

December 11, 2014

Board of Governors



AGENDA

FSU BOARD OF GOVERNORS' MEETING
DECEMBER 11, 2014, 9:00 A.M.
LOCATION: BOARD ROOM, 3RD FLOOR FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV



- I. CALL TO ORDER**
 - A. Roll Call
 - B. Public Comment
 - C. Approval of Agenda*Action Item*

- II. APPROVAL OF MINUTES OF OCTOBER 16, 2014, AND NOVEMBER 13, 2014...Tab 1 Action Item**

- III. CHAIRMAN'S REPORT**
 - A. Presentation of Certificate

- IV. PRESIDENT'S REPORT**

- V. REPORTS AND PRESENTATIONS**
 - A. Foundation (Will Armistead)
 - B. Construction Project Updates (Tom Tucker)
 - C. Recognition Campus Police Officers (President Rose and Jack Clayton)

- VI. CONSENT AGENDA.....Tab 2 Action Item**
 - A. Capital Projects FY 2015
 - B. Approval of Financial Reports (Months Ending 7/31/14, 8/31/14, and 9/30/14)

- VII. ACADEMIC AFFAIRS/ADMISSIONS COMMITTEE (John Myers, Chair)**

- VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)**

- IX. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)**

- X. ENROLLMENT/HOUSING-STUDENT LIFE COMMITTEE (Dixie Yann, Chair)**

- XI. STUDENT HOUSING COMMITTEE (Aaron Hawkins, Chair)**

- XII. FINANCE COMMITTEE (Mark Pallotta, Chair)**
 - A. Approval of New Policy #59 – Debt Policy.....*Tab 3 Action Item*
 - B. Approval of Independent Auditor's Report.....*Tab 4 Action Item*
 - C. FSU/Pierpont Chargeback Agreement for FY 2015.....*Tab 5 Action Item*

- XIII. EXECUTIVE COMMITTEE (Ron Tucker, Chair)**

- XIV. POSSIBLE EXECUTIVE SESSION - Under the Authority of West Virginia Code §6-9A-4-2b To Discuss Property Issues**

- XV. ADJOURNMENT**

NEXT MEETING: FEBRUARY 19, 2015, AT 9:00 A.M.,
LOCATION: BOARD ROOM, FALCON CENTER 3RD FLOOR
1201 LOCUST AVENUE, FAIRMONT, WV

Tab 1



FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
MEETING MINUTES, OCTOBER 16, 2014
GASTON CAPERTON CENTER
CLARKSBURG, WV

I. CALL TO ORDER

A. Roll Call

Chairman Ron Tucker convened a meeting of the Fairmont State University (FSU) Board of Governors (BOG) on October 16, 2014, beginning at approximately 9:00 a.m. in the Gaston Caperton Center 501 West Main Street, Clarksburg, West Virginia.

At the request of Chairman Tucker, Judy Biafore conducted a roll call of the Board of Governors. Present for the meeting were board members Chris Courtney, Bryan Foley, Holly Fluharty, Aaron Hawkins, Bob Mild, John Myers, Mark Pallotta, John Schirripa, Bryan Towns, Ron Tucker, and Dixie Yann. Frank Washenitz participated by conference call for the first part of the meeting. Also in attendance were President Rose and President's Council members Christina Lavorata, John Lympany, Ann Booth, Kaye Widney, Van Dempsey, and Rick Porto. Athletic Director, Tim McNeely and Construction Manager, Stephanie Slaubaugh, also attended.

B. Public Comment

Chris Courtney reported no one signed up for public comment.

C. Approval of Agenda

Bryan Towns made a motion to approve the agenda. Bryan Foley seconded. The motion passed.

II. APPROVAL OF MINUTES OF AUGUST 14, 2014

Bryan Foley made a motion to approve the minutes of August 14, 2014, and Bryan Towns seconded. The motion passed.

III. CHAIRMAN'S REPORT

A. Chairman Tucker thanked Dr. Nancy McClure and the staff at the Caperton Center for hosting this meeting.

- B. He also introduced newly appointed Board Member, Mr. Aaron Hawkins. He stated that Mr. Hawkins has much experience with Fairmont State, having served on both the President's Leadership Council and the Fairmont State Foundation Board and that he is a retired executive from Wesbanco and has recently been involved with the Honor Flight Program.

Chairman Tucker also said that Aaron Hawkins, along with Butch Phillips, who is on the Alumni Board, will be parade marshals for the homecoming parade, which will be next week. He reminded all in attendance of the following Homecoming activities:

- The parade is on Thursday, October 23rd. Once again Board members are invited to ride the trolley in the parade. If interested, you should arrive at the Alumni Center before 5:00 p.m. The trolley will leave the Alumni Center promptly at 5:00 p.m. Candy will be provided for distribution to parade spectators.
 - Then the Emeritus Luncheon honoring 1964 graduates will be held Friday,
 - The Athletic Hall of Fame banquet will be held on Friday evening, and Homecoming winds up with the Alumni Brunch Saturday morning and the football game at 2:00 p.m. that afternoon.
- C. Chairman Tucker also stated that the next BOG meeting is 9:00 a.m., Thursday, December 11, 2014 in the Board Room, located on the 3rd floor of the Falcon Center on the main campus.

IV. PRESIDENT'S REPORT

- A. President Rose stated that Mid-Term was last week and Campus visitation will be held on campus November 8th (2014).
- B. She also said the Higher Education Policy Commission will meet at the Osteopathic School (in Lewisburg, WV), November 21 (2014).
- C. President Rose reported that colleges and universities in the State have been working on an agenda to put before Legislators. Last year it was a regional effort, but now Marshall and WVU have joined them to present a stronger voice for higher education issues.

