
Radford Main Campus	957	989	952
Radford University Carilion	-	334	384
IMPACT (through September 1)*	445	2,462	1,815
<b>Total Graduate</b>	<b>1,402</b>	<b>3,785</b>	<b>3,151</b>
<b>Preliminary Fall Headcount</b>	<b>9,325</b>	<b>11,752</b>	<b>10,456</b>
<b><i>Final Fall Headcount</i></b>	<b><i>9,335</i></b>	<b><i>11,870</i></b>	<b><i>TBD</i></b>

\* IMPACT is not finalized until October due to its academic calendar.

# Fall-to-Fall Full-Time Student Retention

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New Freshmen - Main Campus	Fall Terms
Fall 2015	74.3%
Fall 2016	75.7%
Fall 2017	70.9%
Fall 2018	71.3%
Fall 2019	74.7%

Other Populations- Main Campus	Change 2019-2020 Fall Terms
Sophomores	0.2%
Juniors	0.5%
Seniors	0.2%
<b>Total- All Bachelor Students</b>	<b>1.9%</b>



# Current Enrollment Challenges and Realities

- Demographic challenges are now a sub-context underpinning a post-COVID enrollment, as opposed to the fundamental challenge.
- A shift to online learning from traditional institutions has been received by students with mixed results, reported nationally.
- A shift to online services, however is likely a new service model that will be expected.
- All recruitment activities (campus visits, high school events, national and regional fairs and tailored Radford hotel events) are all now either non-existent, or heavily modified for the foreseeable future.



# Adjustments to the Challenges and Realities

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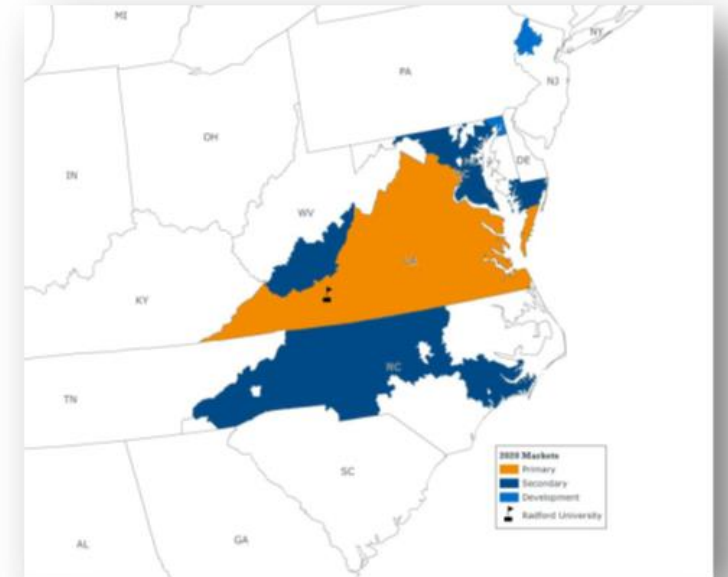
- Moving to a recruitment strategy that augments traditional freshman across-the-board efforts with targeted growth goals by “filling the holes in the sponge.”
- Shifting the Admissions recruitment staff from outward-facing to a combination of outward, in-office and digital/social recruitment.
- Significantly increasing our social media and virtual recruitment approaches.
- Evaluating what worked and do not work in our emergency COVID removal of barriers and replicating that for Fall 2021.
- Exploring a more significant Virtual Tour experience to highlight our campus and premiere facilities when it will be more challenging to get students to campus.



# Adjustments to the Challenges and Realities

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- Strategically re-aligning of our new student lead efforts with our key partner.
- Employing a facilitator model, as opposed to gatekeeper, with Admissions staff and Academic Affairs through an Admissions Liaison approach.
- Aligning recruitment efforts with University Relations and new marketing partner.
- Developing a full communication plan for college-specific recruiting that will involve unique elements, such as:
  - Specific landing pages;
  - Student and faculty video features;
  - Departmental letters, postcards and outreach;
  - Student outcome data ( job placement, opportunities and graduate school placement); and
  - Collateral and handoffs that moves from Radford, to college, to program and to faculty.



# Discussion



<b>Policy Title: Internal Audit Charter</b>	<b>Effective Date: 2/22/2018</b>
<b>Policy Number: GEN-PO-1005</b>	<b>Date of Last Review: NEW</b>
<b>Oversight Department: Office of Audit and Advisory Services</b>	<b>Next Review Date: 2/2/2021</b>

### 1. PURPOSE

The Office of Audit and Advisory Services, serving as the internal audit function for Radford University (University), was established by the Board of Visitors (Board) and the President as an integral part of the overall internal control structure of the University. The *Internal Audit Charter* describes the general purpose, authority, and responsibility of the Office of Audit and Advisory Services.

### 2. APPLICABILITY

The *Internal Audit Charter* applies to all University employees, departments, and activities.

### 3. DEFINITIONS

**Business Affairs and Audit Committee:** Per the Radford University Board of Visitors Bylaws, a standing committee of the Board of Visitors that is generally responsible for reviewing and recommending action to the Board regarding the financial and business affairs of the University, including but not limited to, capital projects, grants, contracts, and the naming of facilities. This committee also oversees the internal audit function of the University, receives the annual financial audit report of the Auditor of Public Accounts, and performs studies of financial matters as directed by the Board.

**Internal Auditing:** An independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of an organization. Its mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

**Internal Control:** Based on the Internal Control – Integrated Framework (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission, internal control is an ongoing process, effected by the Board of Visitors, management, and other University personnel designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. Internal control consists of five major components: control environment, risk assessment, control activities, information and communication, and monitoring.

**Management:** The collective body of those who have the authority and responsibility to make decisions in order to manage or direct the various operations and business processes of the University. Management encompasses various levels of the organization including division heads, deans, directors, managers, and supervisors.

**University Auditor:** The senior position that is responsible for effectively managing the University's internal audit function in accordance with the *Internal Audit Charter* and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework. The University Auditor is the Chief Audit Executive.

**University Employee:** Any person employed as a teaching faculty, administrative or professional faculty, classified employee, part-time or wage employee, student employee, work/study employee, or any other person paid through the University's payroll process.

#### 4. POLICY

- A. The University's Board of Visitors and the President are dedicated to supporting the internal audit function (i.e. the Office of Audit and Advisory Services), an integral part of the overall internal control structure of the University (see [Internal Control Policy](#)).
- B. As the University's internal audit function, the Office of Audit and Advisory Services must be independent from the University's management to operate effectively. In order to provide for the independence of the Office of Audit and Advisory Services:
  - 1. The Office of Audit and Advisory Services staff will report to the University Auditor who will be administratively responsible to the President and functionally accountable to the Business Affairs and Audit Committee of the Board of Visitors.
  - 2. The University Auditor will be provided unrestricted access to communicate and interact directly with the Business Affairs and Audit Committee.
  - 3. The University Auditor will confirm to the Business Affairs and Audit Committee, at least annually, the organizational independence of the Office of Audit and Advisory Services.
  - 4. Any decision to remove the University Auditor must be approved by the Business Affairs and Audit Committee.
- C. As its mission, the Office of Audit and Advisory Services will assist the Board of Visitors, the President, and senior management in accomplishing the University's strategic objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.
- D. The Office of Audit and Advisory Services will be authorized to:
  - 1. have full, free, and unrestricted access to all functions, records, property, and personnel of the University.
  - 2. allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives and issue reports.
  - 3. obtain assistance from the necessary personnel of the University, as well as other specialized services from within or outside the University, in order to complete their work.
- E. University employees must cooperate with the Office of Audit and Advisory Services in accordance with its authority.

- F. The Office of Audit and Advisory Services will not be authorized to:
1. perform any operational duties for the University or its affiliates.
  2. initiate or approve transactions external to the Office of Audit and Advisory Services.
  3. direct the activities of any University employee not employed by the Office of Audit and Advisory Services, except to the extent that such employees have been appropriately assigned to auditing teams, or to otherwise assist the audit team.
  4. develop or write policies or procedures that they may later be called upon to evaluate. Draft materials developed by management may be reviewed for propriety or completeness; however, ownership of, and responsibility for, these materials remains with management.

## 5. PROCEDURES

### A. Scope of Work

1. The scope of work for the Office of Audit and Advisory Services will be to ascertain that the system of internal control (see [Internal Control Policy](#)), as designed and represented by management, is adequate and functioning in a manner to provide reasonable assurance regarding the following:
  - a. Achievement of the University's strategic objectives
  - b. Effectiveness and efficiency of operations and programs
  - c. Reliability and integrity of financial and operational information
  - d. Safeguarding of assets
  - e. Compliance with policies, standards, procedures, contracts, and applicable laws and regulations
2. Reviews and evaluations of internal control by the Office of Audit and Advisory Services will be advisory in nature. The University's management will continue to be responsible for establishing and maintaining an adequate internal control system.
3. The Office of Audit and Advisory Services may also perform advisory and consulting services, provided the Office of Audit and Advisory Services does not assume management responsibility.

### B. Objectivity

1. All work performed by the Office of Audit and Advisory Services will be conducted in an objective manner.
2. The University Auditor will ensure that the Office of Audit and Advisory Services remains free from all conditions that threaten to impair the ability of audit staff to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content.
3. If such an impairment, either in fact or in appearance, is detected, the University Auditor will take the appropriate action to address and, if necessary, disclose the information to the appropriate parties.

4. The Office of Audit and Advisory Services staff will maintain an unbiased mental attitude that allows them to perform their work objectively and in such a manner that they will believe in their work product, that no quality compromises will be made, and that they will not subordinate their judgment on audit matters to others.
5. The Office of Audit and Advisory Services staff will have no direct operational responsibility or authority over any of the activities that they audit, nor will they have had any within the previous year.

**C. Responsibility**

The University Auditor and the Office of Audit and Advisory Services staff will have responsibility to:

1. develop a flexible annual audit plan, considering the input of senior management and the Business Affairs and Audit Committee. The plan will be developed using an appropriate risk-based methodology and presented to senior management and the Business Affairs and Audit Committee.
2. implement the annual audit plan, reviewing and adjusting it as necessary in response to changes in the University's business, risks, operations, programs, systems, and controls.
3. report to appropriate levels of management significant issues related to the processes for controlling the activities of the University, including potential improvements to those processes.
4. follow up with management to verify that corrective actions are taken on findings and recommendations, and report the results periodically to senior management and the Business Affairs and Audit Committee.
5. evaluate and assess significant merging/consolidating functions and new or changing systems, services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
6. perform special studies, reviews, or investigations requested by management.
7. perform consulting and advisory services related to governance, risk management, internal controls, or other areas of interest and concern.
8. conduct investigations of fraud, waste, and abuse, including those referred by the Office of the State Inspector General related to State Fraud, Waste, and Abuse Hotline cases. Results of these investigations will be communicated to management and the Business Affairs and Audit Committee, as appropriate.
9. coordinate with other control and monitoring functions and consider the scope of work of external auditors, as appropriate, to provide optimal audit coverage to the University at a reasonable overall cost.
10. periodically provide to the Business Affairs and Audit Committee information on the status and results of the annual audit plan and the results of activities and operations reviewed. Reports from "special request" audits may have more limited distribution.
11. ensure trends and emerging issues that could affect the University are considered and communicated to senior management and the Business Affairs and Audit Committee, as appropriate.



12. maintain a professional audit staff with sufficient knowledge, skills, and experience to meet the requirements of this *Internal Audit Charter*, and ensure that the principles of integrity, objectivity, confidentiality, and competency are applied and upheld. The impact of any resource limitations will be communicated to senior management and the Business Affairs and Audit Committee, as appropriate.
13. ensure emerging trends and successful practices in internal auditing are considered.
14. establish and ensure adherence to policies and procedures designed to guide the Office of Audit and Advisory Services.
15. ensure adherence to the University's relevant policies and procedures, unless such policies and procedures conflict with this *Internal Audit Charter*. Any such conflicts will be resolved or otherwise communicated to senior management and the Business Affairs and Audit Committee, as appropriate.

**D. Standards of Practice**

The Office of Audit and Advisory Services will conform to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (Standards), and the Definition of Internal Auditing.

**E. Quality Assurance and Improvement Program**

1. The Office of Audit and Advisory Services will maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include an evaluation of conformance with the Standards and application of the IIA's Code of Ethics.
2. The quality assurance and improvement program will include both internal and external assessments. Internal assessments will include ongoing monitoring and periodic assessments of the internal audit function. An external assessment will be performed at least once every five years by a qualified, independent assessor or assessment team.
3. The University Auditor will communicate results of the assessments to senior management and the Business Affairs and Audit Committee.

**6. EXCLUSIONS**

None

**7. APPENDICES**

None

**8. REFERENCES**

[State Fraud, Waste, and Abuse Hotline](#)

[The Institute of Internal Auditors International Professional Practices Framework \(IPPF\)](#)

[Internal Control – Integrated Framework \(2013\)](#), Committee of Sponsoring Organizations of the Treadway Commission

## 9. INTERPRETATION

The authority to interpret this policy rests with the President of the University and is generally delegated to the University Auditor.

## 10. APPROVAL AND REVISIONS

The *Internal Audit Charter* replaces and expands upon the *Charter* last adopted by the Board of Visitors on September 19, 2014. The newly developed *Internal Audit Charter* was developed in the University Policy Template, and was submitted to and approved by the President's Cabinet at the meeting held on January 8, 2018. The *Internal Audit Charter* was then submitted to and approved by the Radford University Board of Visitors at the meeting held on February 16, 2018. The President signed the *Internal Audit Charter* on February 22, 2018.

**For general information concerning University policies, contact the [Office of Policy Compliance](#) – (540) 831-5794. For questions or guidance on a specific policy, contact the Oversight Department referenced in the policy.**

**RADFORD UNIVERSITY  
OFFICE OF ADVISORY AND SERVICES**

**DRAFT**

**Fiscal Year 2020 Activity Report**

**Projects During Past Year**

**AUDITS & INVESTIGATIONS - Completed**

E-Verify

Information Technology Audit - Contingency Planning - Backup & Recovery

State Hotline Investigations (two cases)

Other Investigations (one case)

**AUDITS & INVESTIGATIONS - In Process**

Contract Audit - Dining Services

Information Technology Audit - Vulnerability Management

Revenue Collection Point Audit - Intercollegiate Athletics

Sponsored Programs & Grants Management

State Hotline Investigations (one case)

**ANNUAL AUDIT PROJECTS - Completed**

Cash Counts (14 funds)

Fixed Asset Verifications (53 assets)

Payroll Reviews (4 quarters)

University Discretionary Fund Reviews (4 quarters)

Inventory - June 30, 2019

Quality Assurance & Improvement Program Review

Follow-up on Internal Audit Report Issues

Follow-up on Auditor of Public Accounts (APA) Comments

**OTHER AUDIT PROJECTS - Completed**

Indirect Audit Activities

Coordination of APA Audit

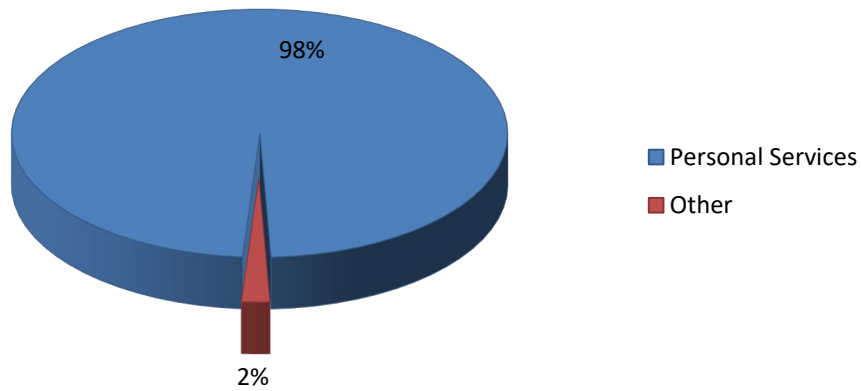
Coordination of OSIG Audit

Over 70 University & Management Support Projects

**RADFORD UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES**

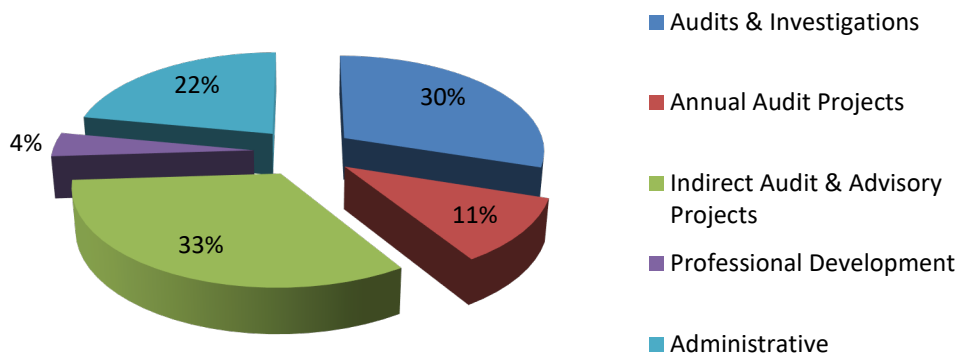
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**Fiscal Year 2020 Expenditures - Actual**



"Other" includes expenditures for travel, contractual services, printing/postage/copier, telecommunications, and supplies & materials.

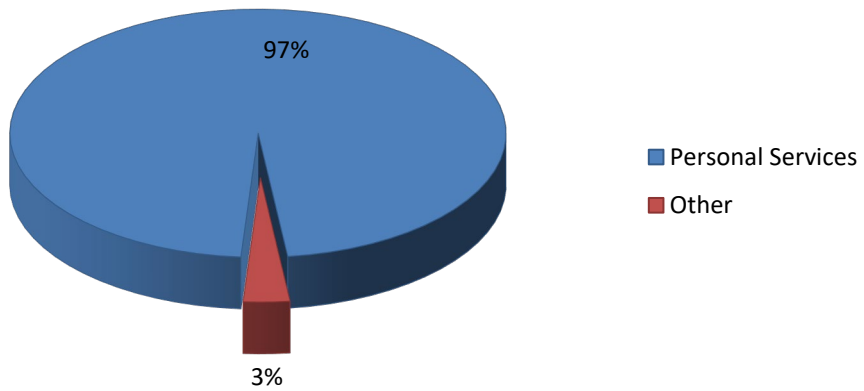
**Fiscal Year 2020 Hours - Actual**



**RADFORD UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES**

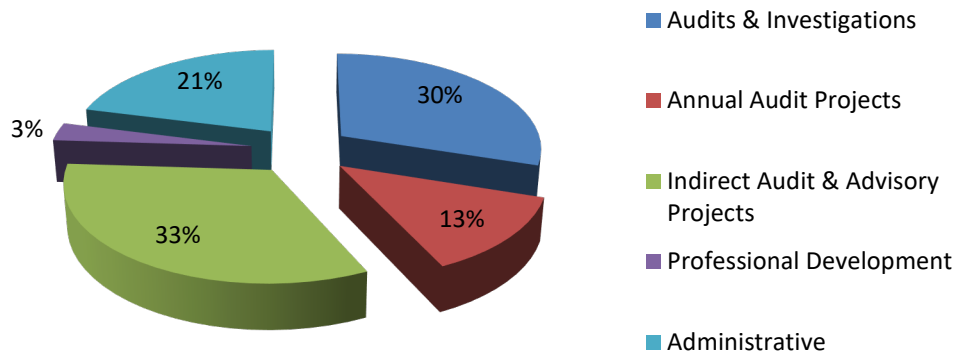
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**Fiscal Year 2021 Expenditures - Projected**



"Other" includes expenditures for travel, contractual services, printing/postage/copier, telecommunications, and supplies & materials.

**Fiscal Year 2021 Hours - Projected**



**RADFORD UNIVERSITY**  
**OFFICE OF AUDIT AND ADVISORY SERVICES**  
**BALANCED SCORECARD**  
**Fiscal Year 2020**  
**DRAFT**

#	Measurement Goal/Criteria	Goal	Results
<b>Personnel</b>			
1.	Maintain acceptable percentage of staff members with professional certifications or advanced degrees.	Between 75%-100%	67%
2.	Each staff member obtains an acceptable number of professional continuing education hours per calendar year.	Between 40-60 hours	65 hours
<b>Productivity</b>			
3.	Maintain an acceptable “administrative time” utilization ratio, based on hours worked.	25% or less	22%
<b>Reporting</b>			
4.	Provide the Business Affairs and Audit Committee with periodic status updates.	Between 3-4 times/year	3 times
5.	Maintain an average acceptable turnaround rate for distributing the draft report to management for signature (i.e. time between audit exit conference and distribution of draft report for signature).	10 business days	2 business days
<b>Quality and Effectiveness</b>			
6.	Maintain an acceptable percentage of business issues accepted by management.	Between 90%-100%	100%

**RADFORD UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES**

**DRAFT**

**Fiscal Year 2021 Audit Plan**

**AUDITS & INVESTIGATIONS**

Projects from Prior Year In Progress

Information Technology Audit - Vulnerability Management

Revenue Collection Point Audit - Intercollegiate Athletics

Sponsored Programs Audit

Contract Review Audit

CARES Act Audit

IT Asset Management Audit

State Hotline Investigations

Other Investigations

**ANNUAL/ROUTINE AUDIT PROJECTS**

Cash Counts

Inventory

Payroll Reviews

Fixed Asset Verifications

University Discretionary Fund Reviews

Follow-up on Internal Audit Report Issues

Follow-up on Auditor of Public Accounts (APA) Comments

**OTHER AUDIT PROJECTS**

Indirect Audit Activities

Auditor of Public Accounts Audit Coordination

University & Management Support Projects

# OFFICE OF THE STATE INSPECTOR GENERAL

## Higher Education Institutions: Chemical Inventory Management

Performance Audit

March 2020



Michael C. Westfall, CPA  
State Inspector General  
Report No. 2020-PA-003





*COMMONWEALTH OF VIRGINIA*  
*Office of the State Inspector General*

Michael C. Westfall, CPA  
State Inspector General

P.O. Box 1151  
Richmond, VA 23218

Telephone 804-625-3255  
Fax 804-786-2341  
[www.osig.virginia.gov](http://www.osig.virginia.gov)

March 25, 2020

Governor Ralph Northam  
Office of the Governor  
P.O. Box 1475  
Richmond, VA 23219

Dear Governor Northam,

The Office of the State Inspector General (OSIG) completed an audit of Chemical Inventory Management in Higher Education Institutions. The final report is attached.

OSIG would like to thank President Jonathan R. Alger (James Madison University), President John R. Broderick (Old Dominion University) and President Brian O. Hemphill (Radford University) and their staff for their cooperation and assistance during the fieldwork phase of the audit. OSIG would also like to thank all of the presidents of Virginia's institutions of higher education and their staff for their cooperation and assistance during the planning phase of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael C. Westfall".

Michael C. Westfall, CPA  
State Inspector General

CC: Mr. Clark Mercer, Chief of Staff to Governor Northam  
Mr. Atif Qami, Secretary of Education  
Senator L. Louise Lucas, Chair of the Senate Education and Health Committee  
Delegate Roslyn C. Tyler, Chair of the House Education Committee  
Mr. Robert A. Archer, Rector to the Board of Visitors for Radford University  
Ms. Maribeth D. Herod, Rector to the Board of Visitors for James Madison University  
Ms. Lisa B. Smith, Esq., Rector to the Board of Visitors for Old Dominion University  
Mr. Jonathan R. Alger, President of James Madison University  
Mr. John R. Broderick, President of Old Dominion University  
Dr. Brian O. Hemphill, President of Radford University

# Chemical Inventory Management in Higher Education Institutions

## *What OSIG Found*

### **First Responders Are Not Provided Access to Chemical Inventory**

Local first responders in the cities of Norfolk (Old Dominion University), Harrisonburg (James Madison University) and Radford (Radford University) are not regularly provided a chemical inventory to help them prepare for and react to emergencies.

### **Chemical Hazards and University Contact Information Is Not Posted on Laboratory Doors**

Old Dominion University (ODU) and Radford University (RU) have notification signs on laboratory doors as to what types of chemical hazards exist inside of the laboratory. James Madison University (JMU) did not have such notification signs.

### **Physical Chemical Inventory of the Integrated Science and Technology Department Does Not Match Inventory Records**

The chemical inventory for JMU's Integrated Science and Technology (ISAT) department does not accurately represent the chemicals on hand. Of 43 items judgmentally sampled, eight errors (19 percent) were identified. Inventories at ODU and RU accurately reflected items in the laboratories.

### **Acceptance of Donated Chemicals from Entities Outside of the University Is Not Formally Prohibited**

JMU inconsistently applied Environmental Health and Safety's verbal policy of not accepting chemical donations or donating chemicals. No accepting of or donating chemicals was identified at ODU and RU.

March 2020

## *HIGHLIGHTS*

### **Why OSIG Did This Audit**

The Commonwealth of Virginia has 39 publically supported higher education institutions, including 15 that offer at least a four-year bachelor's degree. This presents the potential for a large chemical inventory for use in teaching and research. OSIG conducted this performance audit to determine if institutions are effectively managing their chemical inventories to mitigate the risk of theft and misuse of chemicals, and to identify areas where safety and emergency preparedness might be enhanced.

While OSIG's audit scope only included ODU, JMU and RU, all higher education institutions should review the findings and recommendations for beneficial information that might assist efforts to manage chemicals used in teaching and research laboratories.

### **What OSIG Recommends**

- Higher education institutions should:
  - Regularly provide first responders with a complete and accurate chemical inventory.
  - Post chemical hazards and contact information on laboratory doors.
  - Conduct annual inventory counts of chemicals across all departments.
  - Develop and enforce formal policies prohibiting donating chemicals and receiving donated chemicals.



For more information, contact OSIG at 804-625-3255 or [www.osig.virginia.gov](http://www.osig.virginia.gov)

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## BACKGROUND

The Commonwealth of Virginia contains a vast number of diverse public higher education institutions consisting of:

- Fifteen institutions that award at least a four-year bachelor's degree.
- Two institutions that have Cooperative Extension operations that are considered separate educational institutions (Virginia Tech and Virginia State University).
- One two-year institution (Richard Bland College).
- Twenty-three community colleges with 40 physical campuses.

These institutions have various degree programs, instructional and research concentrations, and resources to accomplish their mission. One area that all institutions have in common is the use of chemicals in their instructional and research laboratories. The chemicals used in these laboratories range from low-risk, low-hazard to high-risk, high-hazard, and some chemicals must be reported to the U.S. Department of Homeland Security (DHS). While an institution's Environmental Health and Safety (EHS) organization can assist with managing chemicals, responsibility for monitoring chemicals used in a laboratory and chemical inventory management rests solely with the owner of that chemical such as the professor, researcher, instructor, etc. The basic mission of EHS at any higher education institution is to review and implement practical aspects of environmental protection and safety at work. Chemical inventory management is a small part of EHS responsibilities, but one that can contain significant risk that may be overlooked.

There are no regulatory requirements for a higher education institution to maintain a chemical inventory. The Occupational Safety and Health Administration (OSHA) addresses laboratory safety in various portions of Section 29 of U.S. Code of Federal Regulations (CFR), including appendices that are not mandatory but are considered to be best practices. These non-mandatory OSHA recommendations were based on the National Research Council's (NRC) publication of "Prudent Practices in the Laboratory: Handling and Management of Chemical Hazards." This reference, henceforth referred to as "Prudent Practices," is cited because of its wide distribution and acceptance and because of its preparation by recognized authorities in the laboratory community through the sponsorship of the NRC. One of the non-mandatory recommendations states, "Prudent management of chemicals in any laboratory is greatly facilitated by keeping an accurate inventory of the chemicals stored."

The Chemical Facility Anti-Terrorism Standards (CFATS) was authorized by Congress in 2007 and gave authority to regulate CFATS to DHS. Under CFATS, a chemical facility is any establishment or individual that possesses or plans to possess any chemicals of interest (COI). DHS has identified more than 300 COI with each chemical having an established screening

threshold quantity (STQ). DHS considers these chemicals high-risk and are categorized under three main risks:

- Release: Toxic, flammable or explosive chemicals or materials that can be released at a facility.
- Theft or diversion: Chemicals or materials that, if stolen or diverted, can be converted into weapons using simple chemistry, equipment or techniques.
- Sabotage: Chemicals or materials that can be mixed with readily available materials.

CFATS applies to facilities across many industries, including universities and laboratories. If a facility is at or above the established STQ for a COI, it must report its chemical holdings to DHS. If the facility is considered high-risk by DHS, it must develop a security plan that addresses three main security (risk) issues discussed above for the associated COI.

Five basic elements need to be recorded for each chemical in a chemical inventory management system:

- Name of the chemical.
- Chemical abstracts service (CAS) number.
- Quantity on hand.
- Location.
- Owner or contact information.

Some institutions might choose to not only use the five basic elements above, but also:

- Assign and affix a pre-printed barcoded numeric label that will be attached to the chemical container throughout the chemical lifecycle.
- List the vendor name of the chemical (e.g. Fisher Scientific, Sigma Aldrich, etc.).
- Assign sub-locations in the laboratory (e.g. flammables cabinet, refrigerator, bulk storage, acid cabinet, etc.).
- Enter the date the chemical was acquired.

In order to gain a better understanding of the chemical inventory management process at the Commonwealth's publicly supported higher education institutions, OSIG developed a survey that asked questions related to the chemical lifecycle (purchase, storage, use and disposal). The Chief Audit Executive at each institution provided an EHS contact for their respective institution that would receive and answer the survey. All institutions responded to the survey and for some institutions, not only did the EHS contact respond, laboratory managers also responded. Some notable survey results were:

- Chemicals are purchased by the individual departments (decentralized) and there is no centralized purchasing or receiving of chemicals.
- Chemicals can be purchased using the small purchase charge card (SPCC).
- Chemicals used in instructional labs are purchased in bulk quantities and are not diverse in the type of chemical used. Whereas, chemicals used in research labs are purchased in small quantities and are very diverse in the type of chemical used.
- Annual inventories, if conducted, are performed by the principal investigator.
- Written guidelines exist regarding the methods to be used for the labeling, accumulation and storage of hazardous waste.

## SCOPE

The audit scope covered chemicals used in instructional and research laboratories at Old Dominion University (ODU), James Madison University (JMU), and Radford University (RU) operations from July 1, 2015, through June 30, 2018. OSIG selected these universities to provide for testing at three different sized universities while taking into consideration any planned coverage by university internal auditors. Chemicals acquired for non-laboratory use (e.g. custodial and facility maintenance chemicals) were excluded from the scope of this audit.

While our audit scope only included ODU, JMU and RU, all higher education institutions should review our findings and recommendations for beneficial information that might assist them in their efforts to manage their chemicals used in teaching and research laboratories.

## OBJECTIVES

Objectives of this audit were to:

- Determine if university requirements for managing chemicals includes the purchase, approval and storage of the chemicals and is documented in their policies and procedures.
- Determine if inventory counts are performed and reconciled to the inventory system at least annually.
- Determine if Safety Data Sheets (SDS) are “readily accessible” in accordance with 29 C.F.R. 1910.1450(h)(1)(ii).
- Determine if periodic inspections of hazardous waste accumulation areas are being conducted and records of the inspections are maintained in accordance with applicable federal law.
- Determine if hazardous waste is disposed of timely according to C.F.R. §262.16(b)-(d) and that hazardous waste manifests are prepared and maintained in accordance with §262.20 and §262.40.

