

MINUTES
JOINT MEETING
FINANCE/AUDIT AND CONSTRUCTION COMMITTEES

UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

March 3, 2005

The Finance/Audit and Construction Committees of the University of Southern Indiana Board of Trustees met in joint session on Thursday, March 3, 2005, in Carter Hall in the University Center. Present were Committee Chair G. Patrick Hoehn and Trustees Mark A. Day, Frank F. McDonald II, and James L. Will Sr. Also in attendance were Vice President for Governmental Relations Cynthia S. Brinker and Vice President for Business Affairs Mark Rozewski.

Mr. Hoehn called the meeting to order at 11:00 a.m.

(FINANCE/AUDIT)

1. REVIEW OF COMPLETED AUDITS AND APPROVAL OF THE ANNUAL AUDIT PLAN

Mr. Hoehn called on Diana Biggs, director of Internal Audit, who reported on the audits completed in calendar year 2004. Ms. Biggs reviewed a handout titled *Audit Report Summaries/Calendar Year 2004* and summarized completed audits including the vendor payments analysis, the vendor/employee analysis, and the employee data analysis. She reported that other audit activity included cash counts of the Bookstore and Bursar's Office; physical inventories and test counts of the Bookstore, the Museum Shop in New Harmony, and the gift shop at Lincoln Amphitheatre; a financial review and compilation of data for the annual Equity in Athletics Disclosure Act Report; and the preparation of the annual financial statement and assistance to the State Board of Accounts staff. Special activities included training and preparation for conversion to the SCT Banner administrative software system and evaluation of data during the conversion. Staff members of Internal Audit served on the Athletics Compliance Review Committee, a self-study in preparation for a voluntary NCAA review.

Ms. Biggs introduced Internal Audit Manager J. Robert Howell, who reported on the development of a Fraud Policy and a Fraud Hotline as required by the Sarbanes Oxley Act of 2002 and as recommended for colleges and universities by NACUBO (National Association of College and University Business Officers). Mr. Howell reviewed the fraud policy and the procedure for using the fraud hotline, both of which are on the USI web site. Mr. Day recommended moving the language regarding filing of baseless allegations and frivolous complaints from the beginning of the policy to another location, a change which will be made before the web site is publicized to the University community.

Ms. Biggs reviewed the Audit Plan for calendar year 2005 in Attachment A. In addition to proposed audits, the Audit Plan presented by Ms. Biggs includes estimates of time required for their completion. Mr. Day recommended that the October 2005 travel audit include a mandatory audit of senior staff travel along with other randomly selected employee travel.

On a motion by Mr. Will, seconded by Mr. Day, the Annual Audit Plan (Attachment A) for calendar year 2005 was approved.

2. APPROVAL OF BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

Chairman Hoehn introduced Mark Rozewski, vice president for Business Affairs, and welcomed him to his first meeting of the Board of Trustees. Mr. Rozewski remarked that he is very pleased to be at the University of Southern Indiana and looks forward to working with the staff, trustees, and students.

Mr. Hoehn called on Mr. Rozewski to review the budget appropriations, adjustments, and transfers. Mr. Rozewski reported that the items listed in Attachment B are minor transfers that occur in the normal course of business and do not reflect any deviation of budget policy as set by the Board of Trustees.

On a motion by Mr. Will, seconded by Mr. McDonald, the budget appropriations, adjustments, and transfers in Attachment B were approved.

(CONSTRUCTION)

3. REPORT OF CHANGE ORDERS ISSUED BY THE ACTING VICE PRESIDENT FOR BUSINESS AFFAIRS (Attachment C)

Mr. Hoehn called on Director of Facilities Operations and Planning Steve Helfrich to report on change orders for the David L. Rice Library Project. Prior to Mr. Helfrich's report, Mr. Rozewski noted that the change orders are minor changes within the scale of the library project, which is well within budget and projected to remain so through its completion. Mr. Helfrich reported on the change orders described in Attachment C.