- D. President Rose also said that after the election, campuses will begin having meetings and forums on campuses to discuss challenges facing higher education. The three main topics they wish to address are budget, outcomes based funding, and the number of reports required by the Higher Education Policy Commission each year.

V. REPORTS AND PRESENTATIONS

A. Fairmont State Foundation (Will Armistead)

Will Armistead, President of the Fairmont State (FS) Foundation, reported that assets of the Foundation as of September 30, (2014), were \$21,408,000. Since the last report, that amount represents an increase of about \$300,000.

He said that the Foundation received an unqualified audit, which is the highest level of assurance from their independent auditors Tetrick and Bartlett.

He also indicated that the Foundation received an initial allotment of \$45,000 in State tax credits which gives them the opportunity to raise \$90,000 in new contributions for scholarships to the neediest West Virginia residents who are students at FSU. He was pleased with the award from the State Development Office. With the help of Kaye Widney (Vice President for Student Affairs) and her staff, a more detailed application was submitted which resulted in more dollars received. He also said that they have already raised 100% of the funds and they have been awarded all allotted credits. The funds will be available for FSU students beginning next academic year. They will apply for supplemental credits in the spring should any be available.

Mr. Armistead said that he attended the FSAA (Fairmont State Athletic Association) Meeting this week and that the annual elimination dinner sponsored by the Stern Family has been scheduled for November 13, 2014, at the (Fairmont) Field Club. Tickets for this event can be purchased either from him, Tim (McNeely), or Chad (Fowler).

Mr. Armistead also reported that the Foundation has made its first of five annual payments of our pledge to support the Feaster Center renovation project, and continues to support the FSAA (Fairmont State Athletic Association) with \$25, 00 in scholarship funds.

He also acknowledged Tom Tucker (Assistant Vice President of Facilities) and his staff at the Physical Plant who went out of their way to see that the Duvall statue project was completed successfully.

B. Construction Project Updates (Stephanie Slaubaugh)

Stephanie Slaubaugh, Construction Manager, gave an update on the various projects that are currently underway on campus. Weekly updates are available online at:

<http://www.fairmontstate.edu/adminfiscalaffairs/physical-plant/construction-projects>.

C. Amy Sidwell Grant Announcement

Amy Sidwell, Assistant Professor in the School of Education/Health and Human Performance, and Mark Wolfe, Assistant Professor in the College of Science and Technology, introduced students that are members of the Ford C3 Grant Team and presented a video that shows them working on their community garden.

Professor Sidwell explained that the Ford Grant (\$25,000) was awarded to Fairmont State University and that FSU was also named a national winner in the Ford College Community Challenge.

Students and professors organized garden beds for fruit and vegetable growth. They call it the Fairmont Community Garden.

VI. ACADEMIC AFFAIRS/ADMISSIONS COMMITTEE (John Myers, Chair)

John Myers, Chair of the Academic Affairs/Admissions Committee, reported that the Committee had met a couple of weeks ago and looked at programs with low enrollment. He then asked Dr. Christina Lavorata, Provost and Vice President for Academic Affairs, to provide some background on the Technology Education major, a program with low enrollment.

Mr. Myers made a motion to discontinue the Technology Education Major.

A. Approval to Discontinue the Technology Education Major

Mark Pallotta seconded. The motion passed.

VII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)

A. Chairman Tucker asked Tim McNeely, Athletic Director, to provide an update to the Board.

- B. Athletic Director (AD)McNeely reported that the Athletic Affairs Committee met a couple of weeks ago. They went over many items since last year and primarily items that center on the Athletic Master Plan.
- C. He said that fall sports are well under way and renovations to the Retton Arena are going well. He said the project is a month ahead of schedule and under budget.
- D. AD McNeely gave an update to the (Athletic) Master Plan by outlining the following four major areas of concentration: Title IX, modernizing the staff, modernizing the facilities, and fundraising.
- E. He also stated that the new website for Athletics will be available on November 3 (2014) and hoped that the first basketball game for the season would be played in the Feaster Center on November 14.
- F. Chad Fowler, Assistant Athletic Director, gave an update on fundraising for Athletics. He said last year, and the first year, for the \$1,000 Club and they had 75 paid members and raised \$110,000. This is the second year and they have already raised \$40,000 and have 14 members. He also said they have their first lifetime member with a \$10,000 donation to Athletic Scholarships.

Mr. Fowler also reported that three ads to fill the football scoreboard were sold to MVB Bank, Academy Programs, and Pepsi. He said at this time last year they had received \$22,000 in advertising and that right now they have already received \$27,000 and that their goal is to reach \$40,000. He also stated that Tom Kliethermes of Edward Jones donated and enabled them to purchase an LED Scoreboard for the Retton Arena which has advertising capability.
- G. AD McNeely added that if anyone needed basketball tickets to buy them as soon as possible because they were selling quickly right now. Also, he said that seating prices had not risen.

VIII. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)

Chairman Tucker stated there were no items to bring forth by the BOG Operating Procedures Committee.