- Determine if the institution uses a chemical inventory management system to track chemicals through the chemicals' lifecycle on campus (chemical delivery through chemical disposal).
- Determine whether the likelihood of fraud by those directly responsible for the chemical (referred to as principal investigators or "PIs") or EHS personnel in the chemical lifecycle for laboratory or research chemicals is significant at selected universities.
- Determine if the institution has a process in place to assess its chemical inventory against DHS's Chemicals of Interest requirements.
- Determine if the institution provides its chemical inventory to authorized outside entities as part of its efforts "to make arrangements with the local police department, fire department, other emergency response teams" required in C.F.R § 262.16 (b)(8)(vi)(A).
- Determine if the institution has an established process to submit the Tier II form per Section 312 of the Emergency Planning and Community Right-to-Know Act (EPCRA).

## METHODOLOGY

OSIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that OSIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. OSIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

OSIG applied various methodologies during the audit process to gather and analyze information pertinent to the audit scope and to assist with developing and testing the audit objectives. The methodologies included the following:

- Conducting interviews.
- Conducting observations and walk-throughs.
- Conducting surveys.
- Examining policies and procedures to gain an understanding of the review areas.
- Examining and assessing processes for efficiency and effectiveness.
- Collecting and analyzing relevant data.

The audit objectives and the methodologies applied during the audit process were the same for each of the three institutions listed in the scope section above.

## FINDINGS

### FIRST RESPONDERS ARE NOT PROVIDED ACCESS TO CHEMICAL INVENTORY

Applies to:

- ODU
- JMU
- RU

Local first responders in the cities of Norfolk (ODU), Harrisonburg (JMU) and Radford (RU) are not regularly provided a chemical inventory to help them prepare for and react to emergencies. Knowledge of the universities' chemicals is potentially shared with first responders only during annual campus tours or if first responders ask during an actual emergency response.

Firsthand knowledge of the chemicals that a school possesses affects what action should take place during an emergency. Access to a complete and accurate chemical inventory allows first responders to better prepare for and respond to emergencies at the universities.

While the specific reasons for not providing a chemical inventory to first responders vary by institution, common themes include not being asked by first responders to provide a chemical inventory and potential security concerns of providing this information.

Not providing a chemical inventory to local first responders can result in an ineffective response or delayed response to emergencies. This can further lead to destruction of property, bodily harm and even possibly death to first responders and members of the university community.

#### **Recommendation(s):**

JMU, ODU and RU should regularly provide first responders with a complete and accurate chemical inventory. The exact nature and timing of inventory updates should be discussed between the universities and their respective first responders.

#### ***James Madison University Response(s):***

JMU concurs with the recommendation and will provide inventory to first responders annually and at their request.

#### ***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Annually JMU will provide a report from the chemical inventory database to the Harrisonburg Fire Department.



***Old Dominion University Response(s):***

First responders at ODU will be the ODU Police Department. Key personnel within the department will be given access to our online chemical inventory system and will be able to advise any other emergency responders who are called to the campus.

***Old Dominion University Corrective Action Plan:***

Appendix II contains ODU's corrective action plan received to address the above recommendation(s). In providing the plan, ODU stated the following:

Access to the Chemtracker software platform has been granted to ODU campus police and Communication staff.

***Radford University Response(s):***

RU and the Radford City Fire Department, which is also the regional HAZMAT team, have mutually agreed that access to the Chemical Inventory Management and Electronic Reporting Application (CHIMERA) database be granted to the Fire Chief and the three captains underneath the Chief. RU EHS is currently working with the fire department to establish the accounts and provide appropriate training for accessing the system.

***Radford University Corrective Action Plan:***

Appendix III contains RU's corrective action plan received to address the above recommendation(s). In providing the plan, RU committed to the following:

Granting access to the Chemical Inventory Management and Electronic Reporting Application (CHIMERA) database to the Fire Chief and Captains underneath the Chief.

## CHEMICAL HAZARDS AND UNIVERSITY CONTACT INFORMATION IS NOT POSTED ON LABORATORY DOORS

Applies to:

- JMU

ODU and RU have notification signs on laboratory doors as to what types of chemical hazards exist inside of the laboratory. ODU has chosen to use the Global Harmonized Symbols (GHS pictograms), while RU has chosen to use the National Fire Protection Association (NFPA) Hazard Identification System (NFPA four-colored diamond; red, yellow, white and blue) to identify chemical hazards in their laboratories. Both institutions list the appropriate contact information. JMU did not have such notification signs on laboratory doors.

Prudent Practices states, “To aid emergency responders, many laboratories also post contact information on the laboratory door, as well as information about the hazards within the laboratory.” Not listing the hazards and contact information on the outside of laboratories can cause a delayed or ineffective response in the event of emergencies.

### **Recommendation(s):**

OSIG recognizes the procedures by ODU and RU to post chemical hazards and contact information on laboratory doors as a potential best practice for other state universities and recommends these universities explore implementation.

### ***James Madison University Response(s):***

JMU concurs with the recommendation.

### ***James Madison University Corrective Action Plan:***

Appendix I contains JMU’s corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Evaluate hazards annually in each lab and develop appropriate signage indicating the hazards and contact information.

Generate and post signs. Include a process in the chemical hygiene plan to ensure door signs will be accurately maintained.

## PHYSICAL CHEMICAL INVENTORY OF THE INTEGRATED SCIENCE AND TECHNOLOGY (ISAT) DEPARTMENT DOES NOT MATCH INVENTORY RECORDS

Applies to:

- JMU

The chemical inventory for JMU's Integrated Science and Technology (ISAT) department does not accurately represent chemicals on hand. Chemical inventories tested at ODU and RU as well as those tested in JMU's Biology, Geology and Chemistry departments accurately represented chemicals on hand. OSIG's limited inventory test counts consisted of using "list-to-floor" and "floor-to-list" methods. The inventory listings used were provided by EHS, which were obtained from the Vertére system. The inventory test counts were limited to the following areas within the ISAT-CS building:

- Chemicals where the ISAT Lab Coordinator listed as the owner.
- Chemicals in room 230, regardless of the listed owner.
- Chemicals in room 134, regardless of the listed owner.
- Chemicals where the listed owner was no longer at the university. (This was unknown to OSIG when this chemical owner was selected.)

OSIG's analysis revealed missing chemicals as shown in the table below:

<b>Total Available Chemicals In Areas Tested</b>	<b>Sample Selected for Testing</b>	<b>Missing From Sample</b>	<b>Percentage Missing From Sample</b>
883	43	8	19%

When questioned, ISAT personnel could not offer a viable explanation as to why the chemicals were missing.

In order for a chemical inventory to be useful, it must contain reasonably accurate information. An inaccurate chemical inventory can lead to excessive chemical orders and incorrect regulatory reporting. One way to ensure the accuracy of information is through periodic physical inventories. Lab personnel report that the last physical inventory in the ISAT department occurred in 2009.

**Recommendation(s):**

JMU needs to conduct a physical inventory of the chemicals in its ISAT department. JMU should annually conduct an inventory of the chemicals across all departments.

***James Madison University Response(s):***

JMU concurs with the recommendation.

***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Perform annual chemical inventory in all departments.

## ACCEPTANCE OF DONATED CHEMICALS FROM ENTITIES OUTSIDE OF THE UNIVERSITY IS NOT FORMALLY PROHIBITED

Applies to:

- JMU

PIs at JMU inconsistently apply EHS's verbal policy of not accepting chemical donations or donating chemicals. PIs at ODU and RU do not accept or donate chemicals. One JMU PI told OSIG that "receiving donated chemicals and/or donating chemicals is too risky and places too much liability on JMU." However, another JMU PI told OSIG in the presence of EHS personnel that he had accepted donated chemicals, they were stored in his office and he would not hesitate to receive donated chemicals because "research dollars are tight."

Prudent Practices states, "donated material can easily become a liability" and "do not donate entire chemical inventories to schools." Although EHS practices forbid accepting chemical donations or donating chemicals, a formal policy does not exist preventing the acceptance of donated chemicals or donating chemicals to other institutions.

The potential effects of allowing PIs to accept and/or donate chemicals include:

1. Greater liability on JMU if a chemical-related emergency happened at the accepting institution as a result of the donation.
2. Higher waste disposal cost if the accepted chemical cannot be used.
3. Misuse of state funds and/or grant dollars if the funds used to purchase the donated chemicals were provided for a specific purpose.

### **Recommendation(s):**

JMU should develop and enforce a formal policy prohibiting donating chemicals and receiving donated chemicals, then educate its PIs on this policy.

### ***James Madison University Response(s):***

JMU agrees with the observation presented and will address donating chemicals, receiving donated chemicals and educate its constituents.

### ***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Update all chemical hygiene plans (CHPs) to prohibit donating or receiving donated chemicals. CHPs are reviewed by all PIs.

## TIER II REPORT WAS NOT SUBMITTED

Applies to:

- JMU

JMU has not submitted a Tier II form to the Virginia Department of Environmental Quality (DEQ) for the period of 2012 – 2017. Section 312 of EPCRA requires that a Tier II form be submitted for the previous calendar year to the Local Emergency Planning Committee (LEPC), the State Emergency Response Commission (SERC) and the local fire department by March 1 of the current year. ODU and RU had submitted the Tier II forms as required.

JMU EHS staff prioritize tasks they deem to be high risk such as laboratory safety inspections and fire safety inspections. JMU EHS staff indicated they were unaware a Tier II form had not been submitted for each calendar year during the period of 2012 – 2017.

Not submitting this form can cause delays in or inappropriate responses to emergencies involving chemicals as well as daily fines by the Environmental Protection Agency (EPA). OSIG calculated a potential minimum and maximum penalty. As of July 23, 2019, the potential minimum fine is \$17,963 and the potential maximum fine is \$174,975.

### **Recommendation(s):**

JMU should collaborate with DEQ regarding the submission of a Tier II form to any combination of DEQ, LEPC, SERC or JMU's local fire department. Based on the results of the collaboration with DEQ, JMU should self-report any violation of Section 312 of the EPRCA to minimize any potential fines.

### ***James Madison University Response(s):***

JMU concurs with the recommendation. Facilities Management submitted a Tier II report in February 2019 to the DEQ, LEPC, LEPC fire department and SERC and will update and resubmit a report annually prior to March 1.

### ***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Submit Tier II report to the DEQ, LEPC, SERC, and Harrisonburg Fire Department.

## CAS NUMBERS ARE NOT ENTERED INTO CHEMICAL INVENTORY MANAGEMENT SYSTEM FOR TRACKING

Applies to:

- JMU

Universally recognized CAS numbers are not consistently recorded in JMU's Vertére system. Although OSIG was told by JMU staff that the easiest way to look up a chemical in Vertére was using the CAS number, auditors discovered the lack of the CAS number in all five locations tested at JMU. As discussed in JMU's response below, they do not use the field for mixtures but OSIG did not expect the mixtures to be in the inventory.

When a new chemical is entered into Vertére, a master record for that chemical is created. However, Vertére's master record does not require the chemicals' CAS numbers. These numbers, unique numerical identifiers assigned and maintained in a registry by CAS since 1957, currently identify more than 144 million unique organic and inorganic substances and 67 million protein and DNA sequences. The registry is updated with around 15,000 additional new substances daily. Both the ODU and RU chemical inventory systems used CAS numbers which were consistently recorded.

Prudent Practices states that a "chemical inventory should include the... Chemical Abstract Service number." Chemicals may have several names but will only have one CAS number. When a master record is created in Vertére, the system accepts a supplier and product number in lieu of a chemical's CAS number. Not requiring the CAS number in inventory can lead to the inability to identify specific chemicals JMU has on hand. This can result in regulatory noncompliance, increased safety risk and a potentially inaccurate inventory. Additionally, this can cause errors in system reports that rely on the CAS number to identify chemicals.

### **Recommendation(s):**

JMU should assign each new and existing chemical master record in Vertére with that chemical's appropriate CAS number.

### ***James Madison University Response(s):***

JMU concurs with the recommendation.

### ***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Enter CAS numbers into Vertére.

## SAFETY DATA SHEETS ARE NOT READILY ACCESSIBLE

Applies to:

- JMU

SDS at JMU were not readily accessible but were accessible at ODU and RU using online systems. SDS binders that were supposed to contain SDS were incomplete or misfiled. OSHA standard 1910.1450(h)(1)(ii) states that “employers shall maintain any safety data sheets that are received... and ensure that they are readily accessible.”

SDS binders are not always updated when a new chemical is introduced to a laboratory. Printing, hole-punching and alphabetically filing a new SDS every time a new chemical is added to a laboratory can be a time-consuming process. Additionally, the responsibility for updating and maintaining SDS binders when new chemicals are introduced to the laboratory was unclear. SDS not being readily accessible can cause delays in knowing critical chemical information contained when needed in the event of an emergency.

### **Recommendation(s):**

JMU should update SDS binders when a new chemical is received as required by OSHA. To augment the required physical binders, JMU should consider acquiring an online SDS solution to allow information to be readily accessible for all chemicals in the laboratory.

### ***James Madison University Response(s):***

JMU contracted with KHA Online SDS and is in alpha testing of the system at this date.

### ***James Madison University Corrective Action Plan:***

Appendix I contains JMU’s corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Purchase electronic SDS system

Ensure electronic system contains SDSs for all chemicals on campus

Educate university personnel on the electronic system and its use



## SEPARATED EMPLOYEES ARE STILL LISTED AS CHEMICAL OWNER

Applies to:

- JMU

At the time of our audit, a former employee at JMU was listed as being responsible for 633 chemicals in the university's chemical inventory management system, Vertére. As a result, chemicals did not have a legitimate responsible party or "chemical owner" to ensure accurate representation in the institution's chemical inventory. Similar errors at ODU and RU were not identified as chemical inventories tested accurately represented items on hand.

No documented process exists to reassign chemicals to a new chemical owner and remove the former chemical owner from the institution's chemical inventory system after a chemical owner leaves the university. Without a legitimate chemical owner updating chemicals in the chemical inventory, the inventory will become obsolete and unreliable for internal use and compliance reporting purposes. This can result in additional safety risk and compliance exposure.

### **Recommendation(s):**

JMU EHS should establish a formal process for updating Vertére when a chemical owner leaves the university. This process should include reassigning chemicals to a new owner or disposing of the former owner's chemicals, removing the former chemical owner from the chemical inventory and removing the former chemical owner's access to the chemical inventory system.

### ***James Madison University Response(s):***

JMU concurs with the recommendation.

### ***James Madison University Corrective Action Plan:***

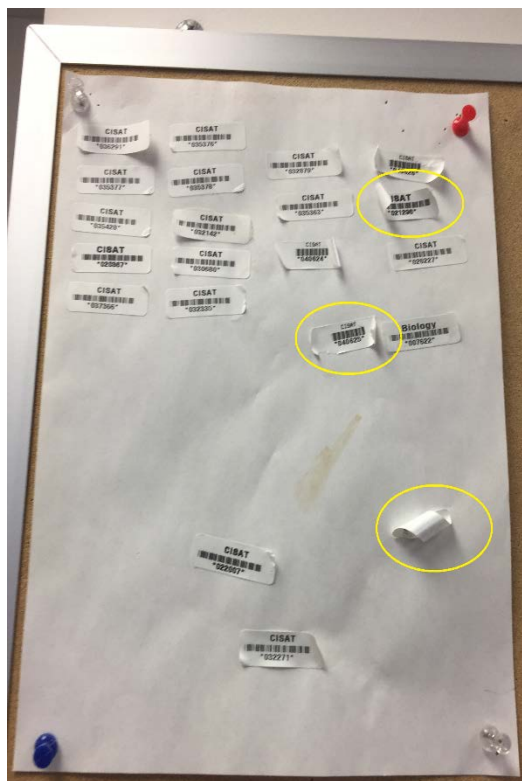
Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

When a new chemical owner is hired, they will be added to Vertére. When a current chemical owner is separated, they will be removed from the current chemical owner directory. The chemicals will be disposed of, reassigned, or returned to the stock room.

## PROCESS TO REMOVE CHEMICALS FROM INVENTORY IS INEFFECTIVE

Applies to:

- JMU



JMU's current process for removing consumed chemicals from the chemical inventory in the chemistry, biology and ISAT departments is not effective. This process relies on irregular collection of peeled off inventory labels from empty chemical containers by select individuals responsible for maintaining the inventory. In some instances, as shown in the picture, these inventory labels are peeled off a container and attached to a piece of paper on a bulletin board in the laboratory. In this picture, some labels are beginning to exhibit signs of curling up and falling into a hazardous waste receptacle located below. Processes at ODU and RU were more effective as they complete inventory removal forms.

Once chemicals are consumed, they should be removed from the chemical inventory promptly. Not having a process that reliably removes consumed chemicals from inventory results in an obsolete inventory for assessing JMU's compliance with various regulations.

**Recommendation(s):**

JMU should reassess the process it uses to identify how chemicals are ready to be removed from the chemical inventory in the chemistry, biology and ISAT departments. For instance, PIs could place empty chemical containers in a central location as is done in JMU's geology department.

***James Madison University Response(s):***

JMU concurs with the recommendation.

***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Consumed or disposed chemicals will be removed from the inventory by either providing the empty container to the appropriate inventory manager, placing the barcode label on a designated sheet and/or writing the barcode number on the designated sheet which will be processed at least monthly.

**SCREENING THRESHOLD QUANTITIES ARE NOT MONITORED FOR CHEMICALS OF INTEREST**

Applies to:

- JMU
- RU

JMU and RU do not have a process to assess its COI against STQ established by DHS under CFATS. ODU has a process in place. While our audit did not test for STQ of a chemical, our results did reveal the physical existence of COI in the laboratory.

CFATS regulations require entities who store COI in excess of the established STQ to notify DHS within 60 days of possessing COI in excess of the STQ. EHS prioritizes tasks it deems to be high risk such as laboratory safety inspections and fire safety.

JMU and RU are exposing themselves to additional safety risks by not properly assessing whether its COI are at quantities deemed by DHS to require additional security measures. Additionally, if the universities failed to self-report in a timely manner after reaching the STQ for any COI, they would expose themselves to potential fines from DHS.

**Recommendation(s):**

JMU and RU should use their chemical inventory management systems to identify whether COI in their chemical inventory are above DHS' STQ on a monthly basis and allow enough time to properly self-report to DHS should they exceed the STQ.

***James Madison University Response(s):***

JMU concurs with the recommendation and will run a monthly electronic Vertére report to verify that no laboratory chemicals on the COI list exceed DHS' STQ.

***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Run a monthly COI report from the chemical inventory database and verify that COIs are below the STQ as required by DHS.

***Radford University Response(s):***

RU is using CHIMERA, which can provide real-time information on COI. COI information will be pulled on a quarterly basis for comparison against established thresholds. Unless held quantities exceed these thresholds, the generated report will be filed for recordkeeping purposes only.

RU's process, prior to utilizing CHIMERA, for assessing COI involved EHS staff reviewing chemical purchases through the procurement flow (any COI being purchased would be followed up on by EHS for quantity, storage, use and disposal) and through regularly scheduled laboratory inspections. Our assessment consistently indicated that storage of COI has continued to be less than 10 percent of COI STQs. The process of reviewing chemical purchases and laboratory inspections will continue but now in conjunction with the capabilities within CHIMERA.

Given the small volume of COI the university has and given the controls EHS has in place for the procurement flow of chemical purchases, the university feels that running the report on a quarterly basis should be adequate. RU does not possess the quantity or volume of COI to justify monthly running of such a report. Should quantities of a COI at RU exceed 10 percent of the STQ, EHS will begin running monthly reports until the value drops under 10 percent for the specific COI.

***Radford University Corrective Action Plan:***

Appendix III contains RU's corrective action plan received to address the above recommendation(s). In providing the plan, RU committed to the following:

RU is using CHIMERA, which can provide real-time information on COI. COI information will be pulled on a monthly basis for comparison against established thresholds. The generated report will be filed for recordkeeping purposes only, unless STQ quantities are exceeded, in which case a report will be made to DHS.

## LABORATORY SAFETY INSPECTION DEFICIENCIES ARE NOT FOLLOWED-UP

Applies to:

- JMU

JMU EHS staff do not follow-up with laboratories that have deficiencies noted during laboratory safety inspections. Instead, the responsibility of correcting deficiencies is left to individual departments. ODU and RU EHS do follow up with the laboratories that have deficiencies noted during safety inspections.

Knowing whether deficiencies are being adequately addressed in a timely manner allows escalation of the matter, if needed. Without following-up on deficiencies, EHS does not know whether the deficiencies are addressed until the laboratories' next inspection.

**Recommendation(s):**

JMU EHS staff should follow-up with laboratories that have noted deficiencies from its laboratory safety inspections. Further, they should document this process and its laboratory safety inspection process.

***James Madison University Response(s):***

JMU concurs with the recommendation.

***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Hire a Safety Manager to oversee lab safety that acts as a liaison between Risk Management and Academic Affairs.

Follow-up to inspection findings will now be conducted at most two weeks plus one day from EHS reports.

## PRUDENT PRACTICES IN CHEMICAL HYGIENE PLAN ARE NOT COMPLETE

Applies to:

- JMU
- ODU
- RU

The Prudent Practices lists several practices that are signs of a mature and effective chemical inventory management function. Policies at ODU, JMU and RU do not explicitly require the below practices:

1. Assessing surplus chemicals prior to ordering new chemicals.
2. Ordering the minimum amount of chemicals necessary.
3. Substituting less hazardous chemicals when feasible.
4. Assessing whether adequate storage space exists for chemicals and any waste that will be produced prior to purchasing chemicals.

The Prudent Practices are not explicitly documented in policies at the three universities because PIs at each university are expected by their management to follow the best practices of their field. Not explicitly requiring PIs to follow these prudent practices exposes the universities to unnecessary risks. This can result in additional cost to the university and increase the inherent safety risk associated with chemicals.

**Recommendation(s):**

ODU, JMU and RU should amend their existing chemical inventory management policies so that these prudent practices are required.

***James Madison University Response(s):***

JMU will amend chemical hygiene plans to include these four best practices working with constituents to implement these best practices.

***James Madison University Corrective Action Plan:***

Appendix I contains JMU's corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Update chemical hygiene plans with guidance from prudent practices.

***Old Dominion University Response(s):***

ODU will make an amendment to the chemical hygiene plan addressing these four best practices and notify all chemical inventory "owners" of the addition.

***Old Dominion University Corrective Action Plan:***

Appendix II contains ODU's corrective action plan received to address the above recommendation(s). In providing the plan, ODU stated the following:

The Chemical Hygiene Plan was revised to provide direction on prudent practices regarding chemical purchases.

***Radford University Response(s):***

RU is currently updating the university chemical hygiene plan and the update will include amended language to address the prudent practices mentioned. The updated chemical hygiene plan is expected to be finalized by June 30, 2020.

***Radford University Corrective Action Plan:***

Appendix III contains RU's corrective action plan received to address the above recommendation(s). In providing the plan, RU committed to the following:

RU is currently updating the university chemical hygiene plan and the update will include amended language to address the prudent practices mentioned. The updated chemical hygiene plan is expected to be finalized by June 30, 2020.



## UNIVERSITY HAS MULTIPLE CHEMICAL INVENTORY MANAGEMENT SYSTEMS

Applies to:

- RU

RU's Chemistry Department, Biology Department and Geology Department use separate chemical inventory management systems. To mitigate this issue, EHS has identified the need for one system that can be used by all departments. EHS is in the preliminary stage of reviewing various commercial off-the-shelf systems that will meet its requirements as well as identifying university resources needed for possible implementation. JMU and ODU use a single consolidated system.

A single system would allow more effective and efficient management of the university's chemical inventory. However, each department developed or acquired their own disparate systems ranging from a legacy system to freeware (software that requires no annual payment or licensing fee).

Using different chemical inventory management systems across departments:

- Weakens EHS' ability to consistently manage chemicals.
- Places a greater burden on IT to manage different systems.
- Complicates monitoring for regulatory compliance.
- Promotes inconsistency in chemical inventory management processes surrounding inventory.

### **Recommendation(s):**

RU should establish deadlines and expedite its selection, procurement and implementation of a university-wide chemical inventory management system.

### ***Radford University Response(s):***

RU is now using a single chemical inventory management system, CHIMERA. This system was fully activated on April 9, 2019, with the completion of current inventory upload to the system finalized on May 16, 2019.

### ***Radford University Corrective Action Plan:***

Appendix III contains RU's corrective action plan received to address the above recommendation(s). In providing the plan, RU committed to the following:

RU is now using a single chemical inventory management system, CHIMERA. This system was fully activated on April 9, 2019, with the completion of current inventory upload to the system finalized on May 16, 2019.

## ENVIRONMENTAL HEALTH AND SAFETY IS NOT NOTIFIED OF NEW HIRES AND SEPARATED EMPLOYEES

Applies to:

- JMU
- RU

ODU EHS staff are notified by their Human Resources department when new hires occur and when employees separate from the institution. In turn, EHS filters the listing provided their Human Resources department for employees who potentially need access or removal to/from their chemical inventory system. This practice also allows EHS to prepare for actions to set up or dispose of chemical inventories.

EHS is responsible for implementing practical aspects of environmental protection and safety at the institution, as well as promoting good working practices. One such practice is granting access to the chemical inventory management system for new hires and removing access for separating employees. Another such practice is to perform a “close-out” procedure of the laboratory used by the separating employee, including inventory of laboratory chemicals and possible disposal.

### **Recommendation(s):**

OSIG recognizes ODU’s procedure as a potential best practice for other state universities and recommends these universities explore implementation.

### ***James Madison University Response:***

Risk Management will either be allowed to run their own query or be provided the results of one performed by Human Resources indicating the employees who have been hired or separated from the university. For any separated employee who is listed as a chemical owner in the chemical inventory system, the AUH will determine the disposition of their chemicals. If the chemicals are not all offered for disposal, the AUH will select to whom they should be reassigned, which will be reflected in the electronic inventory record. New hires will be added upon request from the departmental purchasing agent if/when the new hire intends to purchase chemicals.

### ***James Madison University Corrective Action Plan:***

Appendix I contains JMU’s corrective action plan received to address the above recommendation(s). In providing the plan, JMU committed to the following:

Obtain notification from Human Resources of new hires and separated employees

***Radford University Response:***

EHS maintains all access to the chemical inventory system. EHS is informed of new staff hires from Human Resources and faculty hires from the College Dean's Office. EHS is made aware of all separations from the university and access is removed in accordance with the separation date. Awarding access to the system is recommended by the Dean or Department Chair and entered by EHS.

***Radford University Corrective Action Plan:***

Appendix III contains RU's corrective action plan received to address the above recommendation(s). In providing the plan, RU committed to the following:

EHS maintains all access to the chemical inventory system. Access will be granted based on the completion and approval of a system access request form. EHS is made aware of all separations from the university and access is removed in accordance with the separation date.

Awarding access to the system is determined by EHS in consultation with the Dean or Department Chair as necessary.

## AUDIT RESULTS

This report presents the results of our audit of chemical inventory management at the select higher education institutions of ODU, JMU and RU. The following audit testing was performed with immaterial, if any, discrepancies noted:

- Using information provided from interviews and walkthroughs, OSIG found that:
  - PIs are using established state contracts to purchase chemicals from suppliers and vendors. Many PIs stated this helped ensure chemicals were purchased at the lowest cost while not sacrificing quality.
  - Satellite waste accumulation areas located in the labs were clearly labeled as such and the accumulated waste containers themselves were labeled. Inspection logs are maintained in the accumulation area showing inspections are occurring on a regular basis by the PI.
  - Laboratory operations are visible to faculty, staff, students and the general public. To mitigate the risk of potential harmful chemicals that could be used for nefarious actions being visually identified outside of the lab, some PIs have chosen to turn the chemical container around where the label is not visible and/or hide the chemical behind a larger container.
  - All disposal costs for hazardous waste generated by the labs are incurred by EHS.
- Institutions are using some type of a chemical inventory management system, albeit a commercial off-the-shelf system or in an Excel spreadsheet format.

Based on the results and findings of the audit test work conducted of chemical inventory management at the select higher education institutions of ODU, JMU and RU, OSIG concluded that internal controls related to the audit objectives were operating properly, except as identified in the report findings.