4. RECOMMENDATION FOR APPROVAL OF AMENDED SANITARY SEWER EASEMENT

Mr. Hoehn called on Mr. Helfrich to report on the recommended approval of an amended easement document. Mr. Helfrich explained that, at its meeting on January 13, 2005, the Board of Trustees, upon the recommendation of the Construction Committee, approved the request for an easement for right-of-way along the east side of Schutte Road from Mahrenholz Drive to Clarke Lane. The easement will be used to install a sanitary sewer pipe for connection to the existing gravity flow sanitary sewer on Clarke Lane to serve the development at the southeast corner of Schutte Road and State Highway 62. The request was approved pending the addition of language in the easement document that any utility using the easement will maintain and return the property to its original condition upon completion of the installation. The document was approved by the chair, signed, and notarized.

Mr. Helfrich noted that the University has since learned the original document, prepared by the engineering firm, indicated that Vanderburgh County would be the grantee for a public utility easement, when the grantee should have been the Evansville Water and Sewer Utility Department for a sanitary sewer easement. Therefore, an amended easement document (Attachment D) will be presented for the approval of the Board of Trustees at its meeting on March 3, 2005.

On a motion by Mr. McDonald, seconded by Mr. Will, a recommendation to the Board of Trustees to approve the amended easement document in Attachment D was approved.

There being no further business, the meeting was adjourned at 11:50 a.m.

University of Southern Indiana
 Annual Audit Plan
 Calendar Year 2005

QUARTER BEGINNING	AUDIT AREA	STATUS	DESCRIPTION	HOURS
January 2005	Bursar	Completed 1/10/05	Revolving fund (cash) count	10
	Historic New Harmony	Completed 2/7/05	Evaluation of budget management and expenditures; determine existence of conflicts of interest	75
	Bookstore	Completed 2/17/05	Revolving fund (cash) count	8
	NH Museum Shop	Completed 1/27/05	Physical inventory	16
	Bookstore	Scheduled 3/8/05	Physical inventory	20
	Accounts Payable Vendors	Scheduled	Data analysis using CAAT	115
	Athletics	Scheduled	Student financial aid compliance per NCAA regulations	100
April 2005	Purchase Card	Scheduled	Review purchases of randomly selected users	150
	Physical Plant	Scheduled	Physical inventory	10
	SCT Banner	Scheduled	Security access review	150
	University Travel	Scheduled	Review expenses of randomly selected travelers	150
	Control and Risk Assessments	Scheduled	Areas to be determined	120
July 2005	Financial Records	Scheduled	Assist State Board with year end audit and report	450
	Accounts Payable Vendors	Continuing	Data analysis using CAAT	100
	Purchase Card	Continuing	Review purchases of randomly selected users	100
	Human Resources/Payroll	Deferred from 2004	Data analysis using CAAT -- adjunct payroll	100
	USI Foundation	Tentative	To be determined	75
October 2005	Human Resources/Payroll	Continuing	Employee Data Analysis - monitoring fraud indicators using computer assisted audit techniques (CAAT).	25
	University Travel	Scheduled	Review expenses of randomly selected travelers	150
	Purchase Card	Continuing	Review purchases of randomly selected users	100

Total Hours 2024

BUDGET APPROPRIATIONS, ADJUSTMENTS, AND TRANSFERS

1. Additional Appropriation of Income

From:	Unappropriated Current Operating Funds		
To:	10001-01500	Art, Music, and Theatre Supplies and Expense	1,200
To:	10001-01230	Library Supplies and Expense	1,827
To:	10001-01170	Instructional Technology Services Capital Outlay	6,716
To:	10001-01190	ROTC Supplies and Expense	2,498
From:	Unappropriated Designated Funds		
To:	18004-01030	Extended Services Revolving Fund Supplies and Expense	3,000
To:	18017-03000	Faculty Development Travel Supplies and Expense	2,281
To:	18019-01780	Faculty Enhancement – Science and Engineering Supplies and Expense	4,036
To:	18020-01660	Faculty Enhancement – Nursing and Health Professions Supplies and Expense	2,497
To:	18021-01300	Faculty Enhancement – Business Supplies and Expense	7,982
To:	18022-01360	Faculty Enhancement – Education Personal Services Supplies and Expense	2,347 193
To:	18046-01300	School of Business Programs Supplies and Expense	1,194
To:	31030-03140	Housing Capital Improvements Capital Outlay	30,357
From:	Unappropriated Auxiliary Funds		
To:	32105-03000	University Center Supplies and Expense	4,647