IX. ENROLLMENT COMMITTEE (Dixie Yann, Chair)

- A. Dixie Yann, Chair of the Enrollment Committee, asked Kaye Widney, Vice President for Student Services, to provide an update. Ms. Widney reviewed the following which was distributed to those members in attendance:

FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS ENROLLMENT COMMITTEE SUMMARY
REPORT
October 16, 2014

- *Enrollment Fall 2014:*
- Official enrollment figures are being submitted to HEPC this week; FSU has experienced a decline in both undergraduate and graduate levels
- "15 to Finish" initiative is being rolled into messaging at FSU as suggested by HEPC state-wide initiative
- Freshmen Survey administered to students during Welcome Weekend academic meetings-289 respondents...results overwhelmingly indicate that students are selecting FSU based upon location and programs of study; most impactful activity on decision to choose FSU is CVD and/or campus tour; students learn about FSU through college fairs, web search, family members and alumni
- *Admissions/Recruitment Activities:*
- FSU Fall CVD is scheduled for November 8-269 students/583 guests registered to date; marketing is ongoing about the event with extra attention in eastern panhandle, southern WV counties and border states
- "Txt4Success" messages will start in December with high school seniors and extend through freshman year in college; specific FSU messaging to students who indicate FSU as intended school
- Admissions counselors have attended 63 college fairs and conducted 46 campus visits since last full BOG meeting
 - Conducting "Application Events" in high schools
 - Mailing information packets to over 600 high school guidance counselors

- Discussing development of increased social media presence, e.g., Face Book page for new admits to as well as targeted emails based upon program of study
- Exploring spring "Admitted Student Day" where admitted students can meet with academic departments; intended to increase yield rate on admits

- *Retention Activities:*
 - "Mid Semester Crunch" information sessions are held in lobby October 21-23 ..this is an opportunity for students who have one or more unsatisfactory grades to see academic advisors 1 financial aid and to talk with Retention staff about available academic support Services
 - 472 participants in Fall Family Weekend events (116 students with family members)-attended Friday night movie, Saturday football tailgate, football game, had access to activity tent
 - Falcon Family Association has a total of 659 members; all members received fall newsletter
 - Registration for spring term begins October 20 with seniors and others with priority (veterans, athletes, students with disabilities); Retention Office conducts outreach to those students who haven't registered for upcoming term, encouraging early action to insure best selection of classes

- *Turley Student Services Center Update*

Director of Financial Aid and Scholarships has been hired; Patricia Weimer will begin employment on November 3.

- B. Dr. Van Dempsey, Interim Vice-President, Institutional Assessment and Effectiveness, gave an update on the Campus Compact report that is due to the Higher Education Policy Commission on November 1, 2014.

Bob Mild then made a motion to defer to Chairman Tucker to approve the Campus Compact once it is complete and ready to send to the Higher Education Policy Commission. This was done because there is not another Board of Governors' meeting until after the report is due.

John Myers seconded. The motion passed.

X. FINANCE COMMITTEE (Mark Pallotta, Chair)

Mr. Mark Pallotta, Chair of the Finance Committee, gave an overview of the following items and stated that the Finance Committee had discussed them and approved the items as presented.

Bryan Towns moved to accept the following:

A. Approval of 30-Day Comment Period for Policy #59 (Debt Policy)

Dixie Yann seconded. The motion passed.

Bryan Towns moved to accept the following:

B. Approval of 30-Day Comment Period for Policy #60 (Email Established as an Official Form of Communication)

Dixie Yann seconded. The motion passed.

John Myers moved to accept the following:

C. Approval of Campus Housing Project (and Bond Resolution to pay for the project)

Aaron Hawkins seconded. The motion passed.

XI. EXECUTIVE COMMITTEE (Ron Tucker, Chair)

A. Chairman Tucker stated that there were no items to bring forth by the Executive Committee.

XII. POSSIBLE EXECUTIVE SESSION

Dixie Yann made a motion to go into Executive Session "Under the Authority of West Virginia Code §6-9A-4-2b" to discuss property issues.

Mark Pallotta seconded. The motion passed.

Dixie Yann made a motion to reconvene in open session. Mark Pallotta seconded. The motion passed.

There was a vote to accept an addendum to President Rose's contract. Bryan Towns made a motion to approve the addendum and Mark Pallotta seconded.

XIII. ADJOURNMENT

John Myers made a motion to adjourn the meeting. Mark Pallotta seconded. The motion passed.

Ron Tucker Date FSU Board of Governors' Chairman

Dixie Yann Date FSU Board of Governors' Secretary



FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
MEETING MINUTES, NOVEMBER 13, 2014
219 HARDWAY HALL, 9:00 A.M.
FAIRMONT, WV

I. CALL TO ORDER

A. Roll Call

Chairman Ron Tucker convened a meeting of the Fairmont State University (FSU) Board of Governors (BOG) on November 13, 2014, beginning at approximately 9:00 a.m. in 219 Hardway Hall, Fairmont, West Virginia.

At the request of Chairman Tucker, Judy Biafore conducted a roll call of the Board of Governors. Present for the meeting were board members Chris Courtney, Bryan Foley, Holly Fluharty, Aaron Hawkins, Bob Mild, John Myers, Mark Pallotta, Bryan Towns, Ron Tucker, Frank Washenitz, and Dixie Yann. John Schirripa was absent. Also in attendance were President Rose and President's Council members Christina Lavorata, John Lympany, Ann Booth, Kaye Widney, Van Dempsey, and Rick Porto. Assistant Vice President for Facilities, Tom Tucker, and Construction Manager, Stephanie Slaubaugh, also attended.

B. Public Comment

Mark Pallotta reported no one signed up for public comment.

C. Approval of Agenda

Bob Mild made a motion to approve the agenda. Bryan Foley seconded. The motion passed.

II. CAPERTON CENTER REPAIRS

John Myers made a motion to approve the Caperton Center turnkey boiler upgrade and temperature controls. Bryan Foley seconded. The motion passed.

III. CAMPUS HOUSING PROJECT

Additional information about the new housing complex was provided by McKinley and Associates (Architects). Following their presentation and discussions, no further action was taken.

IV. POSSIBLE EXECUTIVE SESSION

Dixie Yann made a motion to go into Executive Session “Under the Authority of West Virginia Code §6-9A-4-2b” to discuss property issues.

Mark Pallotta seconded. The motion passed.