## APPENDIX I - JMU CORRECTIVE ACTION PLAN

FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
First Responders Are Not Provided Access To Chemical Inventory	JMU, ODU and RU should regularly provide first responders with a complete and accurate chemical inventory. The exact nature and timing of inventory updates should be discussed between the universities and their respective first responders.	Annually JMU will provide a report from the chemical inventory database to Harrisonburg Fire Department	Excel spreadsheet	Jan 29, 2020. Current and ongoing annually before February 1 <sup>st</sup> .	Environmental Health Coordinator
Chemical Hazards And University Contact Information Is Not Posted On Laboratory Doors	OSIG recognizes the procedures by ODU and RU to post chemical hazards and contact information on laboratory doors as a potential best practice for other state universities and recommends these universities explore implementation.	Evaluate hazards annually in each lab and develop appropriate signage indicating the hazards and contact information.  Generate and post signs. Include a process in the chemical hygiene plan to ensure door signs will be accurately maintained.	Accurate signage  Updated chemical hygiene plan	September 30, 2020	Academic Unit Heads  Lab Coordinators  *Vivarium and Lab Safety Manager  *Vivarium and Lab Safety Assistant

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FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
Physical Chemical Inventory Of The Integrated Science and Technology (ISAT) Department Does Not Match Inventory Records	JMU needs to conduct a physical inventory of the chemicals in its ISAT department. JMU should annually conduct an inventory of the chemicals across all departments.	Perform annual chemical inventory in all departments.	Annual inventory of chemicals	September 30, 2020	Academic Unit Heads  Lab Coordinators
Acceptance Of Donated Chemicals From Entities Outside Of The University Is Not Formally Prohibited	JMU should develop and enforce a formal policy prohibiting donating chemicals and receiving donated chemicals, then educate its PIs on this policy.	Update all chemical hygiene plans (CHPs) to prohibit donating or receiving donated chemicals. CHPs are reviewed by all PIs.	Updated chemical hygiene plans	September 30, 2020	Academic Unit Heads  Lab Coordinators
Tier II Report Was Not Submitted	JMU should collaborate with DEQ regarding the submission of a Tier II form to any combination of DEQ, LEPC, SERC or JMU's local fire department. Based on the results of the collaboration with DEQ, JMU should self-report any violation of Section 312 of the EPRCA to minimize any potential fines.	Submit Tier II report to the DEQ, LEPC, SERC, and Harrisonburg Fire Department	Tier II Report	February 11, 2019. February 29, 2020.  Current and ongoing annually prior to March 1 <sup>st</sup> .	Power Plant Manager, Facilities Management
CAS Numbers Are Not Entered Into Chemical	JMU should assign each new and existing chemical master record in Vertére	Enter CAS numbers into Vertére	Updated Vertére records	September 30, 2020	Academic Unit Heads

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FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
Inventory Management System for Tracking	with that chemical's appropriate CAS number.				Lab Coordinators
Safety Data Sheets Are Not Readily Accessible	JMU should update SDS binders when a new chemical is received as required by OSHA. To augment the required physical binders, JMU should consider acquiring an online SDS solution to allow information to be readily accessible for all chemicals in the laboratory.	<p>Purchase electronic SDS system</p> <p>Ensure electronic system contains SDSs for all chemicals on campus</p> <p>Educate university personnel on the electronic system and its use</p>	<p>Electronic SDSs available online or via any mobile device</p> <p>JMU e-binder representing all JMU chemicals</p> <p>Knowledgeable personnel</p>	<p>July 22, 2019</p> <p>April 1, 2020</p> <p>Currently in process and ongoing</p>	<p>Environmental Health Coordinator</p> <p>Environmental Health Coordinator/KHA (vender)</p> <p>Risk Management personnel/Chemical Hygiene Officers/Safety Coordinators</p>

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FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
Separated Employees Are Still Listed As Chemical Owner	JMU EHS should establish a formal process for updating Vertére when a chemical owner leaves the university. This process should include reassigning chemicals to a new owner or disposing of the former owner's chemicals, removing the former chemical owner from the chemical inventory and removing the former chemical owner's access to the chemical inventory system.	When a new chemical owner is hired, they will be added to Vertére. When a current chemical owner is separated, they will be removed from the current chemical owner directory. The chemicals will be disposed of, reassigned, or returned to the stock room.	Updated Vertére database with only current JMU employees as chemical owners.	Currently verifying accuracy of chemical owners September 30, 2020	Academic Unit Heads  Lab Coordinators
Process To Remove Chemicals From Inventory Is Ineffective	JMU should reassess the process it uses to identify how chemicals are ready to be removed from the chemical inventory in the chemistry, biology and ISAT departments. For instance, PIs could place empty chemical containers in a central location as is done in JMU's geology department.	Consumed or disposed chemicals will be removed from the inventory by either providing the empty container to the appropriate inventory manager, placing the barcode label on a designated sheet and/or writing the barcode number on the designated sheet which will be processed at least monthly.	Process to ensure empty or disposed chemicals are removed from the chemical inventory system.  Updated chemical hygiene plan	September 30, 2020	Academic Unit Heads  Lab Coordinators
Screening Threshold Quantities Are Not	JMU and RU should use their chemical inventory management systems to	Run a monthly COI report from the chemical inventory database and verify that COIs are below the STQ as required	Monthly report	Prior to the 15 <sup>th</sup> of each month	Environmental Health Coordinator



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FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
Monitored For Chemicals of Interest	identify whether COI in their chemical inventory are above DHS' STQ on a monthly basis and allow enough time to properly self-report to DHS should they exceed the STQ.	by DHS.		beginning February 2020. Current and on-going	
Laboratory Safety Inspection Deficiencies Are Not Followed-Up	JMU EHS staff should follow-up with laboratories that have noted deficiencies from its laboratory safety inspections. Further, they should document this process and its laboratory safety inspection process.	<p>Hire a Safety Manager to oversee lab safety that acts as a liaison between Risk Management and Academic Affairs.</p> <p>Follow-up to inspection findings will now be conducted at most two weeks plus one day from EHS reports</p>	<p>Vivarium and Lab Safety Manager position in the Office of Research Integrity (ORI)</p> <p>Vivarium and Lab Safety Assistant in the Office of Research Integrity (ORI)</p> <p>Documented process for laboratory safety inspections and follow-up.</p>	<p>September 19, 2019 (hired)</p> <p>January 6, 2020 (hired)</p> <p>March 2020</p>	<p>Academic Unit Heads</p> <p>Lab Coordinators</p> <p>*Vivarium and Lab Safety Manager</p> <p>*Vivarium and Lab Safety Assistant</p>

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FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
Prudent Practices In Chemical Hygiene Plan Are Not Complete	ODU, JMU and RU should amend their existing chemical inventory management policies so that these prudent practices are required.	Update chemical hygiene plans with guidance from prudent practices	Updated chemical hygiene plans	September 30, 2020	Academic Unit Heads  Lab Coordinators  *Vivarium and Lab Safety Manager  *Vivarium and Lab Safety Assistant
Environmental Health And Safety Is Not Notified Of New Hires And Separated Employees	OSIG recognizes ODU's procedure as a potential best practice for other state universities and recommends these universities explore implementation.	Obtain notification from Human Resources of new hires and separated employees.	Reports of new hires and separated employees	Current and on-going. Risk Management receives daily reports from HR of new and separated employees	Risk Management Safety and Training Coordinator

## APPENDIX II - ODU CORRECTIVE ACTION PLAN

FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
First Responders Are Not Provided Access To Chemical Inventory	JMU, ODU and RU should regularly provide first responders with a complete and accurate chemical inventory. The exact nature and timing of inventory updates should be discussed between the universities and their respective first responders.	ODU Police Department First Responders have been granted access to the Chemtracker software platform. Twenty-six members of the ODUPD and Communication Room staff have full access to the secure website from their response vehicle and/or dispatch computers in the event of a reported emergency. They will be responding to all emergencies in conjunction with Norfolk Fire Department personnel and will provide chemical inventory information as necessary.	Attached is a list of ODUPD and Communication staff who have been granted access.	2-26-2020	Director, EHSO
Prudent Practices In Chemical Hygiene Plan Are Not Complete	ODU, JMU and RU should amend their existing chemical inventory management policies so that these prudent practices are required.	The Chemical Hygiene Plan was revised to provide direction on prudent practices regarding chemical purchases.	<a href="https://www.odu.edu/facultystaff/university-business/safety/programs">https://www.odu.edu/facultystaff/university-business/safety/programs</a> Click link to Chemical Hygiene Plan and see section 6, page 22, "Chemical Purchasing"	2-26-2020	Director, EHSO

## APPENDIX III - RU CORRECTIVE ACTION PLAN

FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
First Responders Are Not Provided Access To Chemical Inventory	JMU, ODU and RU should regularly provide first responders with a complete and accurate chemical inventory. The exact nature and timing of inventory updates should be discussed between the universities and their respective first responders.	Access to the Chemical Inventory Management and Electronic Reporting Application (CHIMERA) database is to be granted to the Fire Chief and Captains underneath the Chief.	The Fire Chief and Captains are able to view current inventory within the program.	Completed	Assistant Director, EHS
Screening Threshold Quantities Are Not Monitored For Chemicals of Interest	JMU and RU should use their chemical inventory management systems to identify whether COI in their chemical inventory are above DHS' STQ on a monthly basis and allow enough time to properly self-report to DHS should they exceed the STQ.	RU is using CHIMERA, which can provide real-time information on COI. COI information will be pulled on a monthly basis for comparison against established thresholds. The generated report will be filed for recordkeeping purposes only, unless STQ quantities are exceeded, in which case a report will be made to DHS.	COI inventory is tracked in real-time via CHIMERA. Monthly reports run by EHS.	Completed	Assistant Director, EHS
Prudent Practices In Chemical Hygiene Plan Are Not Complete	ODU, JMU and RU should amend their existing chemical inventory management policies so that these prudent practices are required.	RU is currently updating the university chemical hygiene plan and the update will include amended language to address the prudent practices mentioned. The updated chemical hygiene plan is expected to be finalized by June 30, 2020.	Updated CHP, expected to be completed June 30, 2020	Estimated Completion 6/30/2020	Assistant Director, EHS

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FINDING TITLE.	RECOMMENDATION	CORRECTIVE ACTION	DELIVERABLE	ESTIMATED COMPLETION DATE	RESPONSIBLE POSITION
University Has Multiple Chemical Inventory Management Systems	RU should establish deadlines and expedite its selection, procurement and implementation of a university-wide chemical inventory management system.	RU is now using a single chemical inventory management system, CHIMERA. This system was fully activated on April 9, 2019, with the completion of current inventory upload to the system finalized on May 16, 2019.	CHIMERA is currently in use. All departments are currently utilizing the program for tracking inventory.	Completed Activated on 4/9/19 Inventory uploaded to the system finalized on 5/16/19	Assistant Director, EHS
Environmental Health And Safety Is Not Notified Of New Hires And Separated Employees	OSIG recognizes ODU's procedure as a potential best practice for other state universities and recommends these universities explore implementation.	EHS maintains all access to the chemical inventory system. Access will be granted based on the completion and approval of a system access request form. EHS is made aware of all separations from the university and access is removed in accordance with the separation date.  Awarding access to the system is determined by EHS in consultation with the Dean or Department Chair as necessary.	Access is requested via a system access request form. EHS is made aware of all separations from the University by IT and access is removed in accordance with the separation date.	Completed: Spring 2019	Assistant Director, EHS

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<b>Audit: IT – Building Automation Systems (BAS)</b>				
	Business Issue	Planned Action	Completion Date	Status
4.0	The IT Security Standard requires that the System Security Plan (SSP) for sensitive systems be updated at least every three years, and submitted to the Information Security Officer (ISO) for approval. The SSP for BAS was last updated in May 2013, which is outside of the required timeframe.	In 2018, the University’s Business Impact Analysis (BIA), Risk Assessment (RA), and Disaster Recovery Plans (DRP) are scheduled for review as part of the 3-year review cycle. During this engagement, DoIT will evaluate the types of documents required for systems, including the SSP. BAS will be included in the scope of the review and for documented updates.	June 1, 2019 Revised to January 31, 2020	Complete
6.1	<p>Controls over password management practices for BAS servers and applications need improvement to ensure a more secure environment and to comply with the Standard as follows:</p> <p>Change the ADX/ALC (server level) domain non-person password policy for (a) password expirations, (b) password history, and (c) screen saver lockout for inactivity.</p>	DoIT will check configuration settings and update appropriately for Standard compliance.	August 1, 2019 Revised to January 31, 2020	Complete
8.3	<p>Improvements are needed in the systems documentation for BAS. We were unable to obtain the following documentation required by the Standard:</p> <p>Annual self-assessment to determine the continued validity of risk assessment controls</p>	DoIT will create a risk self-assessment template for system owners to complete.	June 1, 2019 Revised to January 31, 2020	Complete

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Audit: IT – Contingency Planning Program – Backup and Recovery				
Business Issue		Planned Action	Completion Date	Status
1.1	<p>For every IT system that is identified as sensitive relative to availability, the Standard requires implementation of backup and recovery plans. Improvements are needed in the University’s current strategy. Specifically,</p> <p>1. The University has not documented the strategy for testing that IT system and data backups are functioning as expected and that the data is present in a usable form. Documentation of the strategy is required by the Standard.</p>	1.1 DoIT will document the strategy for testing backups.	July 1, 2020 Revised to October 1, 2020	In Process
2.1	<p>The University has identified systems that are necessary to recover essential business functions. Improvements are needed in the IT backup strategies for some of these business essential systems, for the physical server environment. Specifically, two servers rely on system replication alone as the backup strategy.</p>	1. DoIT will establish a backup location for the F5 load balancer.	February 1, 2020	Complete
		2. DoIT will establish a backup schedule for the RU Express database server.	February 1, 2020	Complete
2.2 2.3	<p>The University has identified systems that are necessary to recover essential business functions. Accordingly, the Standard requires that a Recovery Time Objective (RTO) and a Recovery Point Objective (RPO) must be assigned to each of these systems. Improvements are needed in the IT backup strategies for some of these business essential systems, specifically, for the physical server environment.</p> <p>These issues were communicated to management in a separate document marked Freedom of Information Act exempt under § 2.2-3705.2 of the Code of Virginia due to its sensitivity and description of security mechanisms.</p>	<p>2.2. Management provided a planned action under the same public disclosure exemption as noted in the business issue.</p> <p>2.3. Management provided a planned action under the same public disclosure exemption as noted in the business issue.</p>	<p>July 1, 2020 Revised to October 1, 2020</p> <p>July 1, 2020 Revised to October 1, 2020</p>	<p>In Process</p> <p>In Process</p>

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Audit: IT – Contingency Planning Program – Backup and Recovery			
Business Issue	Planned Action	Completion Date	Status
3.1 Improvements are needed related to infrastructure and network services operations:  3.2 <ol style="list-style-type: none"> <li>1. This issue was communicated to management in a separate document marked Freedom of Information Act exempt under § 2.2-3705.2 of the Code of Virginia due to its sensitivity and description of security mechanisms.</li> <li>2. This issue was communicated to management in a separate document marked Freedom of Information Act exempt under § 2.2-3705.2 of the Code of Virginia due to its sensitivity and description of security mechanisms.</li> </ol>	2.1. Management provided a planned action under the same public disclosure exemption as noted in the business issue.	July 1, 2020 Revised to November 4, 2020	In Process
	2.2. Management provided a planned action under the same public disclosure exemption as noted in the business issue.	May 15, 2020 Revised to February 1, 2021	In Process
4.1 Improvements are needed in certain agreements. The University has a contract with a vendor to provide two separate dedicated fiber connections to the University’s alternate data storage site. However, the contract lacks measurable guarantees for network uptime. In the event of a service interruption, not having a minimum guaranteed uptime could hinder the University’s ability to meet backup and recovery availability requirements for business essential systems.	DoIT will review the contract, discuss updated terms with the vendor, and, for changes that are mutually agreeable, modify the contract accordingly.	July 1, 2020 Revised to October 1, 2020	In Process



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Audit: IT – Contingency Planning Program – Backup and Recovery			
Business Issue	Planned Action	Completion Date	Status
<p>4.2 4.3</p> <p>Improvements are needed in certain agreements. The University has two memorandums of understanding (MOUs) with an entity for the alternate data storage site. One MOU addresses providing space, access, power, and environmental controls, and the other addresses providing network connection services for the University-owned server rack within the entity’s data center. Improvements are needed in these MOUs. Specifically,</p> <ul style="list-style-type: none"> <li>a. Neither MOU guarantees an expected level of infrastructure uptime, which could hinder the University’s ability to meet its availability requirements.</li> <li>b. The MOUs do not require a minimum lead time for the entity to notify DoIT staff before scheduled maintenance is performed. This could increase the risk of a service interruption resulting from scheduled maintenance.</li> <li>c. In each MOU, the entity’s contact list appears to have last been updated over three years ago. Similarly, in each MOU, the list of staff contacts provided by DoIT is outdated. Having outdated contact lists could result in delays during service interruption events.</li> <li>d. The terms of each MOU allow for either party to terminate the MOU within 180 days after written notice to the other party. If the entity was to terminate the MOU, this would create an inadequate window of time for DoIT to find an alternate solution for off-site data storage.</li> </ul>	<p>4.2. DoIT will identify issues, based upon risk, and discuss relevant updates to MOU terms with the entity.</p> <p>4.3. Where such updates are mutually agreeable by both parties, the MOUs will be modified accordingly. Where MOU updates are not feasible, DoIT will document alternate strategies or controls. Contact lists for each MOU will be updated as appropriate.</p>	<p>February 1, 2020 Revised to July 1, 2020</p> <p>June 1, 2020 Revised to October 1, 2020</p>	<p>Complete</p> <p>In Process</p>

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Audit: E-Verify			
Business Issue	Planned Action	Completion Date	Status
<p>1.0 Campus departments are completing Form I-9 for employees, although they have not been delegated the authority to do so by Human Resources.</p> <p>Specifically, we noted that although Financial Aid enters cases into E-Verify for financial aid-funded employees, the completion of Form I-9 is done by the employee’s supervisor in the department in which the employee will be working.</p> <p>Having unauthorized and untrained personnel verify employment eligibility increases the University’s risk of violating Federal laws related to employment verification.</p>	<p>Human Resources will ensure that personnel who verify employment eligibility are authorized and trained to do so by performing the following:</p> <ul style="list-style-type: none"> <li>• Formally delegate authority to each department in writing.</li> <li>• Provide mandatory training to personnel within each department.</li> <li>• Provide desktop procedures to each department.</li> </ul>	<p>January 31, 2020 Revised to April 30, 2020</p>	<p>Complete</p>
<p>2.1 Improvements are needed in the process of entering new hires into E-Verify. Specifically, during our testing, we noted that 18 out of 683 total new hires (3%) were not entered into E-Verify.</p> <ul style="list-style-type: none"> <li>• For 7 of these, this appeared to be due to not having a Form I-9 on file or not having a complete Form I-9 on file. We noted that for 4 of these, a Form I-9 could not be located; for 3 of these, a Form I-9 was located, but Section 2 (Employer Review and Verification) was blank.</li> <li>• For the remainder (11) of these, we were unable to determine why no E-Verify entry was done.</li> </ul> <p>To comply with Federal and State mandates, the University must fully complete Form I-9 for all new hires, retain the complete Form I-9 on file, and enter all new hires into E-Verify. Failure to do so could result in fines for the University.</p>	<p>Human Resources will ensure that formal training is provided to all areas with delegated authority to enter cases into E-Verify. Documentation of this training will be maintained in Human Resources.</p>	<p>January 31, 2020 Revised to April 30, 2020</p>	<p>Complete</p>

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Audit: E-Verify				
	Business Issue	Planned Action	Completion Date	Status
3.1 3.2 3.2.1	<p>Improvements are needed to ensure the timely entry of cases into E-Verify. As required by the E-Verify MOU, the University must create an E-Verify case for new employees within three employer business days after each employee has started working for pay. Cases created after that timeframe are considered late and require an explanation.</p> <p>Out of all 781 E-Verify cases entered during our review period, we noted 100 cases (13%) that were entered late with explanations that E-Verify does not deem as acceptable. Most significantly,</p> <ul style="list-style-type: none"> <li>• The explanation for 59 (59%) of those cases attributed the lateness to Human Resources not entering the cases timely. The majority of those noted "work overload" by Human Resources. Additionally, we noted that all of these 59 cases were for hire dates in August - September 2018, the beginning of a semester, which we identified as a peak hiring period for the University.</li> <li>• The explanation for 32 (32%) of those cases attributed the lateness to the new hire or the new hire's department not submitting required documents to Human Resources timely.</li> </ul> <p>Timely entry of cases into E-Verify is essential to ensure compliance with E-Verify rules and regulations. Noncompliance could result in penalties for the University or further investigation by USCIS, Immigration and Customs Enforcement, the Department of Justice, or other agencies.</p>	<p>1. Human Resources will request additional resources at peak hiring periods to ensure compliance with regulations.</p> <p>2. Human Resources will create a process to identify departments missing deadlines. This information will be forwarded to the appropriate Division Head to determine action to be taken, if necessary.</p> <p>2.1. HR will work with the Vice President for Finance &amp; Administration to document the University's position on whether or not to terminate employees who do not provide employment verification documentation in the required timeframe.</p>	<p>January 31, 2020 Revised to April 30, 2020</p> <p>January 31, 2020 Revised to April 30, 2020</p> <p>March 31, 2020 Revised to September 30, 2020</p>	<p>Complete</p> <p>Complete</p> <p>In Process</p>

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Audit: E-Verify				
Business Issue		Planned Action	Completion Date	Status
4.1	<p>Consistency and improved documentation are needed in the employment verification and E-Verify process for student employees funded by the Federal Work-Study (FWS) program.</p> <p>In our review of 40 E-Verify cases entered, four (10%) did not have a hire date that agreed to the Form I-9 on file. All of these were for student employees funded by the FWS program. If the first day of employment differs from what is documented on the Form I-9, the Form I-9 should be corrected, or documentation supporting the actual date should be attached to the Form I-9.</p>	Human Resources will ensure personnel verifying employment eligibility, including for student employees funded by the FWS program, are authorized and trained to do so. Authority will be formally delegated to the department in writing, mandatory training will be provided, and desktop procedures will be provided to the department.	January 31, 2020 Revised to April 30, 2020	Complete
6.1	<p>Improvements are needed in the granting and monitoring of access to the E-Verify system. Specifically,</p> <p>There is not a centralized process to grant access to the E-Verify system. Currently there are five program administrators that can grant access. Allowing multiple program administrators to grant system access without a centralized review process could result in (a) inconsistency in the criteria and documentation required for access, and (b) someone without a business need having access to the system. In our review of 11 employees with access to E-Verify, one current employee was determined to have no business need for access.</p>	Human Resources will limit the number of program administrators to two: one primary and one secondary. Both will be within Human Resources. Human Resources will also develop a form required to request/grant access to the E-Verify system.	January 31, 2020 Revised to April 30, 2020	Complete

**RADFORD UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES  
FOLLOW-UP AUDIT STATUS REPORT  
BUSINESS AFFAIRS AND AUDIT COMMITTEE  
SEPTEMBER 2020**

Audit: E-Verify			
Business Issue ( <i>continued</i> )	Planned Action	Completion Date	Status
<p>7.0 The display of two employment notices, the Notice of E-Verify Participation and the Notice of Right to Work, does not appear to meet the MOU's requirements. The notices must be displayed in a prominent place that is clearly visible to prospective employees and all employees who are to be verified through E-Verify.</p> <p>Although these notices are posted in the lobby of Human Resources and in the College of Graduate Studies &amp; Research, not all employees must go to one of these places. Therefore, these notices are not visible to all employees, resulting in noncompliance with the MOU.</p>	<p>Human Resources will determine additional locations where the employment notices should be posted to meet the requirements of the MOU and ensure that they are posted in those locations.</p>	<p>January 31, 2020</p>	<p>Complete</p>

Audit: Office of State Inspector General – Chemical Inventory Management			
Business Issue	Planned Action	Completion Date	Status
<p>3.0 Radford University should amend their existing chemical inventory management policies so that these prudent practices are required.</p>	<p>Radford University is currently updating the university chemical hygiene plan and the update will include amended language to address the prudent practices mentioned. The updated chemical hygiene plan is expected to be finalized by June 30, 2020.</p>	<p>June 30, 2020</p>	<p>Complete</p>

**RADFORD UNIVERSITY  
OFFICE OF AUDIT AND ADVISORY SERVICES  
FOLLOW-UP AUDIT STATUS REPORT  
BUSINESS AFFAIRS AND AUDIT COMMITTEE  
SEPTEMBER 2020**

Audit: Auditor of Public Accounts – FY 2018				
	Business Issue	Planned Action	Completion Date	Status
1.0	<p>Radford University personnel did not report enrollment data accurately and/or timely to the National Student Loan Database System (NSLDS) during aid year 2018. The full cause of the noncompliance is indeterminate at this time and additional research will be necessary. After testing thirty-seven students that had graduated or withdrawn from the University, we noted the following:</p> <ul style="list-style-type: none"> <li>• Three students (8%) were reported with an incorrect enrollment status;</li> <li>• The effective date of the student status change for fifteen students (41%) was not accurate; and</li> <li>• The student status change for six students (16%) was not reported timely.</li> </ul> <p>The accuracy of Title IV enrollment data depends heavily on information reported by institutions. Untimely and inaccurate data submission to NSLDS can affect the reliance placed on the system by the Department of Education for monitoring purposes and other higher education institutions when making aid decisions. Noncompliance may also have implications on an institution’s participation in Title IV programs and can potentially impact loan repayment grace periods.</p> <p>Management should perform a comprehensive review of current enrollment reporting policies and procedures to improve accuracy of submissions to NSLDS. Management should implement corrective action to prevent future noncompliance and should consider implementing a quality control review (QCR) process to monitor the accuracy of submitted enrollment batches for both program and campus level reporting.</p>	<p>In the past, the University, along with the National Student Clearinghouse, has interpreted the required effective date as either the last date of attendance or the conferral date. As a result of this recommendations, the Registrar's Office has immediately begun using the conferral date for all students who are not enrolled in the term in which they graduate as standard practice.</p> <p>Other exceptions noted relate to the overriding of effective dates in the National Student Loan Data System (NSLDS) due to the submission of batch data. The Registrar's Office in conjunction with the Financial Aid Office are working diligently to further research this issue and determine the best policy and procedure to move forward in a compliant manner. The Registrar's Office is responsible for overseeing the corrective action.</p>	<p>April 30, 2019 Revised to September 30, 2019 Revised to May 31, 2020</p>	Complete

**RADFORD UNIVERSITY  
BOARD OF VISITORS BYLAWS**

**PREAMBLE**

The Board of Visitors of Radford University (“the Board”) adopts these Bylaws to provide for the orderly, consistent and efficient conduct of its business as the governing body of Radford University (“the University”).

As public trustees the Board has the responsibility and authority, subject to constitutional and statutory limitations, for the continuing operation, development of evolving policies, and financial oversight of the University. Much of this authority necessarily is delegated to the President, who serves as the agent of the Board and as Chief Executive Officer of the University.

It is acknowledged and understood that the University and the Board are at all times subject to the control and legislative enactments of the General Assembly of the Commonwealth of Virginia.

**Article I – The Board of Visitors**

**Section 1 – Legal Status, Composition, and General Operation**

**A. Legal Status and Composition.** The Board of Visitors of Radford University is created by Va. Code §23.1-2100. Membership of the Board, method and terms of appointment, and the method of filling vacancies are provided by statute (Va. Code §23.1-1300).

**B. General Operations.** The Board is required by law to, and does:

1. Strive to be transparent in its operations, and operate entirely openly to the extent required by law.
2. Comply with the Commonwealth of Virginia’s Freedom of Information Act (Code of Va. §2.2-3700, et seq.), including but not limited to the following:
  - a. Record minutes of each open meeting and post the minutes on the Board’s website in accordance with subsection 1 of §2.2-3707 and §2.2-3707.1;
  - b. Conduct all discussions and actions on any topic not specifically exempted by §2.2-3711 in open meeting;
  - c. Give public notice of all meetings in accordance with subsection C of §2.2-3707; and
  - d. Approve in open meeting any action taken in closed meeting before it can have any force and effect in accordance with subsection B of §2.2-3711.
3. Notify and invite the Attorney General’s appointee or representative (the legal counsel of the institution) to all meetings of the Board, Executive Committee, and other Board committees.

**C. Annual Executive Summary.** The Board is required by statute to submit to the General Assembly and the Governor an annual executive summary of its interim activity and work no later than the first day of each regular session of the General Assembly. This report shall be submitted in accordance with procedures stipulated by law.

**D. Removal of Board Members.** If any member of the Board fails to attend (i) the meetings of the Board for one year without sufficient cause, as determined by a majority vote of the Board, or (ii) the educational programs for governing boards presented by the State Council of Higher Education for Virginia, and required by Virginia Code §23.1-1304 in the member's first two years of membership without sufficient cause, as determined by a majority vote of the board, the remaining members of the Board shall record such failure in the minutes at the Board's next meeting and notify the Governor, and the office of such member shall be vacated. However, no member serving as of January 1, 2015 shall be removed for failing to attend the educational programs required by Virginia Code § 23-9.14:1 in the members first two years of membership if the member attends such training by January 1, 2016.

In accordance with Virginia Code §23.1-1300(C), the Governor has the authority to remove from office for malfeasance, misfeasance, incompetence, or gross neglect of duty any member of the Board and fill the vacancy resulting from the removal. Each appointment to fill a vacancy will be subject to confirmation by the General Assembly. The Governor will set forth, in a written public statement, the Governor's reasons for removing any member pursuant to this statute at the time the removal occurs. The Governor will be the sole judge of the sufficiency of the cause for removal as set forth in this statute.

**E. Resignation.** Any Board member may resign at any time by providing notice of the date of resignation to the Governor. Notice also shall be provided to the Rector so that the Board can take measures to accommodate said resignation. Such resignation shall take effect at the time specified in such notice and, unless otherwise specified therein, the acceptance of the resignation shall not be necessary for it to take effect.

## **Section 2 – Powers and Responsibilities**

Responsibilities of the Board include, but are not limited to, the following:

1. Control and expend funds of the University;
2. Establish fees, tuition, and other charges imposed on students;
3. Approve the University's budgets;
4. Appoint the President of the University;
5. Approve the strategic plans of the University;
6. Confer degrees;
7. Promote the purpose and mission of the University;
8. Adopt rules and regulations for governing employment and employees, and approve promotions, tenure, salaries of employees;
9. Name buildings and other major facilities;
10. Approve certain real property transactions; and
11. Adopt rules and regulations governing student conduct.



### **Section 3 – Meetings**

**A. Regular Meetings.** The Board meets in regular session four times each fiscal year, on dates established by the Board. The last regular meeting of each fiscal year is designated as the “annual meeting” of the Board.

**B. Special Meetings.** Special meetings may be called by the Rector or upon the request of any five voting members of the Board. Requests for a special meeting must be submitted to the Secretary to the Board (“Secretary”), who has the ministerial responsibility for making arrangements for the special meeting.

**C. Notice.** Notice of meetings must be published and provided to the Board and the public by the Secretary in accordance with these Bylaws and state law.

**D. Quorum and Votes.** A simple majority of the Board constitutes a quorum. Unless otherwise required by statute, actions of the Board are taken by simple majority of those present and voting.

#### **E. Member(s) Participation via Electronic Communications.**

1. A member can participate via electronic communication means from a remote location that is open to the public in accordance with the Code of Virginia §2.2-3708 and provided that:
  - a. A quorum of the Board is physically assembled at one primary location.
  - b. Notice of the meeting has been given at least three working days in advance of the date scheduled for the meeting in accordance with Virginia Code §2.2-3708(C).
  - c. The remote location from which the member is participating is open to the public. All agenda packets and, unless exempt, all materials that will be distributed to Board members shall also be made available to the public at the remote location.
  - d. Interruption in the telephonic or video broadcast of the meeting shall result in the suspension of action at the meeting until repairs are made and public access is restored.
2. A member may also participate via electronic communication means from a remote location that is not opened to the public in the event of an emergency, personal matter, or medical condition that prevents the member from attending in person, in accordance with the Code of Virginia §2.2-3708.1 and provided that:
  - a. If, on or before the day of the meeting, the member notifies the Rector that such member is unable to attend the meeting due to an emergency, personal matter, or medical condition that prevents the member’s physical presence, and the member identifies with specificity the nature of the emergency or personal matter.
  - b. The Board shall record the reason for the member to participate from a remote location together with the remote location from which the member participates in the minutes of the meeting.
  - c. There must be a quorum of the Board physically assemble at the primary location of the meeting.

- d. The Board shall make arrangements for the voice of the remote participant to be heard by all persons at the primary location.
- e. If any request for participation via electronic communication from a remote location is denied, the decision and rationale will be reflected in the minutes.

**F. Agenda.** The draft agenda for each meeting is to be prepared by the President or the President's designee, and approved by the Rector. Matters that any member requests to be placed on the agenda should be brought to the attention of the President as far in advance of the meeting as possible. The President may assign a matter to the chair of the appropriate committee of the Board for review prior to placement on the Board agenda. The agenda and other meeting materials are to be made public as required by law, and delivered to each member of the Board as far in advance of the meeting as feasible.

Matters which arise after publication of the agenda may be placed on the agenda at the President's discretion, after consultation with the Rector, or by the Board's amendment of the agenda. The first order of business at every meeting is approval of the agenda. Proposed amendments to the agenda may be considered at that time.

**G. Tuition Notice and Public Comment.** In accordance with Code of Virginia, §23.1-307(D) and (E), Radford University will provide public notice at least 30 days prior to considering an increase undergraduate tuition or mandatory fees. The Radford University Board of Visitors will announce a public comment forum prior to the vote. The procedures for the Public Comment Session are approved by the Board of Visitors and maintained on the Board of Visitors website.

#### **Section 4 – Officers**

**A. Officers.** The officers of the Board are Rector and Vice Rector.

**B. Election and Terms.** The officers are elected by the Board at the annual meeting of the Board and shall serve a term of one year.

1. **Nominating Committee.** The Governance, Administration and Athletics Committee acts as the Nominating Committee for officers of the Board. The Committee is to call for nominations from members of the Board annually, following the last regular meeting of the Board. Nominations from members are to be submitted in writing to the Chair no later than ten days after that call. The Committee will meet prior to the annual meeting to determine which nominations will be presented to the Board. The Committee may offer more than one nominee for an office.
2. **Nominations from the Floor.** Nominations from the floor will be taken.
3. **Term.** Newly elected officers assume office on July 1 following their election. Each officer holds office for a term of one year ending the following June 30 or until the successor is elected, whichever is later. Officers may serve up to two consecutive terms; however, there is no limitation on the number of non-consecutive terms an officer may serve. In the event the Vice Rector assumes the office of Rector for a period of 180 days or more, that period will count as a full term.