2. Transfer of Funds

From:	16010-05110	First Year Initiatives Program	
To:	16020-05150	International Student Programs	228

3. Transfer and Appropriation of Funds

From:	16006-05110	Student Activities	
To:	16020-05150	International Programming Supplies and Expense	1,500
From:	16011-05110	Activities Programming Board	
To:	16020-05150	International Programming Supplies and Expense	1,250
From:	15005-03769	Technology Fee	
To:	10001-03170	Computer Center Capital Outlay	161,586
From:	30110-03000	Recreation and Fitness Center Reserve	15,000
	30125-05060	Intramural Outdoor Fields	6,547
	30120-05061	Intramural and Recreational Sports	26,478
	30115-05070	Student Wellness	1,975
To:	91065-03000	Sand Volleyball Courts Capital Outlay	50,000
From:	16007-05080	Multicultural Center	
To:	16020-05150	International Student Programs Supplies and Expense	155

**Report to University of Southern Indiana Board of Trustees
 March 3, 2005**

Change Orders Issued by the Acting Vice President for Business Affairs

On September 6, 2001, the Board of Trustees adopted a procedure related to changes in construction contracts which included the following: "Change orders up to \$25,000 may be issued by the Vice President for Business Affairs and reported to the Board of Trustees at its next meeting." Consistent with that policy, the following change orders have been issued.

PROJECT: David L. Rice Library

<u>CO - GC 02</u>	<u>Description</u>	<u>Contractor</u>	<u>Amount</u>
	Install perforated drain pipe, gravel, and waterproofing on back side of lecture hall floor wall to drain ground water	Deig Bros. Construction Co.	\$4,017
	Change roofing membrane to Sarnafil PVC in lieu of Firestone PVC	Deig Bros. Construction Co.	6,867
	Provide and install sump pump and piping to remove ground water from back side of lecture hall floor	Goebel Mechanical, Inc.	3,444
	Install 20 amp circuit, conduit, and wiring for sump pump in lower level	The State Group, Inc.	1,014

S A N I T A R Y S E W E R E A S E M E N T

THIS INDENTURE WITNESSETH, University of Southern Indiana, a body corporate and politic organized and existing under the laws of the State of Indiana (GRANTOR) of Vanderburgh County, State of Indiana, for and in consideration of the sum of ONE DOLLAR (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, do hereby GRANT and CONVEY unto the EVANSVILLE WATER AND SEWER UTILITY DEPARTMENT (GRANTEE), a nonexclusive easement and right-of-way to construct, install, operate, control, maintain, repair, reconstruct, or remove, one or more sewer pipes and all appurtenant and necessary structures to transmit sewage across, under and upon the following described real estate located in Vanderburgh County, Indiana, to-wit:

Part of the West Half, Southwest Quarter, Southeast Quarter, Section 29, Township 6 South, Range 11 West in Perry Township, Vanderburgh County, Indiana, being more particularly described as follows:

Commencing at the Southwest corner of said quarter, quarter section; thence along the west line of said quarter section, North 00 degrees 28 minutes 26 seconds East 128.04 feet; thence South 89 degrees 31 minutes 34 seconds East 15.00 feet to the point of beginning; thence along the existing 30 foot Schutte Road right of way opened per Commissioner's Record Vol. Z, page 485, North 00 degrees 28 minutes 26 seconds East 15.81 feet; thence North 49 degrees 51 minutes 59 seconds East 8.67 feet; thence North 04 degrees 51 minutes 59 seconds East 18.47 feet; thence parallel with the west line of said quarter section, North 00 degrees 28 minutes 26 seconds East 478.38 feet to a point on the north line of a tract of land conveyed to the University of Southern Indiana, recorded in Deed Drawer 8, Card 8359 in the office of the Recorder of Vanderburgh County, Indiana; thence along said north line, South 88 degrees 40 minutes 20 seconds East 12.00 feet; thence parallel with the west line of said quarter section, South 00 degrees 28 minutes 26 seconds West 478.66 feet; thence South 04 degrees 51 minutes 59 seconds West 23.90 feet; thence South 49 degrees 51 minutes 59 seconds West 23.93 feet to the point of beginning, containing 6192 square feet (0.14 acres).

Subject to all easements, rights-of-way, building and use restrictions of record.

SEE EXHIBIT "A"

Together with the right of ingress and egress over the lands of Grantor to and from said line in the exercise of the rights and privileges herein granted.

Any utility exercising its right to locate utility facilities within the above described easement, shall return the easement to its original condition as it was before construction. Upon the completion of any maintenance or repairs to a utility within the easement area, the easement area shall be returned to the same condition as before the maintenance or repair of the utility.

IN WITNESS WHEREOF, the said _____
_____ have hereunto set their hands and
seals this _____ day of _____, 20____.

WITNESS my hand and notarial seal this ___ day of _____, 20___.

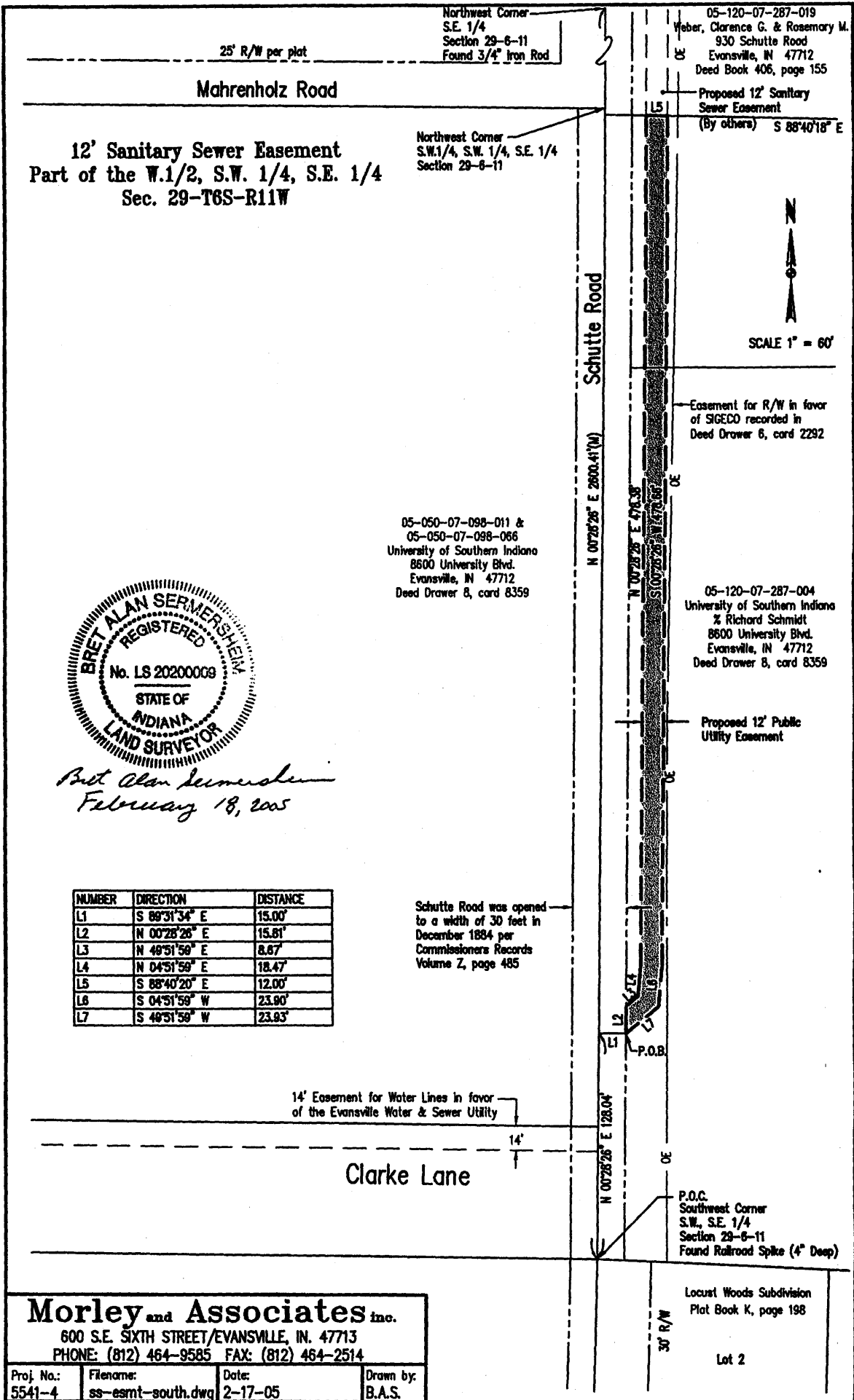
My Commission Expires:

Notary Public

Printed or Typed Name

Notary Resides in _____ County, _____.

THIS INSTRUMENT PREPARED BY: Morley and Associates, Inc.



25' R/W per plat

Northwest Corner
S.E. 1/4
Section 29-6-11
Found 3/4" Iron Rod

05-120-07-287-019
Weber, Clarence G. & Rosemary M.
930 Schutte Road
Evansville, IN 47712
Deed Book 406, page 155

Mahrenholz Road

12' Sanitary Sewer Easement
Part of the W.1/2, S.W. 1/4, S.E. 1/4
Sec. 29-T6S-R11W

Northwest Corner
S.W.1/4, S.W. 1/4, S.E. 1/4
Section 29-6-11

Proposed 12' Sanitary
Sewer Easement
(By others) S 88°40'18" E



SCALE 1" = 60'

Easement for R/W in favor
of SIGECO recorded in
Deed Drawer 6, card 2292

05-050-07-098-011 &
05-050-07-098-066
University of Southern Indiana
8600 University Blvd.
Evansville, IN 47712
Deed Drawer 8, card 8359

05-120-07-287-004
University of Southern Indiana
% Richard Schmidt
8600 University Blvd.
Evansville, IN 47712
Deed Drawer 8, card 8359



Bret Alan Sermersheim
February 18, 2005

Proposed 12' Public
Utility Easement

NUMBER	DIRECTION	DISTANCE
L1	S 88°31'34" E	15.00'
L2	N 00°28'28" E	15.81'
L3	N 48°51'59" E	8.87'
L4	N 04°51'59" E	18.47'
L5	S 88°40'20" E	12.00'
L6	S 04°51'59" W	23.90'
L7	S 48°51'59" W	23.93'

Schutte Road was opened
to a width of 30 feet in
December 1884 per
Commissioners Records
Volume Z, page 485

14' Easement for Water Lines in favor
of the Evansville Water & Sewer Utility

Clarke Lane

P.O.C.
Southwest Corner
S.W. S.E. 1/4
Section 29-6-11
Found Railroad Spike (4" Deep)

Morley and Associates Inc.

600 S.E. SIXTH STREET/EVANSVILLE, IN. 47713
PHONE: (812) 464-9585 FAX: (812) 464-2514

Locust Woods Subdivision
Plat Book K, page 198

Lot 2

Proj. No.: 5541-4 Filename: ss-esmt-south.dwg Date: 2-17-05 Drawn by: B.A.S.