Mark Pallotta made a motion to reconvene in open session. Bryan Foley seconded. The motion passed.

After the discussion, Dixie Yann made another motion to go into Executive Session “Under the Authority of West Virginia Code §6-9A-4-2b” to discuss property issues.

Mark Pallotta seconded. The motion passed.

Bob Mild made a motion to reconvene in open session. Mark Pallotta seconded. The motion passed.

V. ADJOURNMENT

There being no further business, Chairman Tucker adjourned the meeting.

Ron Tucker Date FSU Board of Governors' Chairman

Dixie Yann Date FSU Board of Governors' Secretary

Tab 2

CAPITAL PROJECTS

FY 2015

Project	Project Budget	Encumbrances & Expenses	Available Project Budget	Project Updates
Academic Fund	\$ 159,182.93	\$ 81,200.09	\$ 77,982.84	Various Academic Projects throughout the year. Carry-over encumbrances from FY 14
Landscaping	\$ 100,000.00	\$ 47,385.38	\$ 52,614.62	Various Projects for FY 15
Small Projects	\$ 311,426.28	\$ 93,702.87	\$ 217,723.41	Various Projects for FY 15, Carry-over from FY 14
Aerospace Gutter Repairs	\$ 40,000.00	\$ 36,950.00	\$ 3,050.00	Bids have opened and contract is being prepared
Aerospace HVAC Replacement	\$ 49,000.00		\$ 49,000.00	Bids have opened and awaiting documentation from contractor.
Campus - ADA Restrooms	\$ 50,000.00	\$ 39,921.10	\$ 10,078.90	Jaynes Restroom complete
Caperton Boiler & Temperature Controls	\$ 400,000.00	\$ 380,000.00	\$ 20,000.00	Proceeding as emergency replacement. Using temporary boiler for heat.
Caperton Waterproofing	\$ 166,412.50	\$ 141,792.50	\$ 24,620.00	Waterproofing to proceed in Spring 2015- due to required install temperatures.
Hazardous Waste Building	\$ 40,000.00	\$ 23,923.92	\$ 16,076.08	New hazardous waste building was installed and all components hooked up.
Infrastructure - Paving	\$ 360,785.29	\$ 248,062.88	\$ 112,722.41	Paving completed on parking lots; gravel to be installed on Locust Lot
Infrastructure - Merchant Street Retaining Wall	\$ 375,327.21	\$ 375,327.21	\$ -	completed
Physical Plant Expansion	\$ 160,000.00	\$ -	\$ 160,000.00	On Hold
School House Museum Repairs	\$ 70,000.00	\$ -	\$ 70,000.00	Preparing Bid Package

AUXILIARY CAPITAL PROJECTS

FY 2015

Project	Project Budget	Encumbrances & Expenses	Available Project Budget	Project Updates
Falcon Center - Miscellaneous Projects	\$ 6,365.40	\$ 3,595.90	\$ 2,769.50	Various Projects for Falcon Center
Falcon Center - Fitness Equipment	\$ 34,931.15	\$ 10,392.00	\$ 24,539.15	Various Projects for Falcon Center
Falcon Center - Pool Wall Repair	\$ 4,000.00	\$ -	\$ 4,000.00	Patch and paint drywall where delaminated.
Falcon Center - Furniture	\$ 65,481.00	\$ 29,453.91	\$ 36,027.09	Umbrella tables complete
Feaster Center HVAC Pool Area	\$ 254,947.78	\$ 254,947.78	\$ -	Complete.
Feaster Center Natatorium Upgrades	\$ 752,500.00	\$ 752,500.00	\$ -	Complete.
Feaster Center Concrete Repair	\$ 81,033.68	\$ 81,033.68	\$ -	Hand rail has been installed. Complete.
Feaster Center Gym Floor & Bleacher Project	\$ 1,183,800.00	\$ 1,134,255.76	\$ 49,544.24	Working through remaining punch list items.
Feaster Center Athletics Hall of Fame	\$ 22,726.00	\$ 17,503.52	\$ 5,222.48	Waiting on final invoices to process.
Parking Garage Maintenance	\$ 50,055.00	\$ -	\$ 50,055.00	Maintenance of lower level decks.
Residence Halls - Morrow Hall Pump Replacement	\$ 29,570.00	\$ 29,570.00	\$ -	Complete.
Residence Halls - College Park Replacement	\$ 2,143,910.00	\$ 2,143,910.00	\$ -	Currently at 50% construction document phase.
Residence Halls - Morrow Hall Façade Repairs	\$ 24,500.00	\$ 24,500.00	\$ -	Complete.
Residence Halls - Miscellaneous Projects	\$ 59,000.00	\$ 16,118.68	\$ 42,881.32	Morrow Ceiling Tiles, Pence Blinds, & Morrow AC Units
Campus Police Vehicle	\$ 9,000.00	\$ 9,000.00	\$ -	2 Used Vehicles for Campus Police

Fairmont State University
Board of Governors
Financial Report
for the period ending July 31, 2014

Note: This report has been delayed due to startup of the new State Accounting System (wvOASIS) and the conversion of our current chart of accounts and also due to the delay of posting of some records to our system from the states system. Please also be aware that due to these conversions, a few of our expense budgets during the budget preparation period did not make it to the new fiscal year, therefore, understated our 2015 expense budget condition in the Unrestricted Fund by approximately \$170,000. The two budgets that needed added were financial aid match requirements toward federal funding of \$81,239 and a budget to pay for severance for an athletic position of \$89,846. Also, during the budget preparation process, we were estimating the cost to the University for services provided by Pierpont and these estimations fell short of what the automated chargeback process calculated by approximately \$100,000. These conditions had a negative impact on the E&G Unrestricted Fund budget by approximately \$270,000.