**C. Rector.** The Rector is charged with promoting a level of interest, involvement and activity among the members of the Board as will best contribute to (1) the establishment of proper policies, (2) wise planning, (3) intelligent and considerate observance of the rights of the faculty, administration, staff, and student body, and (4) the maintenance of the independence of the Board, all of which will enhance the future welfare of the University.

Specific responsibilities include presiding at Board meetings; appointing all committees, unless otherwise provided in the Bylaws or directed by the Board; acting as the Board's primary spokesperson or representative; and performing such other duties as are generally expected of the presiding officer or are imposed by statute, Bylaws, or action of the Board.

**D. Vice Rector.** If the Rector is temporarily absent or unavailable, the Vice Rector presides over meetings and assumes all powers, duties and functions of the Rector. In the event of the death, permanent disability or resignation of the Rector, or should the Rector become otherwise permanently unable to perform the duties and functions of the office, the Vice Rector will become Rector for the remainder of the term, and a new Vice Rector will be elected.

## **Section 5 -- Advisory Representatives**

**A. Appointments.** The Board is to appoint one faculty member and one student as non-voting, advisory representatives to the Board. Representatives are appointed at the annual meeting which is the last meeting of the fiscal year, and serve one-year terms commencing July 1 following their appointment and ending June 30.

The faculty representative shall be the President of the Radford University Faculty Senate (Faculty Senate President), provided that said individual shall serve no more than two consecutive terms as faculty representative to the Board of Visitors. If the same individual shall serve more than two consecutive terms as Faculty Senate President, the faculty representative to the Board shall be appointed from a list of three faculty members submitted by the Faculty Senate. Should the faculty representative resign as faculty senate president during his/her term on the Board of Visitors, the new faculty senate president shall fill the remaining term on the Board of Visitors of the individual who resigned; in the event an individual assumes the role as faculty representative for a period of 180 days or more, that period will count as one full term.

The student representatives are appointed from a list of three students submitted by the President after consultation with appropriate members of the administration and such other individuals as the President deems necessary. The three nominees for student representative shall make a brief presentation to the Board of Visitors at the annual meeting at which the student representative will be appointed.

**B. Responsibilities.** Advisory representatives have the responsibility to support the best interests of the University and to work with members of the Board for the continuing operation and development of the institution as a comprehensive state university. They are expected to participate in all regular meetings of the Board. Each advisory representative will be appointed as a non-voting member of at least one standing committee, but may not chair a committee. Advisory representatives may submit agenda items for discussion and information to be considered by the Board by presenting them to the President in advance of meetings, but may not make motions or introduce new items at meetings. Advisory representatives may not attend closed meetings except by invitation of the Board.

## **Section 6 – Committees**

**A. Executive Committee.** The Executive Committee is comprised of the Rector, the Vice Rector, and the chairs of the standing committees. The immediate past Rector serves as an ex-officio member. The Rector serves as Chair of the Committee.

1. The Executive Committee is authorized and required to:
  - a. Develop and recommend to the Board a statement of governance setting forth the Board's role;

- b. Periodically review the Board's Bylaws and recommend amendments;
  - c. Provide advice to the Board on committee structure, appointments, and meetings;
  - d. Develop an orientation and continuing education process for Board members that includes training on the Virginia Freedom of Information Act;
  - e. Create, monitor, oversee, and review compliance by Board members with the University's Code of Ethics, adopted August 23, 2007, which Code is equally applicable to Board members as well as other members of the University community;
  - f. Develop a set of qualifications and competencies for membership on the Board for approval by the Board and recommendation to the Governor.
  - g. Conduct an annual evaluation of the President as required by these Bylaws in a closed meeting and present its findings and recommendations to the Board.
2. Additionally, the Executive Committee is authorized to convene and exercise the full power and authority of the Board between meetings of the Board whenever circumstances require immediate action to address matters of an urgent nature, or as the Board may otherwise direct.

A simple majority constitutes a quorum. In the event that a quorum is not present, other members of the Board may be appointed by the Rector to serve in the place of absent members on an *ad hoc* and temporary basis in order that a quorum may be attained.

The Secretary to the Board is to inform promptly all members of the Board of any action taken by the Executive Committee. The Rector is to report actions taken by the Executive Committee at the next full meeting of the Board.

**B. Standing Committees.** Each standing committee is comprised of the Rector and Vice Rector plus not fewer than three additional Board members appointed by the Rector during or after the annual meeting. The Rector designates the chair and vice-chair of each committee and, on recommendation of the President, appoints an administrative assistant to staff each committee.

A simple majority of the members of a committee constitutes a quorum. In the event that quorum is not present, other members of the Board may be appointed by the Rector to serve in the place of absent members on an *ad hoc* and temporary basis in order that a quorum may be attained.

Matters may be referred to standing committees by the President, the President's designee, the Rector, or the full Board. In addition to the specific responsibilities provided by these Bylaws, the standing committees shall have any other duties and responsibilities assigned by the Board or the Rector.

The standing committees are:

1. **Business Affairs and Audit.** This committee is generally responsible for reviewing and recommending action to the Board regarding the financial and business affairs of the University, including but not limited to, capital projects, grants, contracts, and the naming of facilities. **This committee is responsible for reviewing recommendations and offering motions to the Board on matters and policies pertinent to information technology, including implementation of new technologies and systems affecting the University's computer systems, websites and telephone systems.** This committee also oversees the internal audit function of the University; receives the annual financial audit report of the Auditor of Public

Accounts; and performs studies of financial matters as directed by the Board.

2. **Student Success.** This committee is generally responsible for reviewing and recommending action to the Board on matters pertaining to students, including but not limited to, student retention, student support services and activities, student health and safety, student conduct and disciplinary standards, residential life, student organizations and activities, and the general quality of student life.
3. **Academic Excellence and Research.** The committee provides guidance to the Board on matters essential to academic quality. This committee is generally responsible for reviewing and recommending action to the Board on matters regarding the University's academic mission, purpose, plans, and programs, including, but not limited to the creation or elimination of academic programs and of colleges and schools and academic departments within the University; faculty appointments, and the policies and procedures governing the award of tenure; academic standards and policies for student admissions, progression and graduation; and the conferring of meritorious awards and honorary degrees.
4. **Governance, Administration, and Athletics.** This committee is generally responsible for considering and recommending action to the Board on policy matters pertaining to the administrative operations of the University, including personnel matters, and shall advise and consult with the President of the University on matters of human resources policy in regard to classified employees, university staff and other non-instructional faculty members employed by the University.

~~The committee shall also conduct an annual evaluation of the President as required by these Bylaws in a closed meeting and present its findings and recommendations to the Board.~~

~~This committee is responsible for reviewing recommendations and offering motions to the Board on matters and policies pertinent to the Division of Information Technology including implementation of new technologies and systems affecting the University's computer systems, websites and telephone systems.~~

~~This committee is responsible for considering and recommending actions that cultivate and foster strategic partnerships, increase and strengthen the talent pipeline, and inspire and encourage innovative solutions, which ultimately provide greater opportunities for students and position Radford University as a leader of economic development in the region, Commonwealth of Virginia and beyond.~~

This committee is also responsible for reviewing recommendations and offering motions to the Board on matters pertaining to all aspects of University intercollegiate athletics including, but not limited to, recruitment of personnel, development of new athletic programs, and maintenance and/or construction of athletic facilities.

5. **University Advancement, University Relations, and Enrollment Management.** This committee is generally responsible for oversight of programs that promote private donations for, and alumni support of, the University, including related activities undertaken by the University directly and by affiliated foundations on the University's behalf. It also oversees the University's public and community relations programs, which are designed to enhance the University's stature and reputation, and its efforts to publicly disseminate news about the University. This committee is also responsible for reviewing recommendations and offering motions to the Board on matters and policies pertinent to the university's enrollment management strategy.

**C. Special Committees.** Special or *ad hoc* committees are established by the Board or the Rector for an expressed purpose and limited duration. Special committees may have no fewer than four members appointed by the Rector, who may change the membership at any time. The Rector designates the Chair of special committees.

## **Section 7 – Policies and Procedures.**

Subject to state law and these Bylaws, the Board may adopt rules and regulations and may establish specific policies or procedures for the operation of the University and, to the extent not inconsistent with these Bylaws, for the Board's own governance. All such policies and procedures in existence on the date of the adoption of these Bylaws, and all policies and procedures subsequently adopted by the Board must be published and are binding on all affected university constituents. The President shall be responsible for the publication and implementation of all policies and procedures of the Board.

## **Article II – Employees**

### **Section 1 – The President**

The President serves at the pleasure of the Board of Visitors or pursuant to contract with the Board. The President is the Chief Executive Officer of the University and oversees the overall operation of the University. The President is expected to provide leadership to the University community in the development of its mission and programs. The President directs the University's administration, faculty and staff, and oversees the financial affairs of the University and the use and maintenance of its physical facilities. The President supports the fund-raising and advancement efforts of public and private entities on behalf of the University and serves as the University's representative and official spokesperson. The President must act in accord with the policies and direction of the Board. The President must perform the duties and exercise the authority of the office in accordance with all applicable federal and state laws and regulations.

The President may delegate specific duties, in whole or in part, to other employees of the University. However, the President remains responsible for the performance of the delegate as to all matters within the President's authority.

The Board shall meet with the President, at least annually, in a closed meeting, and deliver an evaluation of the President's performance. A preliminary evaluation report is to be submitted by the Governance, Administration and Athletics Committee to the Board, which report serves as the initial basis for the Board's review and evaluation. Objectives for the coming year will also be presented to the Board by the President at the time of the evaluation.

Any changes to the President's contract shall be made only by vote of a majority of all members of the Board.

### **Section 2 – Provost, Vice Presidents, Vice Provosts, and Direct Reports to the President**

The Provost, Vice Presidents, Vice Provosts, and all direct reports to the President are selected by the President, subject to approval by the Board, and serve at the pleasure of the President, or upon such other terms as agreed by the employee, the President, and the Board.

### **Section 3 – University Auditor**

The University Auditor is responsible for the University's internal audit function, which provides independent appraisals and reviews of University operations. The University Auditor is administratively

responsible to the President, but is functionally accountable to the Board of Visitors. The University Auditor is appointed by, and reports to, the Board or a Board committee, as directed by the Board. In addition to the general responsibilities of the position, the University Auditor performs such duties incidental to the office as assigned by the Board or the President.

### **Article III – Miscellaneous**

#### **Section 1 – Suspension or Amendment of Bylaws**

These Bylaws may be suspended or amended in whole or in part at any meeting of the Board of Visitors.

#### **Section 2 – Parliamentary Authority**

Unless otherwise specified by these Bylaws, all Board and committee meetings, actions, and rulings will be guided by the most current edition of *Robert's Rules of Order Newly Revised (most recent edition)*.

**Radford University Board of Visitors  
Resolution**

**Amendment to the Bylaws**

**Now Therefore Be it Resolved**, the Board of Visitors hereby amends the Radford University Board of Visitors Bylaws **Section 6. Committees**, as follows:

A. Executive Committee - *add*  
g. Conduct an annual evaluation of the President as required by these Bylaws in a closed meeting and present its findings and recommendations to the Board.

B. 1. Business Affairs and Audit Committee – *add*  
This committee is responsible for reviewing recommendations and offering motions to the Board on matters and policies pertinent to information technology, including implementation of new technologies and systems affecting the University’s computer systems, websites and telephone systems.

B.4. Governance, Administration and Athletics Committee - *delete*  
~~The committee shall also conduct an annual evaluation of the President as required by these Bylaws in a closed meeting and present its findings and recommendations to the Board.~~

~~This committee is responsible for reviewing recommendations and offering motions to the Board on matters and policies pertinent to the Division of Information Technology including implementation of new technologies and systems affecting the University’s computer systems, websites and telephone systems.~~

B.4. Governance, Administration and Athletics Committee - *add*  
This committee is responsible for considering and recommending actions that cultivate and foster strategic partnerships, increase and strengthen the talent pipeline, and inspire and encourage innovative solutions, which ultimately provide greater opportunities for students and position Radford University as a leader of economic development in the region, Commonwealth of Virginia and beyond.

B.5. Change name to Advancement, University Relations and Enrollment Management

Adopted: September 11, 2020



Robert A. Archer  
Rector  
Radford University Board of Visitors



Karen Castele  
Secretary to the Board of Visitors  
Radford University



# RADFORD UNIVERSITY

<b>Policy Title: Gift Acceptance Policy</b>	<b>Effective Date: TBD</b>
<b>Policy Number: ADV-PO-1600</b>	<b>Date of Last Review: NEW</b>
<b>Oversight Department: Office of the Vice President for University Advancement</b>	<b>Next Review Date: TBD</b>

## 1. PURPOSE

The *Gift Acceptance Policy* for Radford University (University) provides direction for the acceptance of gifts by Radford University Foundation, Inc. (RUF) for the benefit of the University.

## 2. APPLICABILITY

The *Gift Acceptance Policy* applies to all faculty, staff, and programs of the University.

## 3. DEFINITIONS

**Gift:** Any donation, gift, or other private philanthropic support made by a donor without expectation or receipt of an economic benefit commensurate with the money or property transferred and to which no commitment of resources or services has been made.

**Gift Agreement:** A written document executed between the donor and the RUF. The agreement identifies the donor and establishes the donor's financial commitment. The gift agreement is intended to clarify donor intent and expectations and to provide the information necessary to determine the acceptability of the gift as prescribed by this policy. The gift agreement is maintained by the RUF and considered an official RUF document thereof. The document also includes:

- Donor purpose and intent
- Scholarship/award criteria
- Any donor terms and conditions accepted by the University
- Payment schedule if one is to be created
- Provisions for future gifts
- Recognition by the University/RUF
- Allowance for future changes
- Process for agreement modification

**Gift Instrument:** Gifts may take many forms, including, but not limited to, the following:

- Business interests – Closely held stock and partnership interest
- Cash and cash equivalents – Cash, checks, credit card, debit card, wire, automated clearing house (ACH) transfers, or other means of electronic transfer
- Planned gifts (irrevocable) – Life income agreements including charitable gift annuities, charitable remainder unitrusts, charitable remainder annuity trusts, charitable lead trusts, life insurance, retirement account distributions, and retained life estate
- Planned gifts (revocable) – Bequest or devise by will, life insurance beneficiary, and retirement plan beneficiary
- Pledges – Promises to give and intentions to give, pledges represent a signed statement of intent and include and can be unconditional pledges or challenge/conditional pledges
- Real property and related revenue – Personal residence, land, life estate agreements; and undivided remainder interests in property, oil, gas and mineral interests and related royalties
- Securities (marketable) – Public equities, corporate and government bonds
- Gifts in Kind – Collections of art, books, coins or movies; cars, boats and aircraft; food or other items used for hosting dinners, etc.; hardware, software, software licenses; long-lived assets; equipment; materials; and printed materials
- Third-party distributions – Donor-advised funds, private foundations, qualified charitable Individual Retirement Account (IRA) distributions and corporate matching gifts

#### **4. POLICY**

- A.** The University and the RUF are legally obligated to adhere to the terms and conditions of each gift. Consequently, donor intent and gift terms must be evaluated to be sure they are feasible, do not unduly hamper the usefulness and desirability of the gift, and are in conformity with University and RUF policies.
- B.** The acceptance of all gifts, irrespective of the gift instrument, is conditioned upon consistency with the University's mission and strategic interests as well as the acceptability of donor restrictions. Donor restrictions that violate federal or state laws, Internal Revenue Service (IRS) regulations, or University and RUF ethical standards; or call for inappropriate or illegal discrimination based on age, color, disability, gender identity, genetic information, national origin, parental status, political affiliation, race, religion, sex, sexual orientation, or veteran status will be deemed unacceptable.
- C.** Development officers and/or University administrators will handle gifts in accordance with the procedures outlined in Section 5.
- D.** The following gifts (defined as Category III gifts in section 5.B.3.) must be reviewed and approved by the Gift Acceptance Committee (see section 5.D.) prior to acceptance:
  - 1.** Gifts that direct academic decision making
  - 2.** Gifts of a \$1 million or more that impose a new obligation on the University, excluding gifts for scholarships or other financial aid
- E.** Donor identity is not confidential unless specifically requested by the donor. The donor must request anonymity to ensure their identity remains confidential.

## 5. PROCEDURES

### A. Review of Gifts

In order to administer the acceptance of a broad array of gifts, and to follow established policies and procedures in an efficacious manner, gifts will be reviewed based on the category and amount of the gift.

### B. Gift Categories

#### 1. **Category I – No review necessary:**

Category I largely incorporates cash gifts and marketable securities to existing gift accounts. Gifts in this category are processed immediately by the Office of Advancement Services.

#### 2. **Category II – Moderate review:**

- a. Category II gifts include all those gifts requiring the establishment of a new gift account as well as other contributions from sources such as, but not limited to, Donor-Advised Funds, Qualified Charitable IRA Distributions, and payments from Private Foundations. A written gift agreement may be developed.
- b. Gifts in this category require review by the Associate Vice President for Advancement, the Director for Advancement Services, and related subject matter experts as appropriate.

#### 3. **Category III – Full review:**

- a. Category III gifts include all complex major gifts and/or complex planned gifts as determined by the Vice President of University Advancement, especially if there is considerable financial impact on the institution.
- b. Gift terms that direct academic decision-making and gifts of \$1,000,000 or more that impose a new obligation on the University, excluding gifts for scholarships or other financial aid, are included in this category.
- c. This review will consider a proposed gift in the context of the *Gift Acceptance Policy* and will require an affirmative written approval by the Gift Acceptance Committee.
- d. A written gift agreement will be developed.
- e. For gifts in paragraph b. above, documentation of the terms and conditions will be maintained in compliance with the Virginia Public Records Act (Code of Virginia § 42.1-76 et seq.) and will be subject to the provisions of the Virginia Freedom of Information Act (Code of Virginia § 2.2-3700 et seq.).

### C. Gift Acceptance Considerations

1. Once a determination is made that a proposed gift is consistent with the University's mission and strategic interests as well as the RUF's standards, the proposed gift will then be evaluated based on its immediate utility or its liquidity.
2. While there may be occasions when a proposed gift might be held for investment or strategic purposes, generally, a gift should be either useful to the RUF/University in the form it is offered, or easily converted by the RUF to cash.

3. The RUF and the University affirmatively reserve the right to not accept gifts that have no immediate utility, from which little or no financial gain may be realized, or which may be accompanied by significant financial or other burdens prior to liquidation.

**D. Gift Acceptance Committee**

1. The Gift Acceptance Committee is co-chaired by the Chief Executive Officer (CEO) of the RUF and the Vice President for University Advancement.
2. The Vice President for University Advancement is the final authority regarding pledge terms (length and amount) and to ensure gifts align with University mission, vision and values.
3. The RUF CEO is the final authority on matters related to the fiduciary responsibility.
4. In addition to the RUF CEO and the Vice President for University Advancement, the committee is comprised of the following:
  - a. The Associate Vice President for Advancement
  - b. The Director for Advancement Services
  - c. A University appointee from the Division of Finance and Administration, who is appointed by the Vice President for Finance and Administration
  - d. Subject matter experts, as needed, from relevant departments

**6. EXCLUSIONS**

None

**7. APPENDICES**

None

**8. REFERENCES**

[Code of Virginia § 2.2-3700 et seq.](#), “Virginia Freedom of Information Act.”

[Code of Virginia, § 23.1-1304.1](#), “Governing boards; additional duties; policy; acceptance of terms and conditions associated with donations, gifts, and other private philanthropic support.”

[Code of Virginia § 42.1-76 et seq.](#), “Virginia Public Records Act.”

**9. INTERPRETATION**

The authority to interpret this policy rests with the President of the University and is generally delegated to the Vice President for University Advancement.

**10. APPROVAL AND REVISIONS**

The Board of Visitors originally approved the University’s *Gift Acceptance Policy* on \_\_\_\_\_, 2020.

For general information concerning University policies, contact the [Office of Policy and Tax Compliance](#) – (540) 831-5794. For questions or guidance on a specific policy, contact the Oversight Department referenced in the policy.

**RADFORD UNIVERSITY BOARD OF VISITORS**

**Resolution  
September 11, 2020**

Approval of Gift Acceptance Policy

**WHEREAS**, Radford University recognizes the importance of building and maintaining productive and respectful relationships with the philanthropic community; and

**WHEREAS**, the Gift Acceptance Policy establishes the terms and conditions associated with accepting any donation, gift, or other private philanthropic support, including an administrative process for reviewing, accepting, and documenting terms and conditions associated with (i) gifts that direct academic decision-making and (ii) gifts of \$1,000,000 or more that impose a new obligation on the University, excluding gifts for scholarships or other financial aid; and

**WHEREAS**, Radford University shall retain documentation of such terms and conditions in compliance with the Virginia Public Records Act and such documentation shall be subject to the provisions of the Virginia Freedom of Information Act;

**NOW, THEREFORE, BE IT RESOLVED** that the Radford University Board of Visitors values the role that donors have in providing opportunities for students and faculty and advancing the mission of the University, and hereby approves the Gift Acceptance Policy.

Adopted: September 11, 2020



\_\_\_\_\_  
Robert A. Archer  
Rector  
Radford University Board of Visitors



\_\_\_\_\_  
Karen Castele  
Secretary to the Board of Visitors  
Radford University

# Property Acquisition

**RADFORD**  
UNIVERSITY

# Off-Campus Housing Expansion Background

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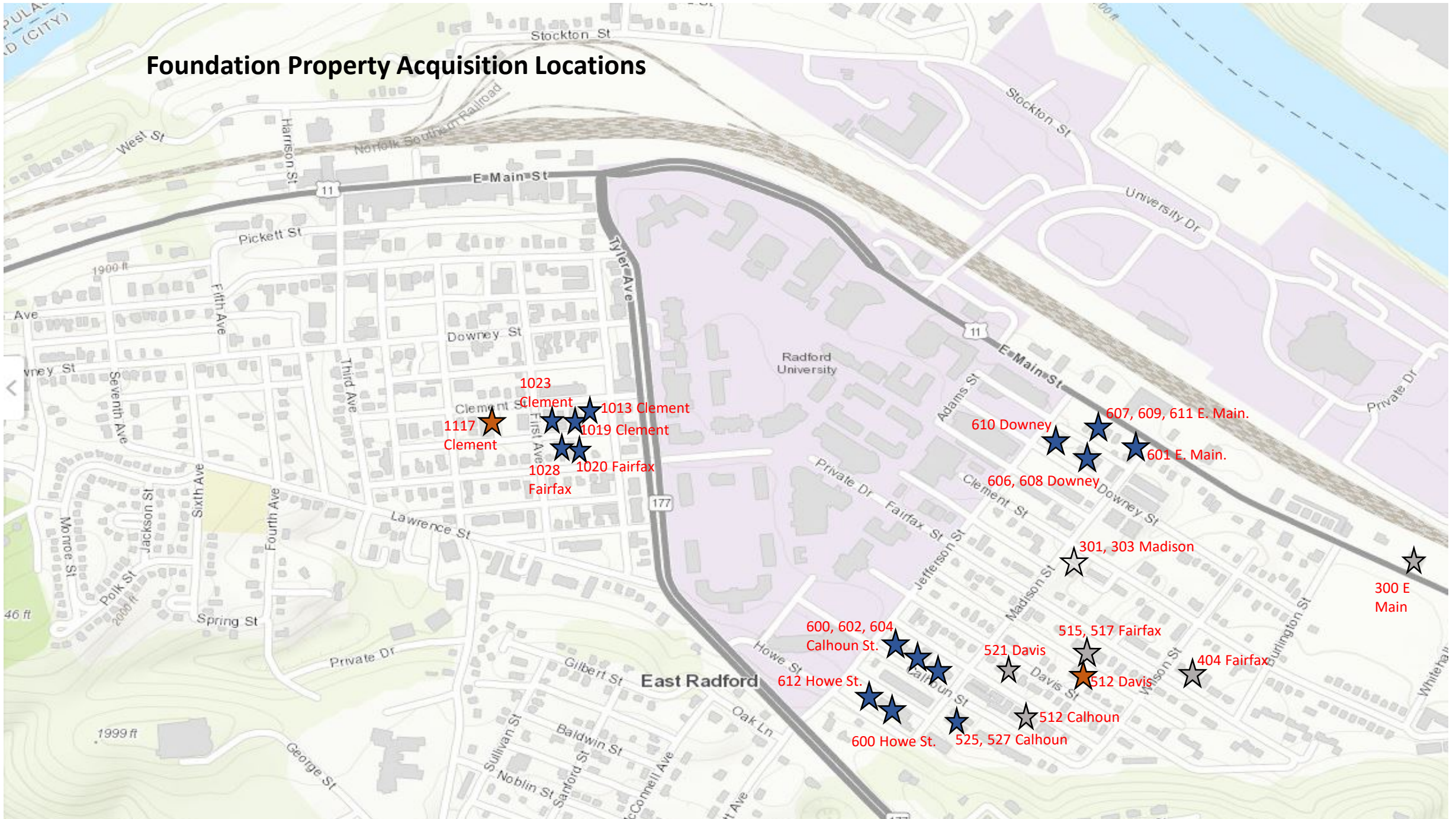
- In Spring 2018, Radford University Foundation purchased multiple properties that accounted for over 760 beds.
- Off-campus properties included several different sizes and types of housing, including townhouses, houses and apartment complexes.
- At a purchase price of \$32 million, the Foundation entered into two taxable term loans.
- The loans are supported by a Capital Lease with the University, where payments equal the actual debt service with the intent for the University to purchase the properties from the Foundation over time.



# Property Acquisition



# Foundation Property Acquisition Locations



**RADFORD UNIVERSITY BOARD OF VISITORS**  
**September 11, 2020**

**Action Item**  
**Acquire Property (Project Number 17851) General Obligation Bond Program**  
**9(c) Financing**

**Item:**

Adoption of a Resolution declaring Radford University's intentions to issue bonds for the property acquisition of student residential housing, through the issuance of the 9(c) Higher Education General Obligation (GO) Bond Program. This certification is required by the Commonwealth of Virginia Department of Treasury prior to an institution participating in a bond sale.

**Background:**

The expansion of student residential housing has been in the University's master plans and capital outlay initiatives for the last decade. The acquisition of properties in 2018 by the Radford University Foundation (RUF) provided an opportunity for the University to expand its residential housing along with strategic land acquisition. Upon acquisition of the properties by the RUF, the University entered a long-term capital lease that accounted for over 760 beds with the intent to acquire several of the properties within two years.

The University has strategically defined the first acquisition of approximately \$22.5 million. \$17.5 million is being requested to be financed through the issuance of 9(c) debt while the remaining \$5.0 million will utilize auxiliary reserves. This will realign Radford University's current capital lease to bond financing and transfer operations/ownership from the Foundation to the University. This will allow Radford University to leverage the Commonwealth's favorable financing options to acquire the property. The proposed financing of this project conforms to the guidelines set forth in Radford University's approved Debt Management Policy.

This project will expand the limits of campus and assist in satisfying the growing on-campus housing need. Student success is a fundamental mission for Radford University. University-operated student housing serves a significant role in facilitating the success of our students through increased connectedness to campus, the benefits of which include proven increased student retention and graduation rates.

This required resolution requests issuance of 9(c) bonds through the Treasury Board on behalf of the University, and pledges net revenues of the residence hall room fee to the payment of the debt service. Other covenants include furnishing the Treasury Board with the University's financial statements, paying our proportional share of expenses in connection with the sale of bonds, and complying with the appropriate arbitrage and private use guidelines.

The Commonwealth of Virginia requires a Resolution to be passed by the participating governing body prior to the Commonwealth's sale of the revenue bonds, typically scheduled for late fall to early winter.

**Action:**

Radford University Board of Visitors adoption of the Resolution declaring the intention to issue 9(c) bonds for the Acquire Property, Capital Outlay Project #17851 through the Higher Education General Obligation (GO) Bond Program.

## RESOLUTION OF THE RADFORD UNIVERSITY BOARD OF VISITORS

WHEREAS, there have been passed by the General Assembly of Virginia and signed by the Governor acts entitled “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2020” (the “2020 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2019” (the “2019 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2018” (the “2018 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2017” (the “2017 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2016” (the “2016 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2015” (the “2015 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2014” (the “2014 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2013” (the “2013 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2012” (the “2012 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2011” (the “2011 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2010” (the “2010 Act”), “Commonwealth of Virginia Parking Facilities Bond Act of 2009” (the “2009 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2009” (the “2009 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2008” (the “2008 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2007” (the “2007 Act”), and “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2006” (the “2006 Act” and, together with the 2007 Act, 2008 Act, 2009 Acts, 2010 Act, 2011 Act, 2012 Act, 2013 Act, 2014 Act, 2015 Act, 2016 Act, 2017 Act, 2018 Act, 2019 Act and the 2020 Act, the “Acts”);

WHEREAS, pursuant to the Acts, the Treasury Board of the Commonwealth of Virginia (the “Treasury Board”) is authorized, by and with the consent of the Governor, to sell and issue bonds or bond anticipation notes of the Commonwealth of Virginia (the “Commonwealth”) for the purpose of providing funds, together with other available funds, for paying the cost of acquiring, constructing, renovating, enlarging, improving and equipping certain revenue-producing capital projects at certain institutions of higher learning of the Commonwealth and for paying issuance costs, reserve funds and other financing expenses (the “Financing Expenses”), all in accordance with the provisions of Section 9(c) of Article X of the Constitution of Virginia;

WHEREAS, for Radford University (the “Institution”), such revenue-producing capital projects include Acquire Property for Campus Expansion (17851) (each individually, a “Project” and, collectively, the “Projects”); and

WHEREAS, the Treasury Board is proposing to sell and issue bonds or bond anticipation notes pursuant to the Acts for such revenue-producing capital projects, in one or more series;

NOW, THEREFORE, BE IT RESOLVED BY THE RECTOR AND VISITORS OF Radford University:

Section 1. The Board of Visitors of the Institution (the "Board") requests the Treasury Board to sell and issue bonds (the "Bonds") or bond anticipation notes ("BANs") in an aggregate principal amount not to exceed \$17,500,000 to finance all or a portion of the costs of each Project plus Financing Expenses (for each individual Project, the "Individual Project Bonds" or "Individual Project Notes" and, collectively, the "Individual Project Borrowing" and for all Projects, the "Project Bonds" or "Project Notes" and, collectively, the "Project Borrowings"). The Individual Project Borrowings will be identified by amount by the State Treasurer upon issuance of any Bonds or BANs.

Section 2. With respect to each Project, the Board (a) covenants to fix, revise, charge and collect a room fee and other rates, fees and charges, for or in connection with the use, occupation and services of such Project and (b) pledges such rates, fees and charges remaining after payment of (i) the expenses of operating such Project and (ii) the expenses related to all other activities funded by the room fee ("Individual Project Net Revenues") to the payment of the principal of, premium, if any, and interest on the Individual Project Borrowing relating thereto. The Board further covenants that it will fix, revise, charge and collect such rates, fees and charges in such amounts so that Individual Project Net Revenues will at all times be sufficient to pay, when due, the principal of, premium, if any, and interest on the related Individual Project Borrowing and on any other obligations secured by such Individual Project Net Revenues (such payments collectively the "Required Payments"). Each Individual Project Borrowing shall be secured on a parity with other obligations secured by the Individual Project Net Revenues relating to such Individual Project Borrowing (other than any obligations secured by a prior right in Individual Project Net Revenues). Any Individual Project Net Revenues pledged herein in excess of the Required Payments for an Individual Project Borrowing may be used by the Institution for any other lawful purpose.

Section 3. It is hereby found, determined and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the Institution, as shown on the Financial Feasibility Studies attached hereto as Exhibit A, with respect to each Project, the anticipated Individual Project Net Revenues pledged herein will be sufficient to pay the Required Payments for such Project so long as the aggregate amount of net debt service on the Individual Project Borrowing for such Project actually payable in any bond year does not exceed the amounts assumed in the Financial Feasibility Study relating thereto.

Section 4. The Board covenants that the Institution will furnish the Treasury Board its general purpose financial statements, within 30 days of their issuance and receipt, audited by a firm of certified public accountants or the Auditor of Public Accounts which shall include a schedule of revenues and expenditures for auxiliary enterprise systems. If Individual Project Net Revenues for any Project are insufficient to pay Required Payments for such Project during such period, the Institution shall provide evidence of a plan to generate Individual Project Net Revenues for such Project sufficient to make such Required Payments in the future.

Section 5. The Board covenants that so long as any of the Project Notes are outstanding, the Institution will pay to the State Treasurer, not less than 30 days before each interest payment date, an amount estimated by the State Treasurer to be due and payable on such date as interest on the Project Notes. The Board covenants that so long as any of the Project Bonds are outstanding, the Institution will pay to the State Treasurer, not less than 30 days before each interest or principal

payment date, the amount certified by the State Treasurer to be due and payable on such date as principal of, premium, if any, and interest on the Project Bonds.

Section 6. The Board covenants that the Institution will pay from time to time its proportionate share of all expenses incurred in connection with the sale and issuance of any series of Bonds that includes Project Bonds or Project Notes and all expenses thereafter incurred in connection with the Bonds, including without limitation the expense of calculating any rebate to the United States of the earnings derived from the investment of gross proceeds of the Bonds, all as certified by the State Treasurer to the Institution.

Section 7. The Board covenants that the Institution will not take or omit to take any action the taking or omission of which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the “Code”), or otherwise cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes under existing laws. Without limiting the generality of the foregoing, the Institution will pay from time to time its proportional share of any rebate to the United States of the earnings derived from the investment of the gross proceeds of the Bonds.

Section 8. The Board covenants that the Institution will proceed with due diligence to undertake and complete the Projects and that the Institution will spend all of the available proceeds derived from the sale of the Project Borrowings for costs associated with the Projects and appropriated for the Projects by the General Assembly.

Section 9. The Board covenants that the Institution will not permit the proceeds of each Individual Project Borrowing to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code. The Institution need not comply with such covenants if the Institution obtains the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income of the owners thereof for federal income tax purposes.

Section 10. The Board covenants that for so long as any of the Bonds are outstanding the Institution will not enter into any operating lease, management contract or similar agreement with any person or entity, other than a state or local governmental unit, for all or any portion of any of the Projects without first obtaining the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that entering into such agreement will not cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

Section 11. The Board covenants that for so long as any of the Bonds are outstanding, the Institution will not sell or dispose of all or any part of any of the Projects without first obtaining the

written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such sale or disposition will not cause interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

Section 12. The officers of the Institution are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the sale and issuance of the Bonds.

Section 13. The Board acknowledges that the Treasury Board will rely on the representations and covenants set forth herein in issuing the Bonds, that such covenants are critical to the security for the Bonds and the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, that the Board will not repeal, revoke, rescind or amend any of such covenants without first obtaining the written approval of the Treasury Board, and that such covenants will be binding upon the Board so long as any of the Bonds are outstanding.

Section 14. This resolution shall take effect immediately.

The undersigned Secretary of the Board of Visitors of Radford University does hereby certify that the foregoing is a true and correct copy of a resolution adopted at a meeting of the Board of Visitors of Radford University duly convened and held on September 11, 2020 at which a quorum was present and voting, and that such resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of

Karen Costale the 11 day of September, 2020.

Secretary, Board of Visitors of Radford University

Robert A. Archer the 11 day of Sept., 2020.

Rector, Board of Visitors of Radford University



# FINANCIAL FEASIBILITY STUDY

For the Biennial Budget for 2020 – 22

Submission Date 8/13/2020

Name of Agency/Institution Radford University

Agency Code 217

Project Name Acquire Property for Campus Expansion

Project Code 17851

Project Amount \$17,500,000

Proposed Financing Arrangement: Bond  Capital Lease  Other (specify) \_\_\_\_\_

Requested Type of Financing  **9(c) \*- Obligations secured by project revenues (e.g., dormitory, dining) and the full faith and credit of the Commonwealth. Submit to Treasury.**  
 **9(d) \* - Any other financing arrangement. Submit to SCHEV.**

Submitted by: Name Stephanie J. Jennelle

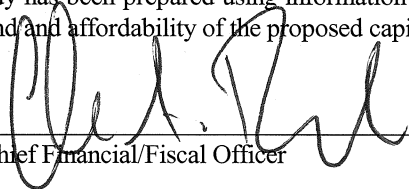
Title Associate Vice President for Finance & University Controller

E-mail sjennelle@radford.edu

Telephone Number (540) 831-6239

Fax Number (540) 831-6471

The attached Financial Feasibility Study has been prepared using information and projections believed to be reliable and accurate for the purpose of estimating the demand and affordability of the proposed capital project.

  
\_\_\_\_\_  
Chief Financial/Fiscal Officer

**Feasibility Studies may be submitted via e-mail to:**

**9(c) Feasibility Studies**

Department of the Treasury  
leslie.english@trs.virginia.gov  
debora.greene@trs.virginia.gov  
DUE DATE: August 14, 2020

**9(d) Feasibility Studies**

State Council of Higher Education for Virginia  
felixsam@schev.edu  
DUE DATE: August 14, 2020

## Key Terms

**9(c) Debt** – Refers to bonds or other obligations authorized under the provisions of Article X, Section 9(c) of the *Constitution of Virginia*. Such debt is secured by (i) net project revenues and (ii) the full faith and credit of the Commonwealth (i.e., a general obligation pledge). Consequently, only revenue-producing capital projects are eligible (e.g., dormitories, dining facilities, etc.). Authorization for 9(c) bonds requires an affirmative vote of two-thirds of the members elected to each house of the General Assembly. Further, prior to its authorization by the General Assembly, and again prior to its issuance, the Governor must certify that the anticipated net revenues of the project will be sufficient to pay principal and interest on the debt. The FFS is a critical part of this determination. 9(c) bonds are issued by the Treasury Board.

**9(d) Debt** – Refers to bonds or other obligations authorized for issuance under the provisions of Article X, Section 9(d) of the *Constitution of Virginia*. Such debt may or may not be secured by state funds. Project authorization must be provided in the Appropriation Act or other Act of the General Assembly. A financial feasibility study should be completed for any project expected to be supported in whole or in part from project revenues or general revenues of the agency or institution. This includes projects to be financed under the Virginia College Building Authority (VCBA) Pooled Bond Program. The project may or may not be revenue producing. Capital leases and other obligations are included in this category

FFS's for 9(d) projects must be submitted to State Council of Higher Education for Virginia by August 15<sup>th</sup> of each year. The State Council of Higher Education shall identify the impact of all projects requested by the institutions of higher education on the current and projected costs to students in institutions of higher education and the impact of the project on the institution's need for student financial assistance. The State Council of Higher Education for Virginia shall report such information to the Secretary of Finance and the Chairman of the House Appropriations and Senate Finance Committees no later than October 1 of each year.

**Capital Lease** – Capital leases are considered long-term obligations for accounting purposes. The State Comptroller defines capital leases as leases which meet any one (or more) of the following criteria:

- 1) transfer of ownership of the property to the lessee at the end of the lease term;
- 2) bargain purchase option at the end of the lease term;
- 3) lease term equal to 75% or more of the estimated economic life of the leased property; and
- 4) present value of the net minimum lease payments equal to or exceeding 90% of the fair market value of the property.

**Capitalized Interest** – Interest to be paid on the bonds during the period of construction that is financed as part of the bond issue. Capitalizing interest increases the overall cost of borrowing, but may be necessary in cases where project revenues are to be used to pay debt service. Conversely, where revenues are already being collected (i.e., a fee or fee increase has already been implemented), capitalized interest may not be appropriate.

**General Revenue Pledge** – A pledge of all general operating revenues of the institution of higher education (as opposed to a pledge of a specific revenue or revenue stream). The general revenue pledge is generally stronger than a specific revenue pledge. A general revenue pledge is required for the VCBA Pooled Bond Program. General operating revenues include: total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general fund appropriations and other revenues not required by law to be used for another purpose.

**Incremental Annual Operating Expenses** – The increase in annual operating costs attributable to the project.

**Non-recurring costs** – One-time project costs (e.g., land acquisition, special utility fees, permits, etc.) required for project completion.

**Private Use** – means any use by a trade or business that is carried on by persons or entities other than state or local governmental entities. Such use could involve ownership; management, service or incentive payment contracts, research agreements, leases, subleases, loans, or any other arrangement that conveys special legal entitlements or economic benefit to the non-governmental entity from the beneficial use of the project.

**Reserve Fund** – An amount set aside, usually from project revenues or bond proceeds, to mitigate the impact of fluctuations or interruptions in the flow of revenues to pay debt service. The presence of a reserve fund may enhance the credit. For the purposes of the feasibility study, reserve funds are generally for debt service and are funded from project or institutional revenues. 9(c) projects are expected to generate sufficient net revenues to fund a reserve at an amount equal to approximately 10% of the amount financed.

## **Section 1 - General Information – To be completed for all projects.**

1. Describe the project in sufficient detail so that an uninformed reader has a clear understanding of the project. Indicate whether the project involves new construction or is a renovation/addition to an existing facility.

Radford University (RU) has been actively considering building new residence halls for several years to improve retention and to meet the needs of our current student population. In Spring of 2018 the University entered into a capital lease with the Radford University Foundation for 17 properties that accounted for over 760 beds. The University entered into the lease with the intent to buy the property in the near future. This project will allow for the University to acquire the property from the Foundation.

2. Describe how the project is essential to fulfilling the institution's/agency's mission. What alternatives are available?

Acquiring property to expand student residential housing is of the utmost importance to the University as in the current state there are insufficient beds on campus to accommodate student demand and to enforce the existing four-semester residence requirement. Expanding student residential housing is a strategic initiative that directly ties to increasing student success and retention. Students living in campus housing are provided with additional programmatic options, oversight, and general support that translates into increased success in the classroom thereby increasing retention.

Other alternatives to meet housing demand include constructing a new residence hall or lease space from local housing providers. By acquiring this property, this is the most beneficial option that allows the University to maintain the properties to our standards and provide consistent and appropriate level of housing.

3. Was the project part of the agency's capital outlay submission? If so, include a copy of the project narrative.

The expansion of student residential housing has been in the University's master plan and capital outlay initiatives for the last decade. It will continue to be a central part of the outlay as the University enters the planning phase of the 2020-30 master plan. In advance of the upcoming General Assembly session the University anticipates requesting the existing capital project 17851 appropriation be realigned from Higher Education Operating to Debt Service.

4. Describe the effect the project will have on those students or users who will financially support the project.

For students, this will help to satisfy the additional demand for living in University owned housing. Currently, the University does not have the capacity to execute its existing residential policies. The increase in housing availability would allow underclassmen to fulfill their four semester requirement and help satisfy additional demand for upper classmen to occupy university housing. Radford University's student population has a growing reliance on University housing. The residential experience provides an increased connectedness to campus and has proven to increase student retention and graduation.

In addition, students will be billed through their University accounts and will not need to manage third party relationships for residential services (i.e. utilities). It provides a balanced approach by leveraging on-campus residential operating efficiencies with off-campus facilities. The cost to student will be in line with current University owned apartments.

5. Describe the probable effects of the project on the community and environment, including changes to the value of property as a result of the project.

Effects on the community and environment of the project were communicated during the capital lease process. The properties acquired would now be maintained under the same standards as is required for main campus, and thus increasing the value of the properties. The University will inspect the units as part of standard room inspections limiting inappropriate activities in the residence, as well as the RU police presence will be increased in the applicable areas.

6. Explain how the project and its impact have been conveyed to local officials and their reaction/response.

This project was communicated to local officials during the capital lease process. When the properties were acquired by the Foundation, it was communicated that this is repurposing existing housing, and would not require the construction of a new building that would take away from current housing providers. It was also noted that tax assessments around the perimeter of campus and adjoining property should improve, as well as the City will improve collections of water, sewer, trash and electric bills as they will be dealing with the University directly. This project was well received and the multiple benefits were noted.

7. Describe any other positive or negative aspects of the project.

The project will expand the limits of campus and assist in satisfying the growing housing need. As stated meeting housing needs directly ties to student retention and success.

8. Briefly describe the financing proposal. Indicate if this proposal is for a bond financing, a capital lease, or some alternative financing arrangement.

The project is requesting \$17,500,000 of 9(c) bond financing, with a standard twenty year repayment schedule. This will realign our current capital lease to bond financing and transfer operations/ownership from the University's Foundation to the University. This will allow the University to leverage the Commonwealth's favorable financing options to acquire the property.

9. Are specific revenues planned to support debt service or lease payments? (If so, you will need to complete Section 3.)

Yes, the revenue generated from utilizing the purchased properties as University owned student-housing will be sufficient in meeting the obligation of debt service payments. As required, Section 3 has been completed below.

10. Describe how the financing fits within your debt management policy?

The proposed financing of this project conforms to the guidelines set forth in the University's approved Debt Management Policy. The Board of Visitors annually certifies the University is in compliance with its Debt Management Policy. As stated in question 11 below, this financing is within the means of the University's debt management policy.

11. Provide your institution's debt ratios as estimated under your debt management policy:

- (a) as of June 30, 2020, including any authorized and unissued estimated debt; and  
(b) including the financing of this project.

The debt burden ratio is the maximum annual debt service as a percentage of total operating expenses and shall not exceed 7%. The University's projected ratio as of June 30, 2018 based on estimates is 2.21% and is estimated to be, including this project, 2.49%.

### Private Use

12. Will any person or entity other than the governmental unit provide (directly or indirectly) any part of debt service on the portion of the bonds issued for the project? For example, will a private foundation or federal agency be required (or expected) to make an annual contribution toward the payment of debt service.

Yes  No. If yes, please identify the person or entity and the percent of debt service to be provided.

13. Do you anticipate that any person or entity other than the state institution/agency will have a contractual right, different from the rights available to the general public or students, to use any part of the project or to use or buy goods or services produced

at the project? For instance, have you contracted parking spaces in a parking deck to a nearby corporate office?

Yes  No If yes, briefly summarize the planned contractual agreement.

14. Do you contemplate any part of the project being managed or operated by any person or entity other than the state institution/agency under a management or service contract, incentive payment or other "privatized" arrangement? Examples include contracts for food service, parking service, dormitory management, bookstore management, etc.

Yes  No If yes, summarize the anticipated contractual arrangement (i.e., contract term, renewal options, compensation arrangements, etc.).

Note: These arrangements may impact whether the project is eligible for tax-exempt financing. Once tax-exempt bonds have been issued, entering into this type of contract or arrangement may affect the bond's tax-exempt status. **So long as the bonds are outstanding**, the terms of any such arrangement must be reviewed and approved by the State Treasurer prior to the execution of any contract.

**Section 2 – Cost Information (complete for all projects)**

15. Do you anticipate the need for capitalized interest on any bond financing (i.e., to pay interest during construction)? If so, explain.  
No

16. Itemize the capital costs of the project. Estimate the costs of issuance at 2% of the cost of the project. Please subtotal project costs net of the 2% cost of issuance and then show a gross cost of project including the cost of issuance. Note that the total cost should be used as the AMOUNT BORROWED field of the worksheet. Attach the CO-2 estimate or further estimate of project cost, if available.

A & E	0
Land Acquisition	17,500,000
Sitework/Utilities	0
Construction	0
Equipment/Furnishings	0
Contingencies and Other Costs	0
Subtotal	17500000
Costs of Issuance (2% of Subtotal)	350,000
Capitalized Interest (Estimate)	
Total	17850000

17. What is the anticipated useful life of the project?  
25-30 years

18. List and describe any initial **Non-Recurring Costs** related to the project and the source of funding for each of these items.  
N/A

19. List and estimate the **Incremental Annual Operating Expenses**. Provide any supporting documentation and illustrate how your estimate was made. These expenses include personnel costs, utilities, contractual services, supplies and materials, indirect costs, equipment, etc.

Please reference the Financial Feasibility Study Part II for the breakout of annual operating expenses. These are estimates based upon the anticipated costs to operate and maintain the purchased properties. This includes, but is not limited to, residential housing personnel, custodial staff, and maintenance professionals.

**Using 2.0% as the rate for investment of the Reserve Fund (reinvestment rate) and the following borrowing assumptions, complete Spreadsheet #1 – Cost Components**

**The current Borrowing Rates are provided by the Department of the Treasury.**

<b><u>Term</u></b>	<b><u>9(c) Borrowing Rate</u></b>	<b><u>9(d) Borrowing Rate</u></b>
25 years	3.30%	3.41%
20 years	2.98%	3.09%
15 years	2.56%	2.65%
10 years	2.11%	2.20%
7 years	N/A	2.17%

**Section 3 Revenue Information. (Complete for all revenue-producing projects)**

20. Describe the Revenue Sources that will be used for payment of debt service and the expenses associated with these revenues. Consider what other expenses are planned to be supported by the revenues, and how much revenue will actually be available for debt service.

Radford University's auxiliary enterprise revenue (i.e. room/apartment rates) and revenues from operations will be used for payment of debt service. Funds collected upon property occupancy will be utilized for annual debt service payments.

21. If revenues will be derived from a group of similar facilities (a system) and an increase in system revenues will be used to support the debt, provide justification for any system contribution and any marginal increase in system-wide fees.

Radford University's auxiliary enterprise revenue (i.e. room/apartment rates) and revenues from operations will be used for payment of debt service. Funds collected upon property occupancy will be utilized for annual debt service payments.

22. If revenues will be derived from just one facility of several similar facilities in a campus system, show all fees for all similar facilities and justify any differential in pricing between the facilities.

Radford University has a tiered housing structure. On-campus housing is broken into pricing tiers based upon occupancy, amenities, and phase of renovations. Off-campus University owned apartments are uniformly structured at a single rate. The revenues associated with the purchased properties will align with current apartment pricing structure. Fees will not be increased as a result of this issuance.

23. Will project revenues or revenues pledged to the payment of debt service be available prior to completion of the project? Describe the timing of revenues and when they will be available and sufficient to begin servicing the debt.

Yes, the apartment fee will be assessed in advance of project completion. It is expected that space utilization will generate sufficient funding for timely debt service payments

24. What studies have been completed to demonstrate the demand for the facility and the reliability of the revenue stream? (Attach copies if available.)

The FFS identifies the revenue needed to cover the debt service will be generated from residential user fees.

25. If any portion of the revenues are already pledged or otherwise committed to other debt service payments, provide a schedule of debt service payments (by issue). Identify the portion of the revenue source that is committed or being used to pay debt

The University currently has debt service on residential facilities for the Washington Hall and the Residential Umbrella projects. The funds expected to fulfill the requested debt obligation are based upon the expanded housing availability from the purchased properties, not current residential facility revenues.

26. If any revenues are projected to increase, explain how the projections were calculated. Do not use an automatic growth rate.

Upon completion of the purchase, the apartment rate structure will be aligned with current University owned apartments. Additional revenue will be calculated using the rate multiplied by the increase in the number of newly available beds.

27. If institutional reserves are to be used to service the debt, include the source of funds, balances for the last five years, and impact on future balances. Identify the authorization for using these funds to pay debt service and other costs.

N/A

28. If any amounts currently used for debt service are expected to be available and used for debt service on this project (i.e., the existing debt will be retired), provide the project(s), the bond series, and the annual amount to be available. Address the status of the existing facility's physical condition and plans for repair or maintenance. Conversely, explain why any such amounts scheduled to be available are not planned for use for debt service on this project.

(N/A), however as noted above this will reduce the obligation currently owed under the capital lease arrangement.

Using the information described above, complete Spreadsheet #2 – Revenue Components

**Section 4 General Financial Condition - Complete this section for all projects**

29. Provide the following FTE enrollment and admissions information.

Enrollment	Last 5 years				
	2019-20	2019-18	2018-17	2017-16	2016-15
Undergraduate	7,757	7,750	8,141	8,296	8,679
Graduate & 1st Prof.	1,685	996	905	869	808
Total	9,442	8,746	9,046	9,165	9,487
On-Campus	6,425	7,127	7,588	7,888	8,210
Off-Campus	3,017	1,619	1,458	1,278	1,277
<b>Admissions</b>					
Applications Received	14,852	15,758	16,361	9,397	9,291
Applications Accepted	13,893	12,122	12,654	7,707	7,951
Students Enrolled	2,579	2,545	2,702	2,711	2,969

30. Provide the annual Per Student Fee(s) to be assessed to support the project

Student Level	Domicile	
	Virginian	Nonvirginian
Undergraduate	7,099	7,099
First Professional	-	-
Graduate	7,099	7,099
Unclassified	-	-

31. Provide the Total Annual Student Fee(s) Revenue assessed to support the project

Student Level	Domicile	
	Virginian	Nonvirginian
Undergraduate	3,024,174,	191,673
First Professional	-	-
Graduate	291,059	42,594
Unclassified	-	-

**Section 5 Capital Lease Projects – Complete Items 32 through 35 only if the financing involves a capital lease.**

32. Discuss the alternatives that were considered before deciding that the capital lease structure was the best option.

N/A

33. Who is the Lessor? Who is the Lessee?

N/A

34. Who will manage the facility during and after construction?

N/A

35. Who will be issuing bonds or otherwise financing the project? Will it be tax-exempt debt?

N/A



Financial Feasibility Study - Part II  
 Spreadsheet 1 - Cost Components  
 Radford University  
 17851

		Debt Service	Principal	Interest	Reserve Fund Payment	Reserve Fund Balance	Total Debt Service	Annual Expenses	Non Recurring Initial Outlays	Total Cost
	2021									0
1	2022	1,174,101	652,601	521,500	117,410	117,410	1,291,511	659,399	0	1,950,910
2	2023	1,174,101	672,048	502,052	117,410	235,994	1,291,511	659,399		1,950,910
3	2024	1,174,101	692,075	482,025	117,410	355,764	1,291,511	659,399		1,950,910
4	2025	1,174,101	712,699	461,402	117,410	476,732	1,291,511	659,399		1,950,910
5	2026	1,174,101	733,938	440,163	117,410	598,909	1,291,511	659,399		1,950,910
6	2027	1,174,101	755,809	418,292	117,410	722,309	1,291,511	659,399		1,950,910
7	2028	1,174,101	778,332	395,769	117,410	846,942	1,291,511	659,399		1,950,910
8	2029	1,174,101	801,527	372,574	117,410	972,821	1,291,511	659,399		1,950,910
9	2030	1,174,101	825,412	348,689	117,410	1,099,960	1,291,511	659,399		1,950,910
10	2031	1,174,101	850,009	324,092	117,410	1,228,369	1,291,511	659,399		1,950,910
11	2032	1,174,101	875,340	298,761	117,410	1,358,063	1,291,511	659,399		1,950,910
12	2033	1,174,101	901,425	272,676	117,410	1,489,054	1,291,511	659,399		1,950,910
13	2034	1,174,101	928,287	245,814	117,410	1,621,354	1,291,511	659,399		1,950,910
14	2035	1,174,101	955,950	218,151	117,410	1,750,000	1,291,511	659,399		1,950,910
15	2036	1,174,101	984,437	189,664	0	1,750,000	1,174,101	659,399		1,833,500
16	2037	1,174,101	1,013,774	160,327	0	1,750,000	1,174,101	659,399		1,833,500
17	2038	1,174,101	1,043,984	130,117	0	1,750,000	1,174,101	659,399		1,833,500
18	2039	1,174,101	1,075,095	99,006	0	1,750,000	1,174,101	659,399		1,833,500
19	2040	1,174,101	1,107,133	66,968	0	1,750,000	1,174,101	659,399		1,833,500
20	2041	1,174,101	1,140,125	33,976	0	1,750,000	1,174,101	659,399		1,833,500
21	2042	0	0	0	0	0	0	0		0
22	2043	0	0	0	0	0	0	0		0
23	2044	0	0	0	0	0	0	0		0
24	2045	0	0	0	0	0	0	0		0
25	2046	0	0	0	0	0	0	0		0
26	2047	0	0	0	0	0	0	0		0
27	2048	0	0	0	0	0	0	0		0
28	2049	0	0	0	0	0	0	0		0
29	2050	0	0	0	0	0	0	0		0
30	2051	0	0	0	0	0	0	0		0
		23,482,018	17,500,000	5,982,018	1,643,741		25,125,759	13,187,980	0	38,313,739
PV @2.98%		17,500,000			1,328,083		18,828,083	9,828,357	0	28,656,440

**(1) DEBT INFORMATION**

Borrowing Year	2021
Amount Borrowed	17,500,000
Borrowing Rate	2.98%
Term (Years)	20
Reinvestment Rate	1.00%
Reserve Fund Target	1,750,000

**(2) ANNUAL OPERATING EXPENSES**

Personal Services	281,685
Contractual Services	136,941
Supplies and Materials	149,303
Indirect Cost	53,970
Utilities	37,500
Equipment	0
Other	0
<b>Total Annual Expenses</b>	<b>659,399</b>

Financial Feasibility Study - Part II  
 Spreadsheet 2 - Revenue Components  
 Radford University  
 17851

	User Fees	Part Time User Fees	Other Student Fees	Indirect Cost Recoveries	Revenue From Operations	Institutional Reserves	Retirement of Existing Debt	Other	Total Revenues
2021									
2022	3,549,500	0	0	0	0	0	0	0	3,549,500
2023	3,549,500	0	0	0	0	0	0	0	3,549,500
2024	3,549,500	0	0	0	0	0	0	0	3,549,500
2025	3,549,500	0	0	0	0	0	0	0	3,549,500
2026	3,549,500	0	0	0	0	0	0	0	3,549,500
2027	3,549,500	0	0	0	0	0	0	0	3,549,500
2028	3,549,500	0	0	0	0	0	0	0	3,549,500
2029	3,549,500	0	0	0	0	0	0	0	3,549,500
2030	3,549,500	0	0	0	0	0	0	0	3,549,500
2031	3,549,500	0	0	0	0	0	0	0	3,549,500
2032	3,549,500	0	0	0	0	0	0	0	3,549,500
2033	3,549,500	0	0	0	0	0	0	0	3,549,500
2034	3,549,500	0	0	0	0	0	0	0	3,549,500
2035	3,549,500	0	0	0	0	0	0	0	3,549,500
2036	3,549,500	0	0	0	0	0	0	0	3,549,500
2037	3,549,500	0	0	0	0	0	0	0	3,549,500
2038	3,549,500	0	0	0	0	0	0	0	3,549,500
2039	3,549,500	0	0	0	0	0	0	0	3,549,500
2040	3,549,500	0	0	0	0	0	0	0	3,549,500
2041	3,549,500	0	0	0	0	0	0	0	3,549,500
2042	0	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0
	70,990,000	0	0	0	0	0	0	0	70,990,000
PV @2.98%	52,905,376	0	0	0	0	0	0	0	52,905,376

USER FEE INFO		NET REVENUES FROM OPERATIONS	
# of Units	500	Net Sales	
Session Fee	7,099	Cost	
Rate increase years 1-4	0.000%	Profit	0
Rate increase years 5+	0.000%	Operating Expenses	
<b>SUMMER/PARTIME USER FEES</b>		Selling	
# of Units	0	General Administrative	
Session Fee	0	Lease Payment	
Rate increase years 1-4	0.000%	Gross Operating Income	0
Rate increase years 5+	0.000%	Rate increase years 1-4	0.000%
		Rate increase years 5+	0.000%

Financial Feasibility Study - Part II  
 Spreadsheet 3 - Net Revenues/Coverage  
 Radford University  
 17,851

	Total Cost	Reserve Fund Payment	Adjusted Total Cost	Total Revenues	Net Revenues	Coverage Percent
2021	0					
2022	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2023	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2024	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2025	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2026	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2027	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2028	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2029	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2030	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2031	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2032	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2033	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2034	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2035	1,950,910	117,410	1,833,500	3,549,500	1,716,000	193.59%
2036	1,833,500	0	1,833,500	3,549,500	1,716,000	193.59%
2037	1,833,500	0	1,833,500	3,549,500	1,716,000	193.59%
2038	1,833,500	0	1,833,500	3,549,500	1,716,000	193.59%
2039	1,833,500	0	1,833,500	3,549,500	1,716,000	193.59%
2040	1,833,500	0	1,833,500	3,549,500	1,716,000	193.59%
2041	1,833,500	0	1,833,500	3,549,500	1,716,000	193.59%
2042	0	0	0	0	0	0.00%
2043	0	0	0	0	0	0.00%
2044	0	0	0	0	0	0.00%
2045	0	0	0	0	0	0.00%
2046	0	0	0	0	0	0.00%
2047	0	0	0	0	0	0.00%
2048	0	0	0	0	0	0.00%
2049	0	0	0	0	0	0.00%
2050	0	0	0	0	0	0.00%
2051	0	0	0	0	0	0.00%
	38,313,739	1,643,741	36,669,998	70,990,000	34,320,002	

# 2019-20 Financial Performance Report



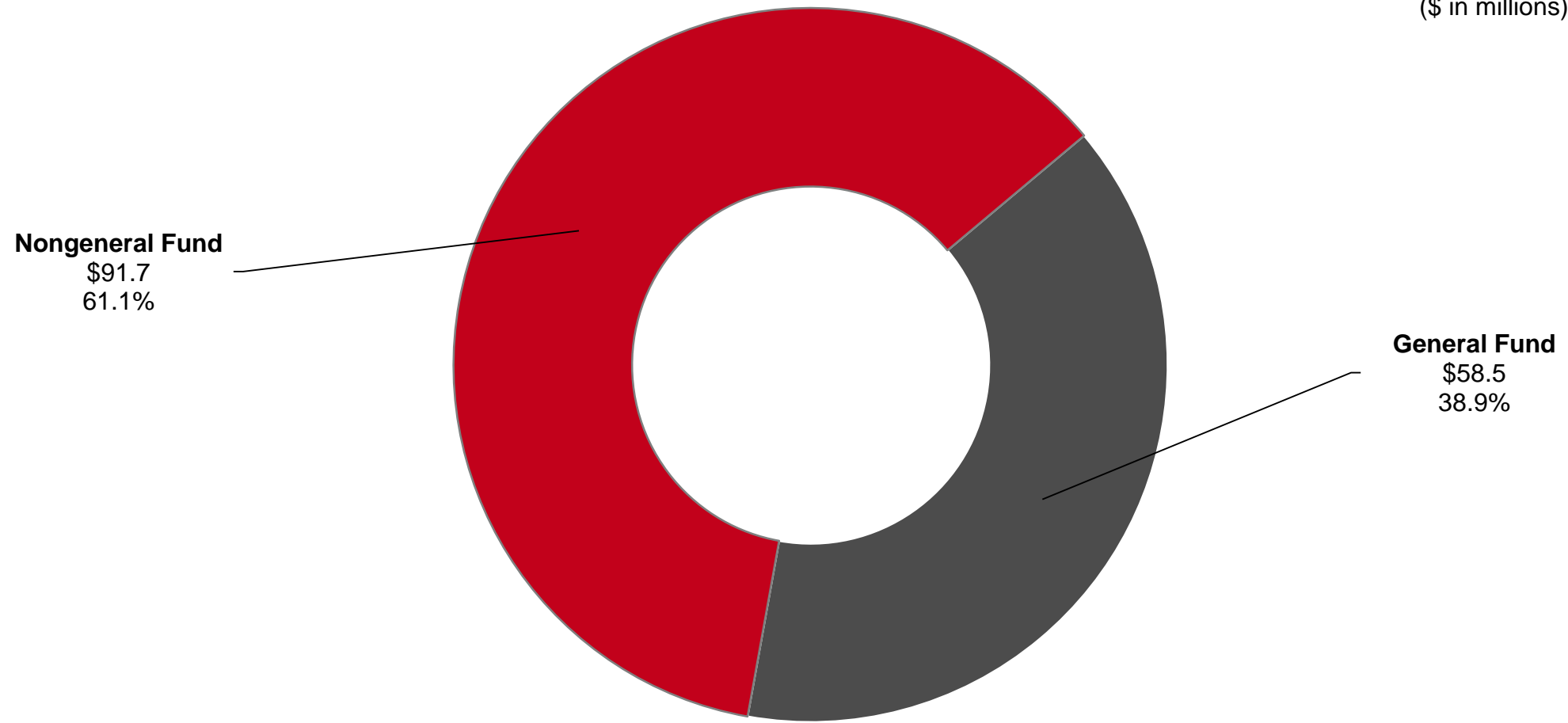
# 2019-20 Financial Performance Summary

	Budget (\$ in Thousands)			Actual (\$ in Thousands)		
	Revenue	Expense	Surplus/(Deficit)	Revenue	Expense	Surplus/(Deficit)
<b>University Operating</b>						
Education & General	\$151,476	(\$151,476)	\$0	\$150,141	(\$150,064)	\$76
Student Financial Assistance	13,768	(13,768)	0	13,768	(13,768)	(0)
Sponsored Programs	10,361	(10,361)	0	10,533	(10,001)	532
Auxiliary Enterprise	74,597	(66,762)	7,835	67,490	(55,419)	12,071
<b>Total University</b>	<b>\$250,202</b>	<b>(\$242,367)</b>	<b>\$7,835</b>	<b>\$241,931</b>	<b>(\$229,252)</b>	<b>\$12,679</b>