Unrestricted Fund:

The above note explains those corrections that were necessary that caused the FY 2015 budget deficit to increase from \$-239,295 to \$-517,693 since the budget was approved by the Governing Board in May.

In the upcoming months more information will be shared as the University reacts to enrollment and related revenue declines. The Presidents Council along with the Budget Office is targeting expense budget cuts that will be necessary to offset revenue budget decreases required.

The tuition and fee revenue is at 40.73% of the budget as of the end of July. Total Operating Revenue is at 31.73% of budget. Non-operating Revenue is at 23.40% of budget (primarily state appropriations). Operating Expenses through the end of July is at 3.29% of budget. The actual condition at the end of July is a surplus of \$11,716,438.

Auxiliary Fund:

The Auxiliary Fund planned budgeted transfer to reserve decreased by \$40,908 from \$1,792,101 to \$1,751,193 primarily due to an approved adjustment to transfer to reserve for Athletics. This request was made by the Athletic Director to the Finance Committee prior to the full Board meeting in May; however, the final adjustment was not completed until after final Board approval of the athletic budget.

Auxiliary Enterprise Revenue is at 34.73% of budget and total operating revenue is at 19.49% of budget. The Auxiliary fees and debt service support revenue was not posted to in July due to OASIS system start up issues and the lack of a service agreement between FSU and Pierpont. This issue appears to be close to resolution as of this writing. Auxiliary Operating Expenses are at 3.71% of budget through the end of July. The actual surplus condition is at \$2,269,531.

Restricted Fund:

Activity for the month of July was minimal in this fund primarily because financial aid comprises 95% of all expenditures within this fund. Less than 1% in revenue and expenses was realized for the month of July. The actual condition at the end of July is a small deficit of \$-21,036. This deficit is supported by Restricted Fund Reserves of approximately \$467,000.

Please find attached the financial reports for the month of July.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted
As of July 31, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	24,295,118	24,498,650	9,978,822	40.73
	Student Activity Support Revenue	523,847	523,847	0	0.00
	Faculty Services Revenue	1,272,439	1,272,439	0	0.00
	Operating Costs Revenue	2,023,643	1,999,921	0	0.00
	Support Services Revenue	2,863,717	2,794,514	0	0.00
	Other Operating Revenues	339,741	339,933	(6,967)	(2.05)
	Total:	31,318,505	31,429,304	9,971,855	31.73
OPERATING EXPENSE					
	Salaries	24,577,287	24,688,638	595,724	2.41
	Benefits	5,903,380	6,108,951	141,536	2.32
	Student financial aid-scholarships	2,597,916	2,432,916	3,722	0.15
	Utilities	1,417,676	1,417,676	(21,046)	(1.48)
	Supplies and Other Services	7,206,875	7,401,575	766,738	10.36
	Equipment Expense	1,189,886	1,187,956	2,734	0.23
	Fees retained by the Commission	185,560	185,560	0	0.00
	Assessment for Faculty Services	1,107,466	1,053,034	0	0.00
	Assessment for Support Services	184,200	238,070	0	0.00
	Assessment for Student Activity Costs	375,898	375,898	0	0.00
	Assessment for Operating Costs	160,976	118,414	0	0.00
	Total:	44,907,121	45,208,688	1,489,409	3.29
OPERATING INCOME / (LOSS)		(13,588,616)	(13,779,384)	8,482,446	(61.56)
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	15,850,298	15,842,394	3,168,479	20.00
	Gifts	500	2,013	0	0.00
	Investment Income	25,245	25,245	(3,443)	(13.64)
	Assessment for E&G Capital & Debt Service Costs	(2,344,608)	(2,344,608)	0	0.00
	Total:	13,531,435	13,525,044	3,165,036	23.40
TRANSFERS & OTHER					
	Capital Expenditures	(163,219)	(163,219)	0	0.00
	Construction Expenditures	0	0	66,454	
	Transfers for Debt Service	(64,986)	(64,986)	0	0.00
	Transfers for Financial Aid Match	0	(81,239)	0	0.00
	Indirect Cost Recoveries	46,090	46,090	2,503	5.43
	Total:	(182,114)	(263,353)	68,956	(26.18)
BUDGET BALANCE		(239,295)	(517,693)	11,716,438	
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		13,368,943	13,368,943		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>13,129,648</u>	<u>12,851,250</u>		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2014 in the amount of \$7,938,885.

Unrestricted Net Asset Balance is 29.57% of the current budget total operating expense.

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors

As of July 31, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	7,353,554	7,375,513	2,561,826	34.73
	Auxiliary Fees & Debt Service Support Revenue	5,534,213	5,534,213	0	0.00
	Other Operating Revenues	259,438	259,438	4,374	1.69
	Total:	13,147,205	13,169,164	2,566,200	19.49
OPERATING EXPENSE	Salaries	2,870,495	2,571,239	76,398	2.97
	Benefits	642,596	632,414	10,009	1.58
	Student financial aid-scholarships	579,914	589,914	3,556	0.60
	Utilities	765,305	835,305	(978)	(0.12)
	Supplies and Other Services	2,967,296	3,295,325	205,006	6.22
	Equipment Expense	87,509	67,928	2,678	3.94
	Total:	7,913,115	7,992,125	296,669	3.71
OPERATING INCOME / (LOSS)		5,234,091	5,177,039	2,269,531	43.84
NONOPERATING REVENUE (EXPENSE)	Interest on capital asset related debt	(141,279)	(141,279)	0	0.00
	Total:	(141,279)	(141,279)	0	0.00
TRANSFERS & OTHER	Capital Expenditures	(135,936)	(119,027)	0	0.00
	Transfers for Debt Service	(3,162,116)	(3,162,116)	0	0.00
	Transfers for Financial Aid Match	(3,425)	(3,425)	0	0.00
	Transfers to Reserves	(1,792,101)	(1,751,193)	0	0.00
	Transfers - Other	766	0	0	0.00
	Total:	(5,092,812)	(5,035,761)	0	0.00
BUDGET BALANCE - Projected Transfer to Reserves		0	0	2,269,531	
Add: PROJECTED NET ASSETS - Beginning of Year		<u>9,780,324</u>	<u>9,780,324</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>9,780,324</u>	<u>9,780,324</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2014 in the amount of \$943,130

* Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

FAIRMONT STATE UNIVERSITY
 Actual vs Budget Statement of Revenues and Expenses
 Current Restricted
 As of July 31, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	23,005,263	23,005,263	35,049	0.15
	State/Local Grants and Contracts	6,935,203	6,935,203	45,172	0.65
	Private Grants and Contracts	1,735,358	1,735,358	12,398	0.71
	Other Operating Revenue				
	Total:	31,675,824	31,675,824	92,618	0.29
OPERATING EXPENSE	Salaries	547,237	547,237	35,260	6.44
	Benefits	67,230	67,230	1,557	2.32
	Student financial aid - scholarships	40,219,650	40,219,650	25,764	0.06
	Utilities	0	0	6	0.00
	Supplies and Other Services	780,086	780,086	10,790	1.38
	Equipment Expense	68,593	68,593	24,576	35.83
	Total:	41,682,796	41,682,796	97,952	0.23
OPERATING INCOME / (LOSS)		(10,006,972)	(10,006,972)	(5,333)	0.05
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	10,000,000	10,000,000	(4,798)	-0.05
	Gifts	2,307	2,307	0	
	Investment Income	0	0		
	Total:	10,002,307	10,002,307	(4,798)	-0.05
TRANSFERS & OTHER	Capital Expenditures	(17,403)	(17,403)	(8,402)	48.28
	Transfers for Fin Aid Match	84,663	84,663	0	0.00
	Indirect Cost Recoveries	(17,539)	(17,539)	(2,503)	14.27
	Transfers - Other				
	Total:	49,721	49,721	(10,905)	-21.93
BUDGET BALANCE		45,056	45,056	(21,036)	
* Add: RESTRICTED NET ASSETS - Beginning of Year		466,822	466,822		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>511,878</u>	<u>511,878</u>		

**Fairmont State University
Board of Governors
Financial Report
for the period ending August 31, 2014**

Unrestricted Fund:

At the end of August, the Unrestricted Fund budget deficit condition improved by approximately \$82,400 from \$-517,693 to \$-435,291. This decrease to the deficit occurred primarily due to medical benefit (PEIA) updates for coverage changes, new hires, and vacant positions occurring.

The tuition and fee revenue is at 47.23% of the budget as of the end of August. Total Operating Revenue is only at 36.81% of budget primarily due to the lack of a service agreement between FSU and Pierpont. No transfers of funds from Pierpont have occurred for Student Activities, Operating Costs, and Support Services. Non-operating revenues (primarily state appropriations) are at 22.90% of budget.

Operating Expenses through the end of August is at 14.06% of budget. The actual condition at the end of August is a surplus of \$8,328,810.

Auxiliary Fund:

The Auxiliary Fund planned budgeted transfer to reserve decreased by \$27,698 from \$1,751,193 to \$1,723,496 due to adjustments in PEIA updates for coverage changes, new hires, and vacant positions occurring of \$14,569. Also, due to an increase in salary and benefits on position no. 972 in athletics. This increase was covered by a reduction in operating expense budget that did not occur until October.

Auxiliary Enterprise Revenue is at 35.64% of budget and total operating revenue is at 20.57% of budget. The Auxiliary Fees & Debt Service Support Revenue is only at 1.24% of budget due to the lack of a service agreement between FSU and Pierpont. Operating expenses are at 13.66% of budget through the end of August. The actual surplus condition is \$1,610,521.

Restricted Fund:

New Grants Received:

WV First Lego	\$5,000
Appalachain Teaching	4,000
Degree Now	7,432
Diversity for Equity	7,432
WV Symphony	7,200
Professional Development Schools	107,948
Teacher Education Partnership	20,000
We the People	1,500
Ford Community Challenge	<u>25,000</u>
	<u>\$185,512</u>

Existing Grant Additions:

ERC Supplement \$4,500

Restricted revenues are at 26.42% of budget through the end of August. Non-Operating Revenues (Pell Grants) is at 38.29% of budget. Operating expenses through the end of August is at 30.33% of budget. The actual condition at the end of August is a deficit of \$-433,540. This deficit is supported by Restricted Fund Reserves.

Please find the attached financial reports for the month of August.