# 2019-20 Actual Revenue: General v. Nongeneral Split

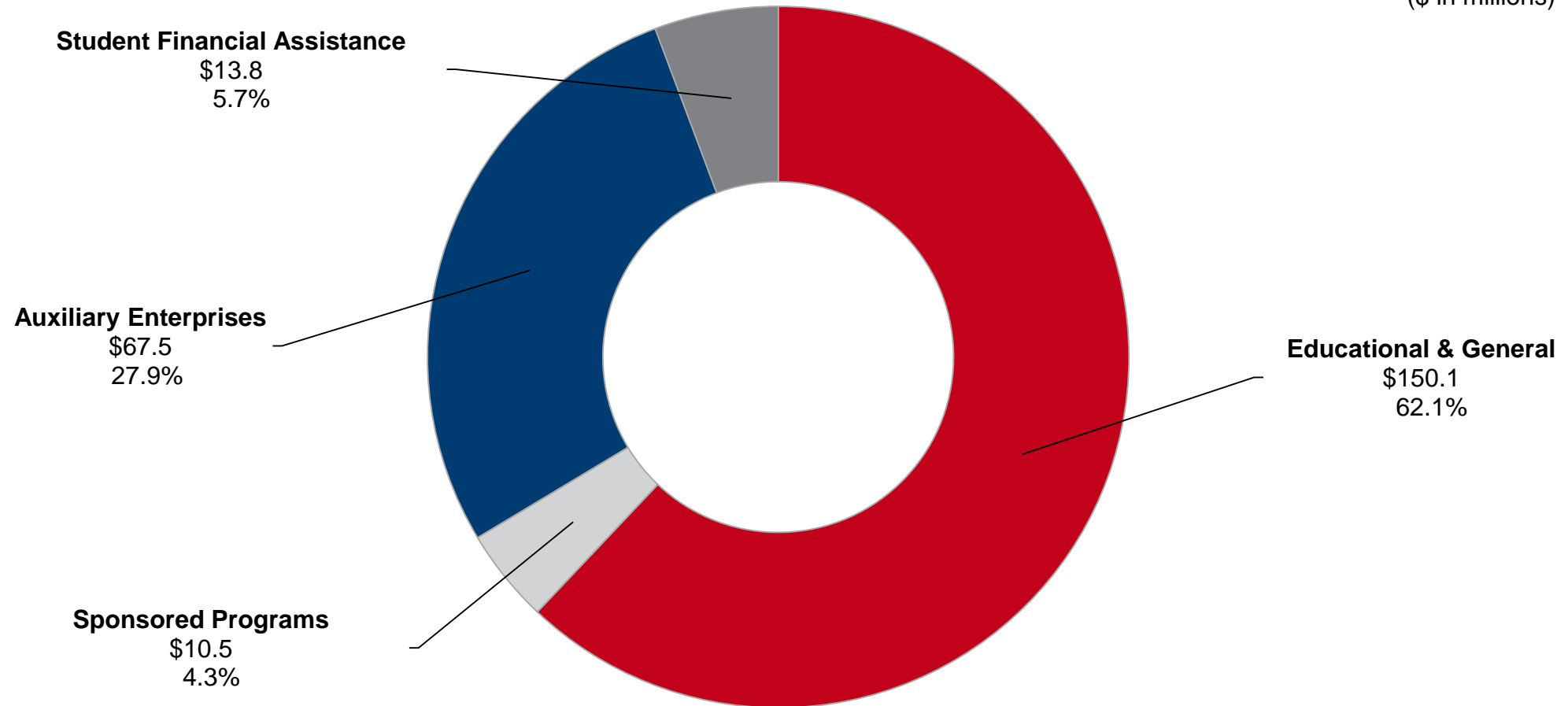
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(\$ in millions)

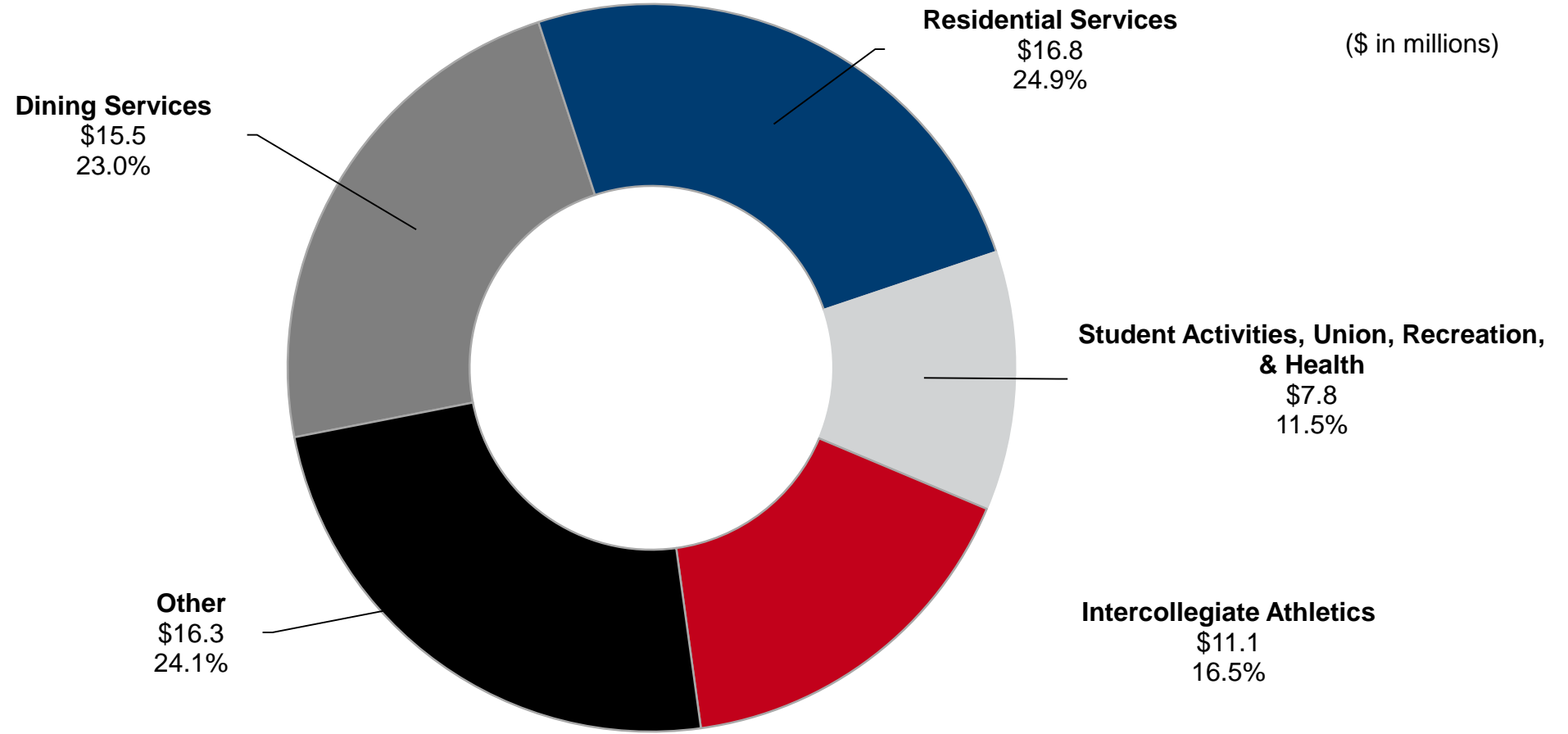


# 2019-20 Actual Revenue: All Programs and Funds

(\$ in millions)

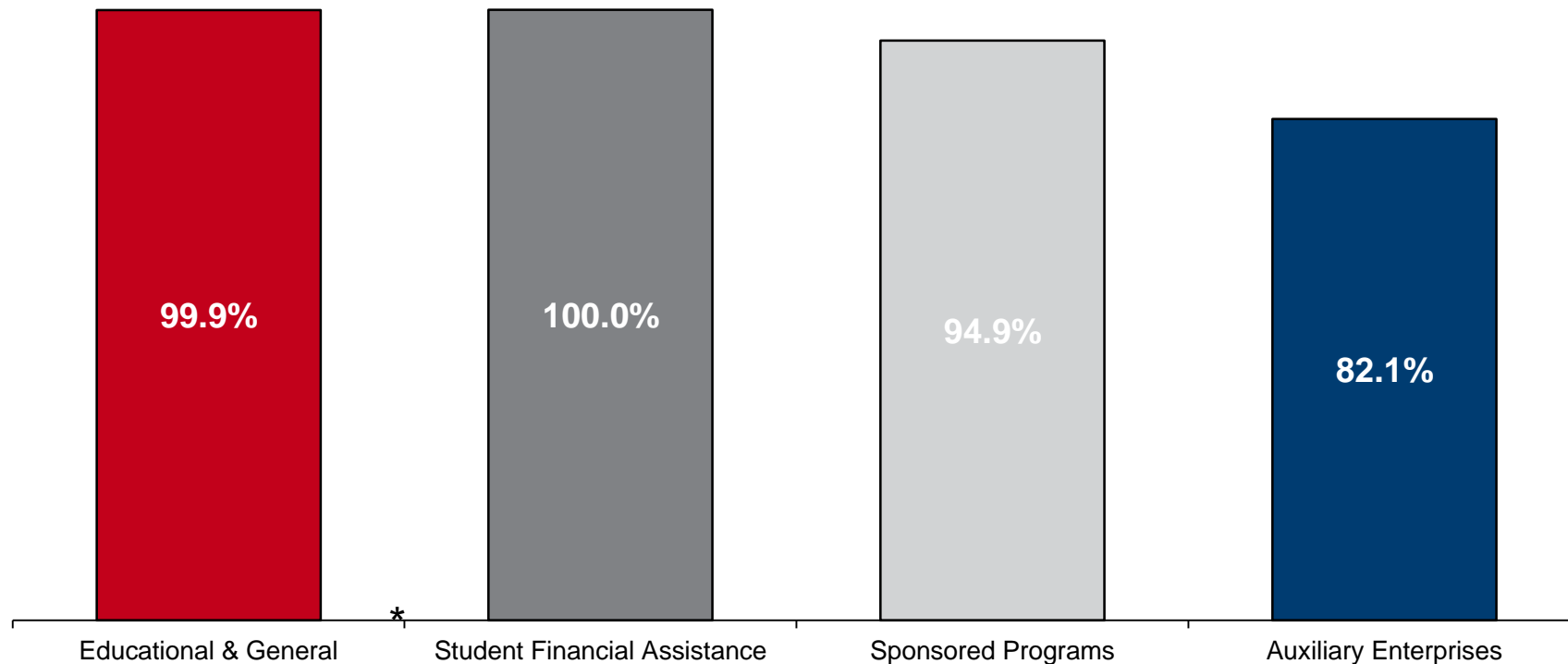


# 2019-20 Actual Revenue: Auxiliary Enterprise





# 2019-20 Percent of Revenue Expended



**Sponsored Programs** operation is cyclical and revenue is dependent on when expenditures are reimbursed.

**Auxiliary Enterprises** operation should not fully expend all revenue because it must be self-supporting and include reserve fund deposits.

*\* Includes an institutionally planned E&G carryforward.*

**RADFORD UNIVERSITY BOARD OF VISITORS**  
**September 11, 2020**

**Information Item**  
**Financial Performance Report for the Year Ending June 30, 2020**

**Item:**

Summary of fiscal year 2019-20 revenue and expenditures as of June 30, 2020.

**Background:**

The Financial Performance Report includes Schedules A and B which provides a summary of unaudited revenue and expenditure activity for the year ending June 30, 2020. The Financial Performance Report is generated from annual budget projections and actual accounting data recorded in Banner Finance that has been reconciled with the Commonwealth's Accounting System (Cardinal). The actual accounting data is recorded using a modified accrual basis of accounting which recognizes revenue when received rather than when earned and expenditures when posted rather than when payment is issued.

The Original Budget was approved by the Board of Visitors at the September 2019 meeting. The Revised Budget is inclusive of any technical adjustments made throughout the year as well as a 2019-20 third quarter adjustment to account for actual enrollment levels impacting tuition and fee collections.

For the year ending June 30, 2020, revenues and expenditures were at projected levels, but were lower due to factors associated with COVID-19. Schedule A provides a summary of revenue and expenditure activity by major program. Schedule B provides a summary of revenue, expenditure and reserve draw/(deposit) by major auxiliary enterprise unit. Footnotes are included in each schedule to explain variances between the Original Budget, Revised Budget, and year-end Actuals.

The contribution to the auxiliary reserve is required to meet the State Council of Higher Education for Virginia (SCHEV) guidelines for on-going operations, equipment renewal and replacement, and future capital projects.

**Summary:**

No action required; information item only.

**Radford University**  
**Financial Performance Report**  
**For the Period Ending June 30, 2020**

Schedule A

Dollars in Thousands

	<b>Annual Budget for 2019-20</b>			<b>July 1, 2019 to June 30, 2020</b>	
	<b>Original (a)</b>	<b>Adjustments (b)</b>	<b>Revised (c)</b>	<b>Actuals (d)</b>	<b>Variance</b>
<b>Educational and General Programs</b>					
<u>Revenues</u>					
General Fund	\$57,708	\$754	\$58,462 (1)	\$58,462	(0)
Tuition and Fees	93,701	(7,913)	85,788 (2)	86,828	1,039 (9), (10)
All Other Income	3,617	3,610	7,226 (3)	4,851	(2,375) (9), (11)
<b>Total Revenues</b>	<b>\$155,025</b>	<b>(\$3,549)</b>	<b>\$151,476</b>	<b>\$150,141</b>	<b>\$1,335</b>
<u>Expenditures</u>					
Instructional & Academic Support	(\$98,033)	(\$399)	(\$98,432) (1), (2), (4)	(\$96,198)	\$2,234 (9)
Public Service Programs	(600)	(150)	(750) (3), (5)	(505)	\$245 (9)
All Other Support Programs	(56,393)	4,099	(52,294) (1), (2), (3), (4)	(53,361)	(\$1,067) (9), (12)
<b>Total Expenses</b>	<b>(\$155,025)</b>	<b>\$3,549</b>	<b>(\$151,476)</b>	<b>(\$150,064)</b>	<b>(\$1,412)</b>
Reserve Draw (Deposit)	0	(0)	(0)	(76)	(\$76) (9), (13)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Student Financial Assistance</b>					
Revenue	\$13,542	\$226	\$13,768 (6)	\$13,768	\$0
Expenditures	(13,542)	(226)	(13,768) (6)	(13,768)	(0)
Reserve Draw (Deposit)	0	0	0	0	0
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sponsored Programs</b>					
Revenue	\$8,962	\$1,399	\$10,361 (7)	\$10,533	\$172 (9), (14)
Expenditures	(8,962)	(1,399)	(10,361) (7)	(10,001)	360 (9)
Reserve Draw (Deposit)	0	(0)	(0)	(532)	(532) (9), (14)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Auxiliary Enterprises</b>					
Revenues	\$77,976	(\$3,379)	\$74,597 (8)	\$67,490	(\$7,108) (8), (9)
Expenditures	(69,677)	2,915	(66,762) (8)	(55,419)	11,343 (8), (9)
Reserve Draw (Deposit)	(8,299)	463	(7,835) (8)	(12,071)	(4,236) (8), (9)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total University</b>					
<b>Revenues</b>	<b>\$255,505</b>	<b>(\$5,303)</b>	<b>\$250,202</b>	<b>\$241,931</b>	<b>(\$8,271)</b>
<b>Expenses</b>	<b>(247,206)</b>	<b>4,839</b>	<b>(242,367)</b>	<b>(229,252)</b>	<b>13,115</b>
<b>Reserve Draw (Deposit)</b>	<b>(8,299)</b>	<b>463</b>	<b>(7,835)</b>	<b>(12,679)</b>	<b>(4,844)</b>
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Notes:**

(a) Original Budget - Reflects the projected 2019-20 Operating Budget as of July 1, 2019 which was approved by the Board at the September 2019 meeting. Both recurring and one-time operating budgets are included.

(b) Adjustments - Reflects changes that have been made to the 2019-20 Operating Budget between July 1, 2019 and June 30, 2020. Both recurring and one-time operating budgets

(c) Revised Budget - Reflects the current 2019-20 Operating Budget as of June 30, 2020. Both recurring and one-time operating budgets are included.

(d) Activity Through Fourth Quarter - Reflects the projected actual annual activity as of June 30, 2020.

**Radford University**  
**Financial Performance Report - Notes**  
For the Period Ending June 30, 2020

- 1) The General Fund (GF) revenue budget was increased by \$753,732. The increase was attributable to several factors including: \$501,080 Tech Talent Investment Program Allocation; \$16,540 VIVA Allocation; \$6,000 SCHEV Grant; \$235,775 Interest Earnings and Credit Card Rebates; and (\$5,667) PMIS Charges. All related expense budgets were adjusted accordingly.
- 2) The Tuition & Fee revenue budget was adjustment to account for current year enrollment levels in traditional undergraduate and graduate programs at both the Main Campus and RUC and to reallocate funding to GF for the Interest Earnings and Credit Card rebates. All related expense budgets were also adjusted accordingly.
- 3) The All Other Income revenue budget was increased for funds received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Higher Education Emergency Relief Fund and Commonwealth of Virginia Relief Fund. The increase in revenue budget was partially offset slightly by a projected decrease in current year sales and service revenues. All related expense budgets were adjusted accordingly.
- 4) A portion of the Instructional and Academic Support budget was temporarily reallocated to the All Other Support Programs due to turnover and vacancy savings.
- 5) The Public Service Programs revenue and expenditure budget for Radford University Carilion (RUC) was adjusted from All Other Support Programs to account for projected activity.
- 6) The Student Financial Assistance revenue and expense budgets were adjusted to account for appropriation increases for the VA Military Survivors & Dependents Program, the Two-Year Commonwealth Transfer Grant Program and deferred graduate financial aid funds.
- 7) The Sponsored Programs revenue and expense budget was increased to account for additional anticipated grant activity related to the Appalachian Support for Specialized Education Training (ASSET) funding and the SCHEV Cyber Security Initiative Grant.
- 8) The budget adjustments and projection variances are detailed in the Auxiliary Enterprises section of this report.
- 9) Revenues and Expenditures were impacted by COVID-19 Pandemic factors including: campus closure, transition to online instruction, travel stoppage, early spend cut-off, and increases to turnover and vacancy rates.
- 10) The Tuition & Fees revenue is greater than anticipated due higher than projected IMPACT program tuition receipts.
- 11) The All Other Income revenue is less than projected due a institutionally planned E&G Reserve Fund deposit for 2020-21, to achieve full funding 6% of the E&G Reserve.
- 12) The expenses in All Other Support Programs were higher than projected due to a state authorized Auxiliary Indirect recovery reduction to Educational and General (E&G) approved in House Bill 29 Chapter 1283. This factor was partially offset through the allocation of returned support from RUC.
- 13) The Reserve Deposit in the E&G Programs budget is reflective of Surplus Property and Recycling Proceeds
- 14) The Sponsored Programs revenue and expense budget is based on authorized state appropriation and is not necessarily reflective of anticipated fiscal year activity. Externally sponsored programs are initiated and finalized on an individual basis without fiscal year consideration, thus the actual fiscal year activity will vary from the projected revenue and expense budgets. The Reserve Deposit reflects the timing of expense reimbursements from the grantor.

**Radford University**  
**Auxiliary Enterprise**  
**Financial Performance Report**  
For the Period Ending June 30, 2020

Dollars in Thousands

	Annual Budget for 2019-20			July 1, 2019 to June 30, 2020	
	Original (a)	Adjustments (b)	Revised (c)	Actual (d)	Variance
<b>Residential &amp; Dining Programs</b>					
Revenues	\$41,015	(1,354)	\$39,662 (1)	\$32,320	(\$7,342) (8), (9)
Expenditures	(36,717)	1,337	(35,380) (1)	(30,290)	\$5,090 (8), (10)
Reserve Draw (Deposit)	(4,299)	17	(4,281)	(2,030)	\$2,251 (8), (9), (10)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Bookstore</b>					
Revenues	\$365	(151)	\$214 (2)	\$194	(\$20) (8)
Expenditures	(272)	151	(120) (2)	(111)	\$10 (8)
Reserve Draw (Deposit)	(93)	0	(93)	(83)	\$10 (8)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Parking &amp; Transportation</b>					
Revenues	\$2,076	(84)	\$1,992 (3)	\$1,882	(\$110) (8)
Expenditures	(1,657)	84	(1,573) (3)	(988)	\$585 (8), (11)
Reserve Draw (Deposit)	(419)	0	(419)	(894)	(\$475) (8), (11)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Telecommunications</b>					
Revenues	\$560	0	\$560	\$556	(\$4) (8)
Expenditures	(502)	0	(502)	(398)	\$103 (8), (12)
Reserve Draw (Deposit)	(58)	0	(58)	(158)	(\$99) (8), (12)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Student Health Services</b>					
Revenues	\$3,145	(217)	\$2,928 (3)	\$2,907	(\$21) (8)
Expenditures	(2,950)	217	(2,733) (3)	(2,375)	\$358 (8), (13)
Reserve Draw (Deposit)	(195)	0	(195)	(532)	(\$336) (8), (13)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Student Programming</b>					
Revenues	\$8,238	(458)	\$7,780 (3)	\$7,765	(\$15) (8)
Expenditures	(7,898)	146	(7,752) (3), (4)	(6,539)	\$1,213 (8)
Reserve Draw (Deposit)	(340)	312	(29) (4)	(1,225)	(\$1,197) (8)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Building &amp; Facilities</b>					
Revenues	\$3,206	(202)	\$3,005 (3)	\$2,855	(\$150) (8)
Expenditures	(1,492)	113	(1,379) (3), (5)	(844)	\$535 (8), (14)
Reserve Draw (Deposit)	(1,715)	89	(1,626) (5)	(2,011)	(\$385) (8), (14)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Enterprise Functions</b>					
Revenues	\$7,558	(362)	\$7,196 (3)	\$7,882	\$686 (8), (15)
Expenditures	(6,323)	294	(6,029) (3), (6)	(2,157)	\$3,872 (8), (16)
Reserve Draw (Deposit)	(1,235)	68	(1,167) (6)	(5,725)	(\$4,558) (8), (15), (16)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Intercollegiate Athletics</b>					
Revenues	\$11,812	(550)	\$11,261 (3), (7)	\$11,130	(\$132) (8), (16)
Expenditures	(11,867)	573	(11,294) (3), (7)	(11,717)	(\$422) (8), (17), (18)
Reserve Draw (Deposit)	55	(23)	33 (7)	587	\$554 (8), (16)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Auxiliary Enterprise</b>					
<b>Revenues</b>	<b>\$77,976</b>	<b>(\$3,379)</b>	<b>\$74,597</b>	<b>\$67,490</b>	<b>(\$7,107)</b>
<b>Expenses</b>	<b>(69,677)</b>	<b>2,915</b>	<b>(66,762)</b>	<b>(55,419)</b>	<b>11,342</b>
<b>Reserve Draw (Deposit)</b>	<b>(8,299)</b>	<b>463</b>	<b>(7,835)</b>	<b>(12,071)</b>	<b>(4,236)</b>
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Notes:**

(a) Original Budget - Reflects the projected 2019-20 Operating Budget as of July 1, 2019 which was approved by the Board at the September 2019 meeting. Both recurring and one-time operating budgets are included.

(b) Adjustments - Reflects changes that have been made to the 2019-20 Operating Budget between July 1, 2019 and June 30, 2020. Both recurring and one-time operating budgets are included.

(c) Revised Budget - Reflects the current 2019-20 Operating Budget as of June 30, 2020. Both recurring and one-time operating budgets are included.

(d) Activity Through Fourth Quarter - Reflects the projected actual annual activity as of June 30, 2020.

**Radford University**  
**Auxiliary Enterprise**  
**Financial Performance Report - Notes**  
For the Period Ending June 30, 2020

- 1) The Residential and Dining Programs revenue and expense budgets were adjusted to account for expected dining meal plan sales based on actual fall 2019 enrollment levels.
- 2) The Bookstore revenue and expense budgets were adjusted to account for the revised 2019-20 sales forecast.
- 3) Comprehensive Fee revenue and expense budgets were adjusted to account for current year enrollment levels in traditional undergraduate and graduate programs on Main Campus.
- 4) The Student Programming expense budget was increased to support the Highlander Discovery Institute.
- 5) The Building and Facilities expenditure budget was increased to account for one time costs related to the design of the River Campus.
- 6) The Other Enterprise Functions expense budget was increased due to an initial plan for higher than projected Conference Services events.
- 7) The Intercollegiate Athletics expenditure budget was adjusted to account for projected personnel savings from Athletics' restructuring.
- 8) Revenues and Expenditures were impacted by COVID-19 Pandemic factors including: campus closure, transition to online instruction, travel stoppage, early spend cut-off, and increases to turnover and vacancy rates.
- 9) The Residential and Dining Program revenues were lower than anticipated due to COVID-19 related factors including: residential housing refunds, the elimination of Chartwells Commission payments, and the curtailment of dining services.
- 10) The Residential and Dining Program expenses were lower than anticipated due to the COVID-19 curtailment of the Residential and Dining Program operations.
- 11) The Parking and Transportation expenses were less than projected due to lower than anticipated transit costs to Radford City.
- 12) Telecommunication expenses were less than anticipated due to the timing of phone software contractual payments.
- 13) The Student Health Services expenses were lower than anticipated due to the timing of contractual payments to Carilion Health Systems.
- 14) The Building and Facilities expenses were lower than projected due to lower than anticipated lease and maintenance costs.
- 15) The Other Enterprise revenues were higher than anticipated due to an increase in Auxiliary Interest earnings.
- 16) The Other Enterprise expenses were lower than anticipated due the strategic utilization of Auxiliary Indirect recoveries as part of the state authorized Auxiliary Indirect recovery reduction to Educational and General (E&G) approved in House Bill 29 Chapter 1283. This factor was partially offset by higher than anticipated Auxiliary Scholarships.
- 17) The Intercollegiate Athletics revenue was less than anticipated due to the timing associated with Foundation reimbursements.
- 18) The Intercollegiate Athletics expenditures were more than anticipated due lower than anticipated turnover and vacancy savings and higher than projected personal services and operating costs.

# 2020-21 Proposed Operating Budget



# 2020-21 Resource Allocation: Revenue

	Main Campus			RUC			Total University		
	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>
	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change
<b>REVENUE</b>									
<b>General Fund Changes</b>									
2020-21 Tech Talent Funding	\$891,993	\$891,993	\$0	\$0	\$0	\$0	\$891,993	\$891,993	\$0
2020-21 Minimum Wage	15,210	15,210	0	0	0	0	15,210	15,210	0
2020-21 Fringe Rate Changes	236,155	236,155	0	0	0	0	236,155	236,155	0
2020-21 Central Systems & Other Changes	(1,342)	(1,342)	0	0	0	0	(1,342)	(1,342)	0
<b>Total GF Change</b>	<b>\$1,142,016</b>	<b>\$1,142,016</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,142,016</b>	<b>\$1,142,016</b>	<b>\$0</b>
<b>Nongeneral Fund Changes</b>									
Tuition Policy Change - 18 CH	\$250,000	\$250,000	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$0
Tuition Alignment	(7,047,327)	(6,355,241)	692,086	(2,166,049)	(2,166,049)	0	(9,213,376)	(8,521,290)	692,086
Sales & Services	(30,234)	(234)	30,000	0	0	0	(30,234)	(234)	30,000
Private Support	(276,653)	(276,653)	0	0	0	0	(276,653)	(276,653)	0
DPT Transfer	(1,581,544)	(1,581,544)	0	1,581,544	1,581,544	0	0	0	0
Need Based Scholarships	(1,240,102)	(1,240,102)	(1)	300,000	300,000	0	(940,102)	(940,102)	(1)
<b>Total NGF Changes</b>	<b>(\$9,925,860)</b>	<b>(\$9,203,774)</b>	<b>\$722,086</b>	<b>(\$284,505)</b>	<b>(\$284,505)</b>	<b>\$0</b>	<b>(\$10,210,365)</b>	<b>(\$9,488,279)</b>	<b>\$722,086</b>
<b>Total Revenue Changes</b>	<b>(\$8,783,844)</b>	<b>(\$8,061,758)</b>	<b>\$722,086</b>	<b>(\$284,505)</b>	<b>(\$284,505)</b>	<b>\$0</b>	<b>(\$9,068,349)</b>	<b>(\$8,346,263)</b>	<b>\$722,086</b>



# 2020-21 Resource Allocation: Expense

	Main Campus			RUC			Total University		
	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>
	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change
<b>EXPENSES</b>									
<b>Non-Discretionary Cost Increases</b>									
<b>Mandatory Costs</b>									
<b>Salary Adjustments</b>									
2020-21 FLSA	\$2,360	\$2,360	\$0	\$290	\$290	\$0	\$2,650	\$2,650	\$0
2020-21 Minimum Wage	25,350	25,350	0	2,917	2,917	0	28,267	28,267	0
2020-21 Pay Band	9,943	9,943	0	14,915	14,915	0	24,858	24,858	0
<b>Fringe Adjustments</b>									
2020-21 Fringe Rate Changes	\$434,931	\$434,931	\$0	\$48,786	\$23,786	(\$25,000)	\$483,717	\$458,717	(\$25,000)
<b>Central Cost Commitments</b>									
AA Promotion & Tenure	\$237,853	\$237,853	\$0	\$0	\$0	\$0	\$237,853	\$237,853	\$0
Contracts & Compliance	51,666	51,666	0	108,000	108,000	0	159,666	159,666	0
Tech Talent	670,904	670,904	0	0	0	0	670,904	670,904	0
Commonwealth Transfer Initiative	181,865	181,865	0	0	0	0	181,865	181,865	0
<b>Sub-Total Central Commitments</b>	<b>\$1,614,872</b>	<b>\$1,614,872</b>	<b>\$0</b>	<b>\$174,908</b>	<b>\$149,908</b>	<b>(\$25,000)</b>	<b>\$1,789,780</b>	<b>\$1,764,780</b>	<b>(\$25,000)</b>

# 2020-21 Resource Allocation: Expense

	Main Campus			RUC			Total University		
	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>
	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change
<b>Division Recurring Requirements</b>									
Academic Affairs	(\$1,581,544)	(\$1,581,544)	\$0	\$1,601,544	\$1,581,544	(\$20,000)	\$20,000	\$0	(\$20,000)
University Relations	0	0	0	50,000	50,000	0	50,000	50,000	0
Enrollment Management	0	0	0	50,000	50,000	0	50,000	50,000	0
<b>Sub-Total Division Requirements</b>	<b>(\$1,581,544)</b>	<b>(\$1,581,544)</b>	<b>\$0</b>	<b>\$1,701,544</b>	<b>\$1,681,544</b>	<b>(\$20,000)</b>	<b>\$120,000</b>	<b>\$100,000</b>	<b>(\$20,000)</b>
<b>Total Non-Discretionary Cost Increases</b>	<b>\$33,328</b>	<b>\$33,328</b>	<b>\$0</b>	<b>\$1,876,452</b>	<b>\$1,831,452</b>	<b>(\$45,000)</b>	<b>\$1,909,780</b>	<b>\$1,864,780</b>	<b>(\$45,000)</b>

# 2019-20 Resource Allocation: Expense

	Main Campus			RUC			Total University		
	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>	<i>Original</i>	<i>Proposed</i>	<i>Total</i>
	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change	June 2020 Assumptions	Sept. 2020 Budget	Dollar Change
<b>Division Savings</b>									
Academic Affairs	(\$5,061,399)	(\$5,037,249)	\$24,150	\$0	\$0	\$0	(\$5,061,399)	(\$5,037,249)	\$24,150
Finance & Administration	(1,144,289)	(1,144,289)	0	0	0	0	(1,144,289)	(1,144,289)	0
Information Technology	(634,542)	(634,542)	0	0	0	0	(634,542)	(634,542)	0
Central Administration	(114,878)	(114,878)	0	(1,586,287)	(1,586,287)	0	(114,878)	(114,878)	0
Student Affairs	(89,214)	(89,214)	0	0	0	0	(89,214)	(89,214)	0
University Relations	(208,855)	(208,855)	0	0	0	0	(208,855)	(208,855)	0
University Advancement	(241,809)	(241,809)	0	0	0	0	(241,809)	(241,809)	0
Enrollment Management	(363,078)	(363,078)	0	0	0	0	(363,078)	(363,078)	0
<b>Total Divisional Budgets</b>	<b>(\$7,858,064)</b>	<b>(\$7,833,914)</b>	<b>\$24,150</b>	<b>(\$1,586,287)</b>	<b>(\$1,586,287)</b>	<b>\$0</b>	<b>(\$7,858,064)</b>	<b>(\$7,833,914)</b>	<b>\$24,150</b>
Central Resources	(\$959,108)	(\$261,172)	\$697,936	\$0	\$0	\$0	(\$2,545,395)	(\$1,847,459)	\$697,936
<b>Total Savings Strategies</b>	<b>(\$8,817,172)</b>	<b>(\$8,095,086)</b>	<b>\$722,086</b>	<b>(\$1,586,287)</b>	<b>(\$1,586,287)</b>	<b>\$0</b>	<b>(\$10,403,459)</b>	<b>(\$9,681,373)</b>	<b>\$722,086</b>
<b>Total Base Budget</b>	<b>(\$8,783,844)</b>	<b>(\$8,061,758)</b>	<b>\$722,086</b>	<b>\$290,165</b>	<b>\$245,165</b>	<b>(\$45,000)</b>	<b>(\$8,493,679)</b>	<b>(\$7,816,593)</b>	<b>\$677,086</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$574,670)</b>	<b>(\$529,670)</b>	<b>\$45,000</b>	<b>(\$574,670)</b>	<b>(\$529,670)</b>	<b>\$45,000</b>
<b>One-time - Lease Prepayment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$574,670)</b>	<b>(\$529,670)</b>	<b>\$45,000</b>	<b>(\$574,670)</b>	<b>(\$529,670)</b>	<b>\$45,000</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# 2020-21 Proposed Budget Summary

	Revenue (\$ in Thousands)			Expense (\$ in Thousands)		
	Base	One-Time	Total	Base	One-Time	Total
<b>University Operating</b>						
Education & General	\$144,306	\$1,745	\$146,051	\$144,835	\$1,215	\$146,051
Student Financial Assistance	13,542	0	13,542	13,542	0	13,542
Sponsored Programs	8,962	0	8,962	8,962	0	8,962
Auxiliary Enterprise	69,854	(1,585)	68,269	64,902	(78)	64,824
<b>Total University</b>	<b>\$236,663</b>	<b>\$160</b>	<b>\$236,824</b>	<b>\$232,241</b>	<b>\$1,137</b>	<b>\$233,378</b>

# 2020-21 Proposed Budget Summary by Major Program

<i>(\$ in Thousands)</i>	<u>Proposed Revenue</u>	<u>Proposed Expenditure</u>	<u>Proposed Cont/(Draw)</u>
<b>University Operating</b>			
Education & General	\$146,051	\$146,051	\$0
Student Financial Assistance	13,542	13,542	0
Sponsored Programs	8,962	8,962	0
Auxiliary Enterprise	68,269	64,824	3,446
<b>Total University</b>	<b><u>\$236,824</u></b>	<b><u>\$233,378</u></b>	<b><u>\$3,446</u></b>

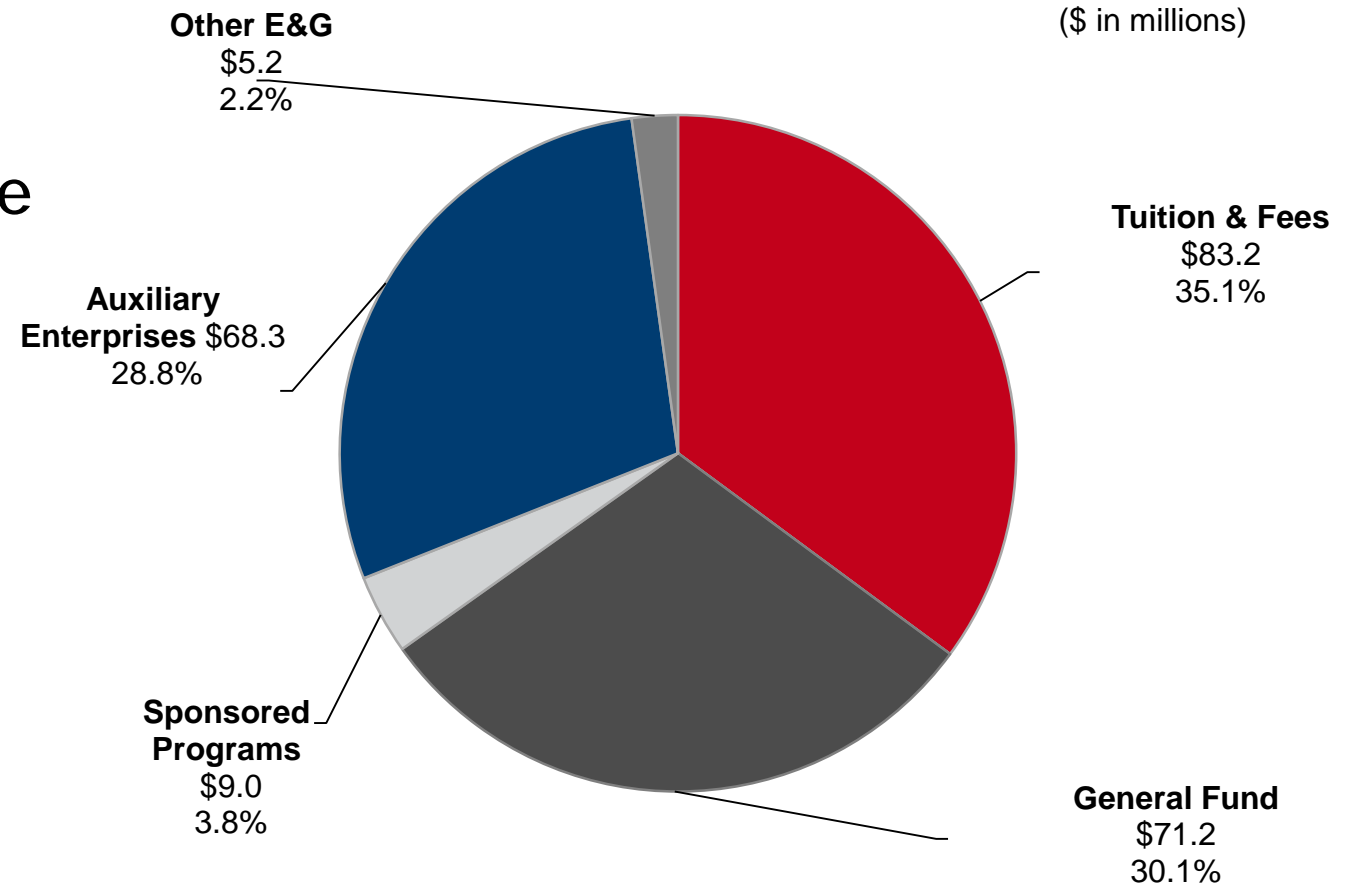
# 2020-21 Proposed Budget Summary by Auxiliary Subprogram

*(\$ in Thousands)*

	<u>Proposed Revenue</u>	<u>Proposed Expenditure</u>	<u>Proposed Cont/(Draw)</u>
<b>Auxiliary Operating</b>			
Dining Services	\$15,245	\$15,122	\$122
Bookstore	285	272	13
Residential Services	19,095	17,639	1,456
Parking & Transportation	1,828	1,695	134
Telecommunications	560	529	31
Student Health Services	2,815	2,599	215
Student Union & Recreation	6,418	6,081	337
Student Activities	1,106	1,135	(29)
Other Auxiliary	9,736	8,422	1,314
Intercollegiate Athletics	11,181	11,329	(148)
<b>Total Auxiliary</b>	<b><u>\$68,269</u></b>	<b><u>\$64,824</u></b>	<b><u>\$3,446</u></b>

# 2020-21 Projected Total Operating Revenue

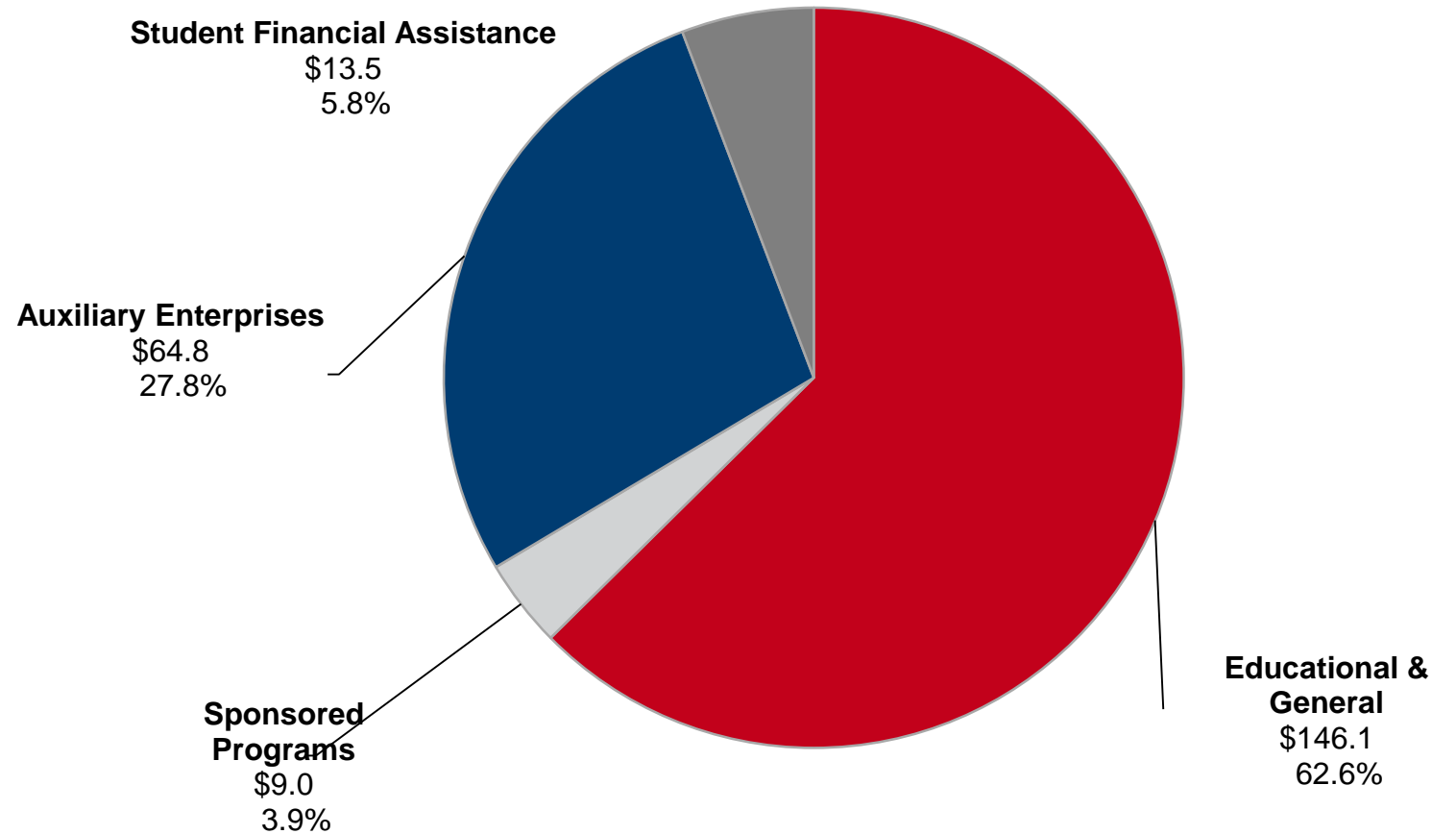
Using projected revenues, Radford University's proposed total annual operating revenue budget is **\$236.8 million**.



# 2020-21 Projected Total Operating Expenditures

(\$ in millions)

Using projected expenditures, Radford University's proposed total annual operating expenditure budget is **\$233.4 million.**





**RADFORD UNIVERSITY BOARD OF VISITORS**  
**September 11, 2020**

**Action Item**  
**Approval of the Radford University 2020-21 Operating Budget**

**Item:**

Board of Visitors approval of the Radford University 2020-21 operating budget.

**Executive Summary:**

Each year, the Vice President for Finance and Administration and Chief Financial Officer is responsible for presenting Radford University's (the University) projected annual operating budget to the Board of Visitors for the upcoming fiscal year. The 2020-21 operating budget was developed in consideration of projected enrollment levels, actions taken by the Governor and General Assembly during the 2020 session, Board-approved tuition and fee rates, the strategic goals of the University, and the economic outlook.

This budget development cycle has been heavily burdened with the COVID-19 pandemic that will leave lasting effects on our University and global economy. The University's planning efforts focused heavily on creating an environment for our students to learn and engage safely in programs that prepare them for the future.

Since the rollout of the 2018-2023 Strategic Plan: *Embracing the Tradition and Envisioning the Future*, a conscious effort has been underway to align institutional resources in support of strategic plan objectives. The collaborative process of budget development has helped provide the framework for which all divisions review operating priorities and align their actions with strategic goals of the University. The information collected during this process is also instrumental in the development of the University's Six-Year Plan submission to the Commonwealth and further helps to frame the strategic direction of the institution.

The Commonwealth's financial outlook was promising as the Governor's Biennial Budget was introduced in December 2019 and as the 2020 General Assembly session ended in March. The Commonwealth's unemployment rate was 2.6% in February 2020, the sixth lowest in the nation, and the state's revenue forecast was strong for the balance of 2019-20 (3.2% forecasted with year-to-date revenues growing at 6.2%). The positive financial outlook provided the Governor the ability to include significant investments to address funding for: housing affordability, early childhood education, K-12 education, and multiple higher education initiatives including increased funding for undergraduate financial aid and institution specific funding. The General Assembly also proposed an increase to the minimum wage rate, compensation increases for state employees, and an increase to the Commonwealth's total reserve funding.

As COVID-19 began to escalate in mid-March, it became apparent there would be substantial and lasting economic impact. Without a clear understanding of the effect on the current or proposed biennial budget, Governor Northam recommended numerous amendments which unallotted general fund support for most new initiatives included in the Biennial Budget Bill. The University was impacted by amendments that unallotted tuition moderation funding, additional need-based student financial assistance, and operational support for RUC. In addition, the amendments

deferred implementation of the minimum wage increase from January 1 to June 1, 2021. The proposed compensation increases were also effectively eliminated as they were tied to revenue targets that will clearly not materialize in the post-COVID-19 environment.

The University evaluated the impact of the removal of the previously allotted funding by the Commonwealth and updated the financial outlook for 2020-21 based on the revised fund estimates. Most other cost increases were also deferred, but other traditional unavoidable cost increases such as promotion and tenure compensation adjustments, safety and security factors, and scholarship commitments could not.

Giving full consideration to the aforementioned items, the 2020-21 operating budget demonstrates a conservative use of University resources. The proposed budget identifies key operating efficiencies that help to address mandatory and unavoidable cost increases while maximizing funding opportunities for strategic plan initiatives.

### **Six-Year Planning Processes and 2020-21 Budget Development:**

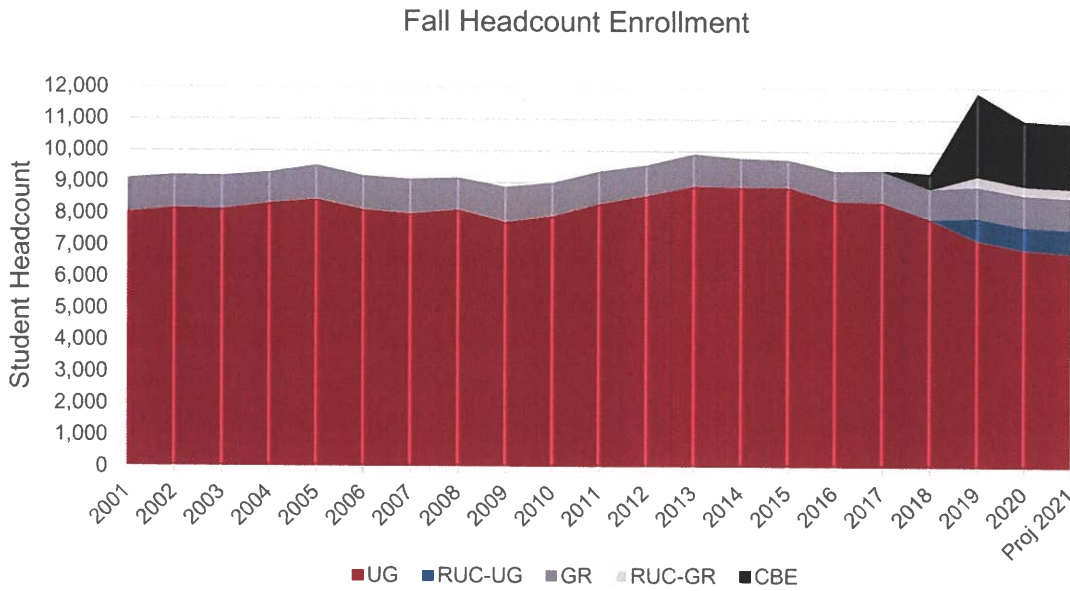
The Virginia Higher Education Opportunity Act of 2011 (TJ21) was passed by the 2011 General Assembly and is based on recommendations from the Governor's Commission on Higher Education Reform, Innovation and Investment, which was formed through Executive Order No. 9 issued in March 2010. The TJ21 legislation requires institutions of higher education to prepare and submit a "Six-Year Plan" by July 1<sup>st</sup> each year in accordance with criteria outlined by the Higher Education Advisory Committee (HEAC).

As an integral part of the six-year planning process, the University's internal annual budget development cycle provides the opportunity to reevaluate the essential needs for the upcoming fiscal year and outline divisional priorities for the outlying years. The budget development review engages key personnel, and provides a consistent mechanism to prioritize funding requests and strategically align the institution's long-range goals with projected resources.

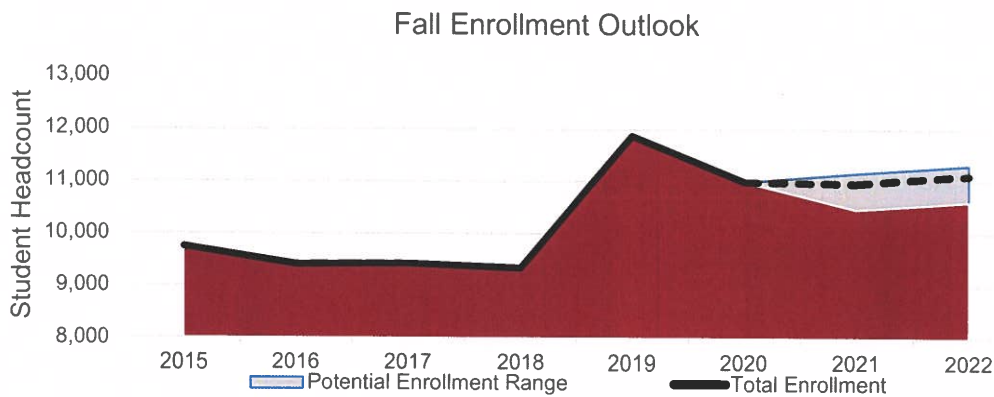
Due to the COVID-19 pandemic, SCHEV submitted a request on behalf of all institutions of higher education to request the submission of preliminary amendments to, or affirmations of, Six Year Plans be delayed as allowed under budget language found in § 4-8.01. SCHEV received approval from the Governor on June 7, 2020. Additional information was requested from institutions but no final determination has been made related to an update to the plans for 2020.

### **Enrollment Trend:**

The University significantly increased enrollment in Fall 2019 through success of the Competency Based Education program and the addition of Radford University-Carilion (RUC) allied health programs. While total student enrollment has increased, the in-state undergraduate student population on Radford main campus has not increased in recent years. This shift in enrollment classifications is illustrated in the following chart. The University remains focused on increasing undergraduate student enrollment through innovative transfer options, such as the Bridge Program, as well as increasing enrollment in high demand Health Sciences programs offered on both main campus and at RUC.



Enrollment for 2020-21 on main campus is conservatively projected below prior year levels. This is reflective of the downward trend for in-state undergraduate admissions and transfers. Similarly, enrollment for RUC is projected slightly lower than 2019-20 to remain conservative as the newly formed site continues its integration into the Radford University family. Since impacts of the COVID-19 pandemic remain unclear, the following chart shows budgeted enrollment with an estimate of potential positive and negative impacts to enrollment.



**Mandatory Cost Increases:**

***2020 General Assembly Session Action***

As previously mentioned, the 2020 General Assembly Session was largely focused on making strategic investments in the Commonwealth. The economy was stable and growing, but now remains uncertain as the economic effects of the COVID-19 pandemic are unclear. The Governor signed the 2020-22 Biennial Budget on June 21, 2020 and will continue to work with the General Assembly to craft budget and legislative responses to the pandemic’s effect on the Commonwealth.

Due to an anticipated surplus in state revenue, the proposal by the General Assembly provided an additional increase in base funding for 2020-21 to assist with in-state undergraduate affordability through the Tuition Moderation initiative. Institutions were allocated a specific amount based on several factors as submitted in their institutions six-year plans. Radford University's share was anticipated to be \$2.1 million. The budget also included additional need-based financial aid for public institutions of higher education, of which \$2.5 million was earmarked for additional support to Radford University in 2020-21. As previously stated, these new initiatives have been unallotted in the approved Biennial Budget and are not currently included in the 2020-21 general fund allocation for the University. The approved budget includes a bonus for all state employees of three percent effective November 25, 2020; however given the dependency on meeting revenue projections, this increase is unlikely to materialize and has been removed from anticipated 2020-21 general funds for the University.

The following schedule reflects funding from the 2020 General Assembly Session providing additional general fund support for the University in 2020-21:

**2020-21 General Assembly Funding Summary:**

	<b>Pre-Covid-19 Proposed Funding</b>	<b>Post-Covid-19 Proposed Funding</b>
<b>E&amp;G - Educational &amp; General</b>		
Tech Talent	\$891,993	\$891,993
Employee Bonus*	1,398,839	0
Minimum Wage Increase*	15,210	15,210
Fringe Rate Changes*	236,155	236,155
Central System & Other Charges*	(1,342)	(1,342)
RUC Operating Support	2,000,000	0
Tuition Moderation	2,100,000	0
<b>Total E&amp;G General Fund Recommendations</b>	<b>\$6,640,855</b>	<b>\$1,142,016</b>
<b>SFA - Student Financial Assistance</b>		
In-State Undergraduate Financial Aid	2,538,400	0
<b>Total E&amp;G and SFA (combined) General Fund</b>	<b>\$9,179,255</b>	<b>\$1,142,016</b>

Notes:

(\*) Central Appropriation amounts are not included in the University's line item appropriation. Instead, they are held centrally by the state and allocated after the start of the fiscal year. For this reason, estimates have been provided.

***Other Mandatory Costs***

In addition to the state-mandated items, the University must also address teaching and research faculty promotion and tenure contractual commitments, operation and maintenance of new and existing facilities, contractual escalators for technology and maintenance contracts, escalating utilities, and committed costs for previously approved projects. These initiatives, referred to as central cost commitments, combine to total \$1,250,288 for main campus and \$108,000 for RUC. For additional details, Attachment II provides a breakdown of the mandatory cost requirements for each site.

**Division Program Requirements**

After an extensive review of division programmatic activities and requests that were submitted by each Vice President, no divisional initiatives were funded for main campus. In light of current cost pressures and uncertainty, it was deemed necessary to establish division-wide savings strategies from all operating divisions for 2020-21, which total \$9,681,373 for main campus. RUC received \$100,000 for divisional initiatives related to enrollment and retention, and established saving strategies of \$1,586,287.

**Funding Sources and Cost Drivers:**

Radford University main campus is very reliant upon state general fund support due to the significant number of in-state undergraduate students served (93 percent as of Fall 2019). SCHEV’s calculation identifies that the University’s E&G program should be funded 62 percent from state general fund support and 38 percent through institutional nongeneral fund sources (i.e. tuition, E&G fees, etc.). Currently, institutional general fund support for E&G programs is projected to be 40.8 percent in the 2020-21 fiscal year.

As demonstrated in Figure 1, the 2020-21 projected E&G general fund split is significantly below the Commonwealth’s policy of 67 percent. The difference reflects funding of essential programmatic needs to support the University’s in-state student population.

**Figure 1: E&G General Fund Appropriation Historical Trend**

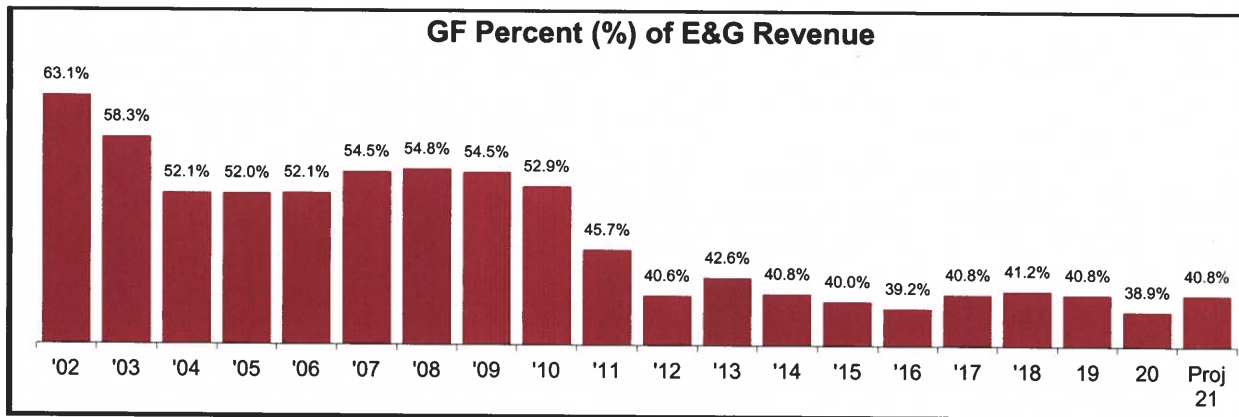
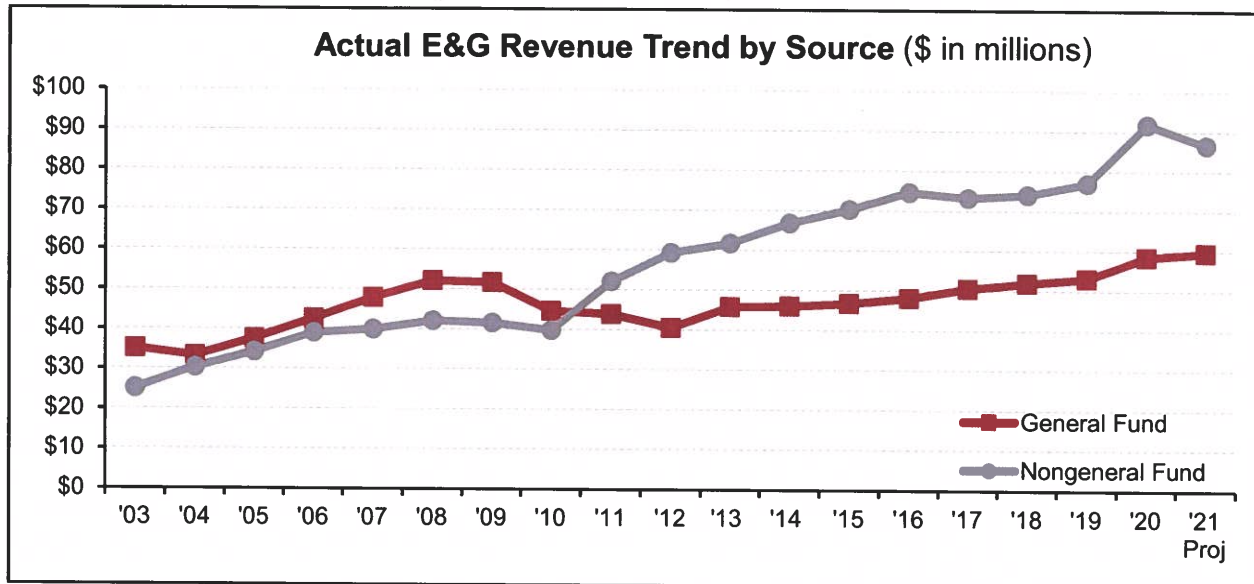


Figure 2 displays the E&G general fund and nongeneral fund trends between 2002 and 2021 (projected). In 2010, as a result of the economic downturn and the sustained loss of general fund support, students and their families began funding the majority of the cost of education. The increase in nongeneral funds for 2020 relates primarily to the merger with JCHS and the related \$20.6 million in Tuition and Fee revenue associated with the new RUC site. There is also an increase in general funds related to the \$1.7 million allocation to RUC, as well as, infusion of support for Tuition Moderation Funding and other mandatory cost increases.