Fairmont State University
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of August 31, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	24,295,118	24,498,650	11,570,002	47.23
	Student Activity Support Revenue	523,847	523,847	6,185	1.18
	Faculty Services Revenue	1,272,439	1,272,439	0	0.00
	State/Local Grants and Contracts	0	0	12,600	
	Auxiliary Enterprise Revenue	0	0	175	
	Operating Costs Revenue	2,023,643	1,998,885	0	0.00
	Support Services Revenue	2,863,717	2,785,133	0	0.00
	Other Operating Revenues	339,741	439,933	14,108	3.21
	Total:	31,318,505	31,518,887	11,603,070	36.81
OPERATING EXPENSE	Salaries	24,577,287	24,717,055	2,672,321	10.81
	Benefits	5,903,380	6,032,551	653,886	10.84
	Student financial aid-scholarships	2,597,916	2,432,916	1,329,623	54.65
	Utilities	1,417,676	1,417,676	105,216	7.42
	Supplies and Other Services	7,206,875	7,461,018	1,536,982	20.80
	Equipment Expense	1,189,886	1,186,302	52,822	4.45
	Fees retained by the Commission	185,560	185,560	0	0.00
	Assessment for Faculty Services	1,107,466	1,053,034	0	0.00
	Assessment for Support Services	184,200	237,445	0	0.00
	Assessment for Student Activity Costs	375,898	375,898	6,184	1.65
	Assessment for Operating Costs	160,976	118,414	0	0.00
	Total:	44,907,121	45,217,869	6,357,035	14.06
OPERATING INCOME / (LOSS)		(13,588,616)	(13,698,982)	5,246,036	(38.30)
NONOPERATING REVENUE (EXPENSE)	State Appropriations	15,850,298	15,842,394	3,168,479	20.00
	Gifts	500	4,013	200	4.98
	Investment Income	25,245	25,245	(3,443)	(13.64)
	Assessment for E&G Capital & Debt Service Costs	(2,344,608)	(2,344,608)	(67,130)	2.86
	Total:	13,531,435	13,527,044	3,098,106	22.90
TRANSFERS & OTHER	Capital Expenditures	(163,219)	(163,219)	0	0.00
	Transfers for Debt Service	(64,986)	(64,986)	0	0.00
	Transfers for Financial Aid Match	0	(81,239)	(15,332)	18.87
	Indirect Cost Recoveries	46,090	46,090	0	0.00
	Total:	(182,114)	(263,353)	(15,332)	5.82
BUDGET BALANCE		(239,285)	(435,291)	8,328,810	
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		13,368,943	13,368,943		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>13,129,648</u>	<u>12,933,652</u>		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2014 in the amount of \$7,938,885.

Unrestricted Net Asset Balance is 29.57% of the current budget total operating expense

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors

As of August 31, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	7,353,554	7,376,587	2,629,056	35.64
	Auxiliary Fees & Debt Service Support Revenue	5,534,213	5,534,213	68,847	1.24
	Other Operating Revenues	259,438	259,438	11,541	4.45
	Total:	13,147,205	13,170,238	2,709,444	20.57
OPERATING EXPENSE	Salaries	2,870,495	2,599,843	372,464	14.33
	Benefits	642,596	638,504	73,159	11.46
	Student financial aid-scholarships	579,914	589,914	185,611	31.46
	Utilities	765,305	835,305	78,893	9.44
	Supplies and Other Services	2,967,296	3,284,403	365,856	11.14
	Equipment Expense	87,509	72,928	19,539	26.79
	Total:	7,913,115	8,020,897	1,095,523	13.66
OPERATING INCOME / (LOSS)		5,234,091	5,149,342	1,613,921	31.34
NONOPERATING REVENUE (EXPENSE)	Interest on capital asset related debt	(141,279)	(141,279)	(3,401)	2.41
	Total:	(141,279)	(141,279)	(3,401)	2.41
TRANSFERS & OTHER	Capital Expenditures	(135,936)	(119,027)	0	0.00
	Transfers for Debt Service	(3,162,116)	(3,162,116)	0	0.00
	Transfers for Financial Aid Match	(3,425)	(3,425)	0	0.00
	Transfers to Reserves	(1,792,101)	(1,723,496)	0	0.00
	Transfers for Scholarships	0	0	0	0.00
	Transfers - Other	766	0	0	0.00
	Total:	(5,092,812)	(5,008,063)	0	0.00
BUDGET BALANCE - Projected Transfer to Reserves		0	0	1,610,521	
* Add: PROJECTED NET ASSETS - Beginning of Year		<u>9,780,324</u>	<u>9,780,324</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>9,780,324</u>	<u>9,780,324</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2014 in the amount of \$943,130

* Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of August 31, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	23,005,263	23,009,763	7,636,436	33.19
	State/Local Grants and Contracts	6,935,203	7,074,215	183,189	2.59
	Private Grants and Contracts	1,735,358	1,781,858	600,625	33.71
	Other Operating Revenue				
	Total:	31,675,824	31,865,836	8,420,250	26.42
OPERATING EXPENSE	Salaries	547,237	572,432	158,024	27.61
	Benefits	67,230	69,750	19,026	27.28
	Student financial aid - scholarships	40,219,650	40,219,650	12,450,207	30.96
	Utilities	0	0	6	0.00
	Supplies and Other Services	780,086	941,783	42,493	4.51
	Equipment Expense	68,593	69,193	31,135	45.00
	Total:	41,682,796	41,872,808	12,700,890	30.33
OPERATING INCOME / (LOSS)		(10,006,972)	(10,006,972)	(4,280,641)	42.78
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	10,000,000	10,000,000	3,828,502	38.29
	Gifts	2,307	2,307		
	Investment Income	0	0		
	Total:	10,002,307	10,002,307	3,828,502	38.28
TRANSFERS & OTHER	Capital Expenditures	(17,403)	(17,403)	(8,402)	48.28
	Transfers for Fin Aid Match	84,663	84,663	27,001	31.89
	Indirect Cost Recoveries	(17,539)	(17,539)	0	0.00
	Transfers - Other				
	Total:	49,721	49,721	18,599	37.41
BUDGET BALANCE		45,056	45,056	(433,540)	
* Add: RESTRICTED NET ASSETS - Beginning of Year		466,822	466,822		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>511,878</u>	<u>511,878</u>		

**Fairmont State University
Board of Governors
Financial Report
for the period ending September 30, 2014**

Unrestricted Fund:

At the end of September, the Unrestricted Fund budget deficit condition increased slightly by \$7,669 from \$-435,291 to \$-427,622 due to a correction support services revenue budget.