**Figure 2: E&G General Fund/Nongeneral Fund Split Historical Trend (Nominal Dollars)**



**Proposed Budget**

**2020-21 Projected Total Revenue**

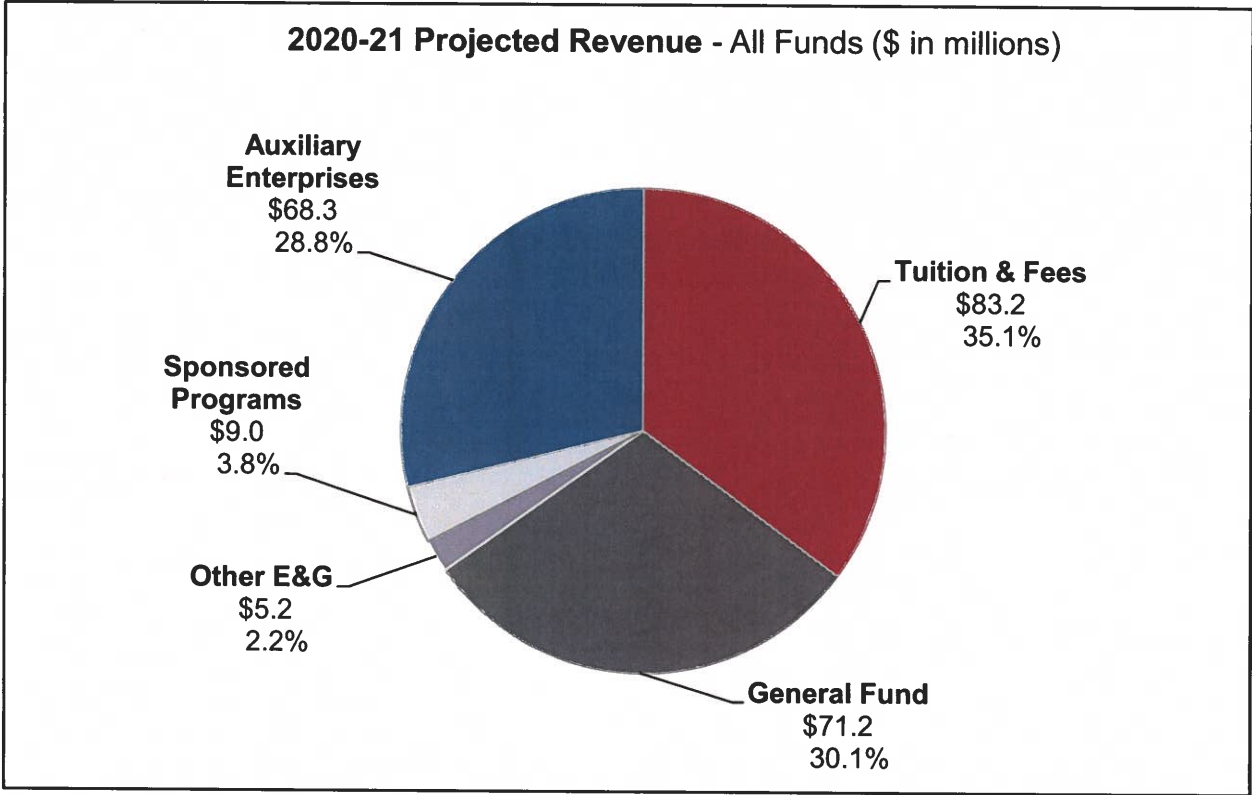
Radford University’s institutional budget is derived from two fund sources:

- **General Fund (GF)** – Virginia tax dollars (unrestricted), distributed through the Commonwealth’s budget process and documented through the Virginia Acts of Assembly (i.e. Appropriations Act).
- **Nongeneral Fund (NGF)** – tuition, mandatory (technology and comprehensive) fees, user (room and board) fees, other E&G and auxiliary enterprises fees, grants/contracts/research, federal student work study, and commissions (e.g. dining services, bookstore, laundry, etc.).

For fiscal year 2020-21 the University is projecting revenue of \$236.8 million. This reflects a 5.35 percent decrease from the 2019-20 Adjusted Total Budget. The decrease is attributable to decreases in general fund operating support, projected overall enrollment declines, and decreases in undergraduate in-state tuition and fees for RUC.

The majority of the University’s total operating budget (61.7 percent) is supported through nongeneral fund sources. The remaining 38.3 percent is supported through the general fund. Figure 3 displays the breakdown of projected revenue by major funding sources.

**Figure 3: 2020-21 Projected Total Revenue (All Sources and Programs)**



**2020-21 Projected Total Expenditures**

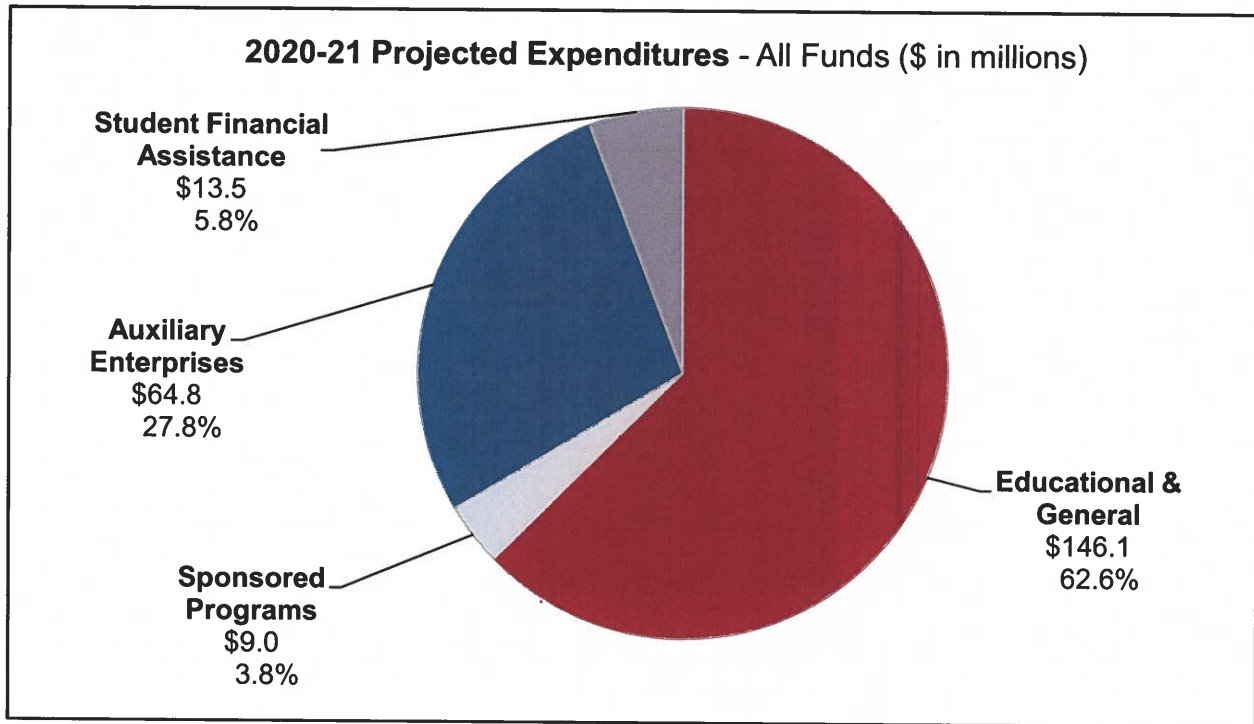
Expenditures are expected to total \$233.4 million for 2020-21. Projected expenditures are set less than projected revenues due to required Auxiliary Enterprises reserve fund deposits that must be generated to meet the SCHEV guidelines for operating, equipment renewal and replacement, and capital projects.

Figure 4 illustrates projected expenditures for each of the major programs which include:

- **Educational & General (E&G):** Activities to provide instruction, research, public service, academic support (e.g., library, deans), student support services (e.g., admissions, financial aid, registrar), and program support (e.g., administration, institutional support, physical plant) services.
- **Student Financial Assistance:** Activities to provide financial assistance to Virginia students.
- **Financial Assistance for Educational and General Services Program (Sponsored Programs, Grants and Contracts):** Activities to provide additional resources for educational and general services through third-party grants, contracts, and research.
- **Auxiliary Enterprises:** Self-supporting activities to provide goods or services to students, faculty, staff, and visitors (e.g. residence halls, dining services, bookstore, athletics, student activities, etc.).

The E&G program represents 62.6 percent of the expenditures budgeted while Auxiliary Enterprises accounts for 27.8 percent. The remaining 9.6 percent is split between Student Financial Assistance and Sponsored Programs.

**Figure 4: 2020-21 Projected Expenditures by Major Program**



Attachment I and Schedules A and B provide an overview of the University’s proposed 2020-21 operating budget by major program. Attachment I details the 2020-21 Funded E&G Initiatives by Division, Schedule A provides an overview of the 2020-21 Total University Operating Budget, and Schedule B reflects the 2020-21 Auxiliary Enterprise Budget by major program area.

The following is a narrative description by major program to complement the financial information presented in Attachment I and Schedules A and B.

***Educational & General (E&G) Program***

The Educational and General (E&G) program supports instruction, academic support, libraries, public service, student services, institutional support, and operation/maintenance of the physical plant. The proposed 2020-21 E&G operating budget (base and one-time) totals \$146.1 million. The projected decrease in E&G revenue is primarily derived from decreases in projected tuition revenue due to enrollment declines.

In 2020-21, the percentage of the E&G budget supported by general funds is projected to be 40.8 percent. The University is anticipated to receive \$1.1 million in new general funds over the previous year for central appropriation adjustments, mandated minimum wage increase, and investment in Tech Talent. Projected E&G nongeneral fund revenue is derived primarily from tuition and fees at \$82.5 million with all other E&G revenue totaling \$3.9 million.



## **Resource Allocations**

During the June 2020 Board of Visitors meeting, programmatic priorities were outlined and incorporated into the proposed 2020-21 budget. Attachment I provides an overview of the E&G base budget initiatives funded in 2020-21. In addition, Attachment II illustrates the initial budget assumptions provided to the Board in June 2020, as well as, any changes that occurred prior to finalization of the actual 2020-21 operating budget.

### ***Student Financial Assistance Program***

Commonwealth support from the general fund is appropriated for scholarships and fellowships to undergraduate and graduate students. The authorized general fund appropriation for fiscal year 2020-21 is \$13.5 million, which is the same as fiscal year 2019-20. In addition to general fund support, the University continues to commit \$1.9 million from institutional nongeneral fund resources to support undergraduate need-based financial aid.

### ***Financial Assistance for Educational and General Services Program (Grants/Contracts)***

The University receives external funding for grants and contracts from a variety of federal, state, private, and local sources. For fiscal year 2020-21, estimated annual activity for Sponsored Programs is projected at \$8.9 million.

### ***Auxiliary Enterprises Program***

The Auxiliary Enterprises program supports student service activities such as residential life, dining, athletics, recreation, student health, and transportation. Funding for this program is generated from contract commissions and fees assessed to students and/or users. The Commonwealth requires Auxiliary Enterprises to be financially self-supporting. For this reason, general fund support and tuition revenue cannot be allocated to these activities.

For fiscal year 2020-21, the revenue budget for Auxiliary Enterprises is projected to be \$68.3 million. It should be noted that all auxiliary budgets were adjusted to account for decreased revenue from enrollment declines, increases in fringe benefit and minimum wage rates, and utility changes, as necessary.

It is projected that approximately \$3.4 million will be generated in 2020-21 for reserve fund contributions which can be used for future debt service, maintenance reserve projects, and construction and/or renovation costs associated with future capital projects. The following are future considerations for auxiliary reserve balances: residence hall improvements, athletic complex renovations, equipment renewal and replacement, and land acquisition.

### **Action:**

Radford University Board of Visitors approval of the 2020-21 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

**RADFORD UNIVERSITY BOARD OF VISITORS**

**Resolution**

**September 11, 2020**

**Approval of the Radford University 2020-21 Operating Budget**

**BE IT RESOLVED**, the Radford University Board of Visitors approves the fiscal year 2020-21 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

Adopted: September 11, 2020



Robert A. Archer  
Robert A. Archer  
Rector  
Radford University Board of Visitors



Karen Castele  
Karen Castele  
Secretary to the Board of Visitors  
Radford University

**Radford University**  
**E&G Initiatives by Division**  
**2020-21**

Division	Dollars in Thousands (\$)			Resources Total
	Mandatory	Programmatic	Division Reallocations	
<b>Academic Affairs</b>				
Doctorate of Physical Therapy (To RUC)			\$1,581.5	\$1,581.5
Doctorate of Physical Therapy (From Main Campus)			(1,581.5)	(1,581.5)
Promotion & Tenure	237.9			237.9
Savings Strategies - Personnel			(3,419.7)	(3,419.7)
Savings Strategies - Operating			(1,617.5)	(1,617.5)
<b>Academic Affairs Total</b>	<b>\$237.9</b>		<b>(\$5,037.2)</b>	<b>(\$4,799.3)</b>
<b>Central Administration</b>				
Savings Strategies - Operating			(\$114.9)	(\$114.9)
<b>Central Administration Total</b>			<b>(\$114.9)</b>	<b>(\$114.9)</b>
<b>Central Resources</b>				
<b>Salary Increases</b>				
Pay Band Adjustments	\$24.9			\$24.9
FLSA Adjustment	2.7			2.7
Minimum Wage	28.3			28.3
Total Salary Adjustments	\$55.8			\$55.8
<b>Fringe Benefits</b>				
VRS/VaLORS Retirement Rate Changes	\$376.3			\$376.3
Other Fringe Adjustments	82.5			82.5
Total Fringe Adjustments	\$458.7			\$458.7
<b>Other Increases</b>				
Commonwealth's Tech Talent Program		\$670.9		\$670.9
Central Systems (PBS, CRDNL, PMIS, VITA)	(24.5)			(24.5)
Contracts & Compliance (Insurance, Lease)	184.1			184.1
Savings Strategies - Operating			(1,847.5)	(1,847.5)
<b>Central Resources Total</b>	<b>\$674.2</b>	<b>\$670.9</b>	<b>(\$1,847.5)</b>	<b>(\$502.4)</b>
<b>Information Technology</b>				
Savings Strategies - Personnel			(\$328.9)	(\$328.9)
Savings Strategies - Operating			(305.6)	(305.6)
<b>Information Technology Total</b>			<b>(\$634.5)</b>	<b>(\$634.5)</b>
<b>Finance &amp; Administration</b>				
Savings Strategies - Personnel			(\$996.3)	(\$996.3)
Savings Strategies - Operating			(148.0)	(148.0)
<b>Finance &amp; Administration Total</b>			<b>(\$1,144.3)</b>	<b>(\$1,144.3)</b>
<b>Student Affairs</b>				
Savings Strategies - Personnel			(\$81.9)	(\$81.9)
Savings Strategies - Operating			(7.3)	(7.3)
<b>Student Affairs Total</b>			<b>(\$89.2)</b>	<b>(\$89.2)</b>
<b>Enrollment Management</b>				
Transfer Initiative		\$181.9		\$181.9
Marketing and Branding		50.0		50.0
Savings Strategies - Personnel			(216.3)	(216.3)
Savings Strategies - Operating			(146.8)	(146.8)
<b>Enrollment Management Total</b>		<b>\$231.9</b>	<b>(\$363.1)</b>	<b>(\$131.2)</b>
<b>University Advancement</b>				
Savings Strategies - Personnel			(\$173.1)	(\$173.1)
Savings Strategies - Operating			(68.7)	(68.7)
<b>University Advancement Total</b>			<b>(\$241.8)</b>	<b>(\$241.8)</b>
<b>University Relations</b>				
Marketing and Branding		\$50.0		\$50.0
Savings Strategies - Personnel			(208.9)	(208.9)
<b>University Relations Total</b>		<b>\$50.0</b>	<b>(\$208.9)</b>	<b>(\$158.9)</b>
<b>University Total</b>	<b>\$912.0</b>	<b>\$952.8</b>	<b>(\$9,681.3)</b>	<b>(\$7,816.5)</b>

**Radford University  
Resource Allocation  
2020-21**

	<b>Main Campus</b>		
	<i>Original June 2020 Assumptions</i>	<i>Proposed Sept. 2020 Budget</i>	<b>Dollar Change</b>
<b>REVENUE</b>			
<b>General Fund Changes</b>			
2020-21 General Fund Adjustment	\$0	\$0	\$0
2020-21 Tuition Moderation Funding	0	0	0
2020-21 Tech Talent Funding	891,993	891,993	0
2020-21 Minimum Wage	15,210	15,210	0
2020-21 Fringe Rate Changes	236,155	236,155	0
2020-21 Central Systems & Other Changes	(1,342)	(1,342)	0
<b>Total GF Change</b>	<b>\$1,142,016</b>	<b>\$1,142,016</b>	<b>\$0</b>
<b>Nongeneral Fund Changes</b>			
Tuition Policy Change - 18 CH	\$250,000	\$250,000	\$0
Tuition Alignment	(7,047,327)	(6,355,241)	692,086
Sales & Services	(30,234)	(234)	30,000
Private Support	(276,653)	(276,653)	0
DPT Transfer To RUC Campus	(1,581,544)	(1,581,544)	0
Need Based Scholarships	(1,240,102)	(1,240,102)	(1)
<b>Total NGF Changes</b>	<b>(\$9,925,860)</b>	<b>(\$9,203,774)</b>	<b>\$722,086</b>
<b>Total Revenue Changes</b>	<b>(\$8,783,844)</b>	<b>(\$8,061,758)</b>	<b>\$722,086</b>
<b>EXPENSES</b>			
<b>Non-Discretionary Cost Increases</b>			
<b>Mandatory Costs</b>			
<b>Salary Adjustments</b>			
2020-21 FLSA Adj	\$2,360	\$2,360	\$0
2020-21 Minimum Wage Adj	25,350	25,350	0
2020-21 Pay Band Adj	9,943	9,943	0
<b>Fringe Adjustments</b>			
2020-21 Fringe Rate Changes	\$434,931	\$434,931	\$0
<b>Central Cost Commitments</b>			
AA Promotion & Tenure	\$237,853	\$237,853	\$0
Contracts & Compliance	51,666	51,666	0
Tech Talent	670,904	670,904	0
Transfer Initiative	181,865	181,865	0
<b>Sub-Total Central Commitments</b>	<b>\$1,614,872</b>	<b>\$1,614,872</b>	<b>\$0</b>
<b>Division Recurring Requirements</b>			
Academic Affairs	(\$1,581,544)	(\$1,581,544)	\$0
<b>Sub-Total Division Requirements</b>	<b>(\$1,581,544)</b>	<b>(\$1,581,544)</b>	<b>\$0</b>
<b>Total Non-Discretionary Cost Increases</b>	<b>\$33,328</b>	<b>\$33,328</b>	<b>\$0</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(\$8,817,172)</b>	<b>(\$8,095,086)</b>	<b>\$722,086</b>
<b>REALLOCATION SCENARIOS</b>			
<b>Division Savings</b>			
Academic Affairs	(\$5,061,399)	(\$5,037,249)	\$24,150
Finance & Administration	(1,144,289)	(1,144,289)	0
Information Technology	(634,542)	(634,542)	0
Central Administration	(114,878)	(114,878)	0
Student Affairs	(89,214)	(89,214)	0
University Relations	(208,855)	(208,855)	0
University Advancement	(241,809)	(241,809)	0
Enrollment Management	(363,078)	(363,078)	0
<b>Total Divisional Budgets</b>	<b>(\$7,858,064)</b>	<b>(\$7,833,914)</b>	<b>\$24,150</b>
Central Resources	(959,108)	(261,172)	697,936
<b>Total Savings Strategies</b>	<b>(\$8,817,172)</b>	<b>(\$8,095,086)</b>	<b>\$722,086</b>
<b>Total Base Budget</b>	<b>(\$8,783,844)</b>	<b>(\$8,061,758)</b>	<b>\$722,086</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Radford University  
Resource Allocation  
2020-21**

	<b>Radford University Carilion (RUC)</b>		
	<i>Original</i> <b>June 2020 Assumptions</b>	<i>Proposed</i> <b>Sept. 2020 Budget</b>	<b>Dollar Change</b>
<b>REVENUE</b>			
<b>General Fund Changes</b>			
2020-21 General Fund Adjustment	\$0	\$0	\$0
<b>Total GF Change</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Nongeneral Fund Changes</b>			
Tuition & Fee Decrease	(\$2,166,049)	(\$2,166,049)	\$0
DPT Transfer from Main Campus Tuition	1,551,544	1,551,544	0
DPT Transfer from Main Campus Course Fee	30,000	30,000	0
Tuition Waiver Decrease	300,000	300,000	0
<b>Total NGF Changes</b>	<b>(\$284,505)</b>	<b>(\$284,505)</b>	<b>\$0</b>
<b>Total Revenue Changes</b>	<b>(\$284,505)</b>	<b>(\$284,505)</b>	<b>\$0</b>
<b>EXPENSES</b>			
<b>Non-Discretionary Cost Increases</b>			
<b>Mandatory Costs</b>			
<b>Salary Adjustments</b>			
2020-21 FLSA Adj	\$290	\$290	\$0
2020-21 Minimum Wage Adj	2,917	2,917	0
2020-21 Pay Band Adj	14,915	14,915	0
<b>Fringe Adjustments</b>			
2020-21 Fringe Rate Changes	\$48,786	\$23,786	(\$25,000)
<b>Central Cost Commitments</b>			
Contracts & Compliance	\$108,000	\$108,000	\$0
<b>Sub-Total Central Commitments</b>	<b>\$174,908</b>	<b>\$149,908</b>	<b>(\$25,000)</b>
<b>Division Recurring Requirements</b>			
Academic Affairs	\$1,601,544	\$1,581,544	(\$20,000)
University Relations	50,000	50,000	0
Enrollment Management	50,000	50,000	0
<b>Sub-Total Division Requirements</b>	<b>\$1,701,544</b>	<b>\$1,681,544</b>	<b>(\$20,000)</b>
<b>Total Non-Discretionary Cost Increases</b>	<b>\$1,876,452</b>	<b>\$1,831,452</b>	<b>(\$45,000)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(\$2,160,957)</b>	<b>(\$2,115,957)</b>	<b>\$45,000</b>
<b>REALLOCATION SCENARIOS</b>			
<b>Operational Strategies</b>			
Eliminate Returned Support	(\$1,586,287)	(\$1,586,287)	\$0
<b>Total Operational Strategies</b>	<b>(1,586,287)</b>	<b>(1,586,287)</b>	<b>0</b>
Central Resources	0	0	0
<b>Total Savings Strategies</b>	<b>(\$1,586,287)</b>	<b>(\$1,586,287)</b>	<b>\$0</b>
<b>Total Base Budget</b>	<b>\$290,165</b>	<b>\$245,165</b>	<b>(\$45,000)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(\$574,670)</b>	<b>(\$529,670)</b>	<b>\$45,000</b>
<b>One-time - Lease Prepayment</b>	<b>(\$574,670)</b>	<b>(\$529,670)</b>	<b>\$45,000</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Radford University**  
**Proposed University Operating Budget**  
**2020-21**

Dollars in Thousands

	Annual Budget for 2019-20			2019-20 Adjusted Total Budget	2020-21 Adjustments			2020-21 Recommended Total Budget (c)
	Original Total Budget (a)	Adjustments	Adjusted Total Budget (b)		Technical Adjustments	Base Adjustments	One-Time Adjustments	
<b>Educational and General Programs</b>								
<u>Revenues</u>								
General Fund	\$57,708	\$754	\$58,462	\$58,462	(\$38)	1,142	\$0	\$59,565
Tuition and Fees	93,701	(7,913)	85,788	85,788	5,958	(8,587)	0	83,159
All Other Income	3,617	3,610	7,226	7,226	(4,508)	(1,137)	1,745	3,326
Revenue	\$155,025	(\$3,549)	\$151,476	\$151,476	\$1,412	(\$8,582)	\$1,745	\$146,051
<u>Expenditures</u>								
Instructional & Academic Support	(\$98,633)	(\$549)	(\$99,182)	(\$99,182)	(\$765)	\$4,474	\$530	(\$94,944)
All Other Support Programs	(56,393)	4,099	(52,294)	(\$52,294)	(410)	3,343	(1,745)	(\$51,107)
Expenditures	(\$155,025)	\$3,549	(\$151,476)	(\$151,476)	(\$1,176)	\$7,817	(\$1,215)	(\$146,051)
Reserve Draw (Deposit)	0	(0)	(0)	(0)	(236)	766	(530)	(0)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Student Financial Assistance</b>								
Revenue	\$13,542	\$226	\$13,768	\$13,768	(\$226)	\$0	\$0	\$13,542
Expenditures	(13,542)	(226)	(13,768)	(13,768)	226	0	0	(13,542)
Reserve Draw (Deposit)	0	0	0	0	0	0	0	0
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sponsored Programs</b>								
Revenue	\$8,962	\$1,399	\$10,361	\$10,361	(\$1,399)	\$0	\$0	\$8,962
Expenditures	(8,962)	(1,399)	(10,361)	(10,361)	1,399	0	0	(8,962)
Reserve Draw (Deposit)	0	0	0	0	0	0	0	0
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Auxiliary Enterprises</b>								
Revenues	\$77,976	(\$3,379)	\$74,597	\$74,597	\$3,491	(\$8,234)	(\$1,585)	\$68,269
Expenditures	(69,677)	2,915	(66,762)	(66,762)	(986)	2,846	78	(64,824)
Reserve Draw (Deposit)	(8,299)	463	(7,835)	(7,835)	(2,505)	5,388	1,506	(3,446)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total University</b>								
<b>Revenues</b>	<b>\$255,505</b>	<b>(\$5,303)</b>	<b>\$250,202</b>	<b>\$250,202</b>	<b>\$3,277</b>	<b>(\$16,816)</b>	<b>\$160</b>	<b>\$236,824</b>
<b>Expenses</b>	<b>(247,206)</b>	<b>4,839</b>	<b>(242,367)</b>	<b>(242,367)</b>	<b>(536)</b>	<b>10,662</b>	<b>(1,137)</b>	<b>(233,378)</b>
<b>Reserve Draw (Deposit)</b>	<b>(8,299)</b>	<b>463</b>	<b>(7,835)</b>	<b>(7,835)</b>	<b>(2,741)</b>	<b>6,154</b>	<b>976</b>	<b>(3,446)</b>
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Notes:**

(a) Original Total Budget - Reflects the 2019-20 Operating Budget as of July 1, 2019 which was approved by the Board at the September 2019 meeting. Both recurring and one-time operating budgets are included.

(b) Adjusted Total Budget - Reflects the 2019-20 Operating Budget as of June 30, 2020. Both recurring and one-time operating budgets are included.

(c) Recommended Total Budget - Reflects the proposed 2020-21 Original Total Budget as of July 1, 2020. Both recurring and one-time operating budgets are included.

**Radford University**  
**Proposed Auxiliary Enterprise Budget**  
**2020-21**

Dollars in Thousands

	Annual Budget for 2019-20			2019-20 Adjusted Total Budget	2020-21 Adjustments			2020-21 Recommended Total Budget (c)
	Original Total Budget (a)	Adjustments	Adjusted Total Budget (b)		Technical Adjustments	Base Adjustments	One-Time Adjustments	
<b>Residential &amp; Dining Programs</b>								
Revenues	\$41,015	(\$1,354)	\$39,662	\$39,662	\$1,354	(\$5,091)	(\$1,585)	\$34,339
Expenditures	(36,717)	1,337	(35,380)	(35,380)	775	692	1,152	(32,761)
Reserve Draw (Deposit)	(4,299)	17	(4,281)	(4,281)	(2,129)	4,399	433	(1,579)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Bookstore</b>								
Revenues	\$365	(\$151)	\$214	\$214	\$151	(\$80)	\$0	\$285
Expenditures	(272)	151	(120)	(120)	(151)	(0)	0	(272)
Reserve Draw (Deposit)	(93)	0	(93)	(93)	0	80	0	(13)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Parking &amp; Transportation</b>								
Revenues	\$2,076	(\$84)	\$1,992	\$1,992	\$84	(\$248)	\$0	\$1,828
Expenditures	(1,657)	84	(1,573)	(1,573)	(44)	(45)	(33)	(1,695)
Reserve Draw (Deposit)	(419)	0	(419)	(419)	(41)	292	33	(134)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Telecommunications</b>								
Revenues	\$560	\$0	\$560	\$560	\$0	\$0	\$0	\$560
Expenditures	(502)	0	(502)	(502)	(2)	0	(26)	(529)
Reserve Draw (Deposit)	(58)	0	(58)	(58)	2	(0)	26	(31)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Student Health Services</b>								
Revenues	\$3,145	(\$217)	\$2,928	\$2,928	\$217	(\$331)	\$0	\$2,815
Expenditures	(2,950)	217	(2,733)	(2,733)	(225)	359	0	(2,599)
Reserve Draw (Deposit)	(195)	0	(195)	(195)	8	(28)	0	(215)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Student Programming</b>								
Revenues	\$8,238	(\$458)	\$7,780	\$7,780	\$458	(\$713)	\$0	\$7,525
Expenditures	(7,898)	146	(7,752)	(7,752)	(179)	714	0	(7,217)
Reserve Draw (Deposit)	(340)	312	(29)	(29)	(279)	(1)	0	(308)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Building &amp; Facilities</b>								
Revenues	\$3,206	(\$202)	\$3,005	\$3,005	\$202	(\$717)	\$0	\$2,489
Expenditures	(1,492)	113	(1,379)	(1,379)	(136)	132	0	(1,383)
Reserve Draw (Deposit)	(1,715)	89	(1,626)	(1,626)	(66)	585	0	(1,106)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Enterprise Functions</b>								
Revenues	\$7,558	(\$362)	\$7,196	\$7,196	\$362	(\$312)	\$0	\$7,246
Expenditures	(6,323)	294	(6,029)	(6,029)	(299)	303	(1,015)	(7,039)
Reserve Draw (Deposit)	(1,235)	68	(1,167)	(1,167)	(63)	9	1,015	(207)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Intercollegiate Athletics</b>								
Revenues	\$11,812	(\$550)	\$11,261	\$11,261	\$663	(\$743)	\$0	\$11,181
Expenditures	(11,867)	573	(11,294)	(11,294)	(725)	690	0	(11,329)
Reserve Draw (Deposit)	55	(23)	33	33	63	52	0	148
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Auxiliary Enterprise</b>								
<b>Revenues</b>	<b>\$77,976</b>	<b>(\$3,379)</b>	<b>\$74,597</b>	<b>\$74,597</b>	<b>\$3,491</b>	<b>(\$8,234)</b>	<b>(\$1,585)</b>	<b>\$68,269</b>
<b>Expenses</b>	<b>(69,677)</b>	<b>2,915</b>	<b>(66,762)</b>	<b>(66,762)</b>	<b>(986)</b>	<b>2,846</b>	<b>78</b>	<b>(64,824)</b>
<b>Reserve Draw (Deposit)</b>	<b>(8,299)</b>	<b>463</b>	<b>(7,835)</b>	<b>(7,835)</b>	<b>(2,505)</b>	<b>5,388</b>	<b>1,506</b>	<b>(3,446)</b>
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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End of Board of Visitors Materials