The tuition and fee revenue is at 46.87% of budget. Student Activity Support Revenue is at 24.63% of budget. Since the end of August, revenue in this category came from transfers from fees collected from University students. Non-operating revenues are at 18.40% of budget. Total operating revenue is at 37.01% of budget. Total operating expense is at 21.60% of budget. The actual condition at the end of September is a surplus of \$4,231,453.

Auxiliary Fund:

The Auxiliary Fund budgeted transfer to reserve decreased by \$121,236 from \$1,723,496 to \$1,602,260 primarily due to adjustments to the housing budget revenue to correct for a slight enrollment decrease in housing occupancy and a correction to the miscellaneous revenue budget that did not achieve the goal in FY 2015.

Operating Revenue is at 34.25% of budget. Operating Expense is at 33.13% of budget. The actual condition at the end of September is a surplus of \$219,897.

Restricted Fund:

Existing grant reductions in September comprised of the following:

Middle East Forum (OSIX) Contract	\$-1,435
Degree Now Correction to Budget	<u>-142</u>
Total	\$-1,577

Restricted revenues are at 34.65% of revenues through the end of September. Non-operating revenues (Pell Grant) are at 39.50% of budget. Operating expenses is at 33.56% through the end of September. The actual condition at the end of September is a surplus condition of \$957,202. This surplus condition is a result of Promise Funds received from the Higher Education Policy Commission that was not able to be disbursed before the end of the month.

Please find the attached financial reports for the month of September.

Fairmont State University
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of September 30, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	24,295,118	24,498,650	11,482,702	46.87
	Student Activity Support Revenue	523,847	523,847	129,017	24.63
	Faculty Services Revenue	1,272,439	1,272,439	0	0.00
	State/Local Grants and Contracts	0	0	12,600	
	Auxiliary Enterprise Revenue	0	0	735	
	Operating Costs Revenue	2,023,643	1,998,885	0	0.00
	Support Services Revenue	2,863,717	2,776,988	0	0.00
	Other Operating Revenues	339,741	439,933	37,949	8.63
	Total:	31,318,505	31,510,742	11,663,003	37.01
OPERATING EXPENSE	Salaries	24,577,287	24,748,707	4,684,452	18.93
	Benefits	5,903,380	6,019,238	1,165,971	19.37
	Student financial aid-scholarships	2,597,916	2,432,916	1,350,128	55.49
	Utilities	1,417,676	1,417,676	203,326	14.34
	Supplies and Other Services	7,206,875	7,432,957	2,144,632	28.85
	Equipment Expense	1,189,886	1,162,608	83,447	7.18
	Fees retained by the Commission	185,560	185,560	0	0.00
	Assessment for Faculty Services	1,107,466	1,053,034	0	0.00
	Assessment for Support Services	184,200	237,445	0	0.00
	Assessment for Student Activity Costs	375,898	375,898	129,016	34.32
	Assessment for Operating Costs	160,976	118,414	0	0.00
	Total:	44,907,121	45,184,454	9,760,971	21.60
OPERATING INCOME / (LOSS)		(13,588,616)	(13,673,712)	1,902,032	(13.91)
NONOPERATING REVENUE (EXPENSE)	State Appropriations	15,850,298	15,842,394	3,168,479	20.00
	Gifts	500	4,013	2,200	54.82
	Investment Income	25,245	25,245	(1,607)	(6.37)
	Assessment for E&G Capital & Debt Service Costs	(2,344,608)	(2,344,608)	(679,898)	29.00
	Total:	13,531,435	13,527,044	2,489,174	18.40
TRANSFERS & OTHER	Capital Expenditures	(163,219)	(163,219)	(5,372)	3.29
	Construction Expenditures	0	0	(106,564)	
	Transfers for Debt Service	(64,986)	(64,986)	(32,484)	49.99
	Transfers for Financial Aid Match	0	(81,239)	(15,332)	18.87
	Indirect Cost Recoveries	46,090	28,490	0	0.00
	Total:	(182,114)	(280,954)	(159,752)	56.86
BUDGET BALANCE		(239,295)	(427,622)	4,231,453	
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		13,368,943	13,368,943		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>13,129,648</u>	<u>12,941,321</u>		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2014 in the amount of \$7,938,885

Unrestricted Net Asset Balance is 29.59% of the current budget total operating expense

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors

As of September 30, 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	7,353,554	7,291,169	2,854,074	39.14
	Auxiliary Fees & Debt Service Support Revenue	5,534,213	5,534,213	1,564,612	28.27
	Other Operating Revenues	259,438	259,438	62,620	24.14
	Total:	13,147,205	13,084,820	4,481,306	34.25
OPERATING EXPENSE	Salaries	2,870,495	2,582,617	593,101	22.97
	Benefits	642,596	677,258	116,344	17.18
	Student financial aid-scholarships	579,914	589,914	203,241	34.45
	Utilities	765,305	835,305	121,533	14.55
	Supplies and Other Services	2,967,296	3,303,927	1,601,469	48.47
	Equipment Expense	87,509	73,239	35,431	48.38
	Total:	7,913,115	8,062,260	2,671,119	33.13
OPERATING INCOME / (LOSS)		5,234,091	5,022,561	1,810,188	36.04
NONOPERATING REVENUE (EXPENSE)	Gifts	0	5,545	0	0.00
	Interest on capital asset related debt	(141,279)	(141,279)	(10,202)	7.22
	Total:	(141,279)	(135,734)	(10,202)	7.52
TRANSFERS & OTHER	Capital Expenditures	(135,936)	(119,027)	0	0.00
	Transfers for Debt Service	(3,162,116)	(3,162,116)	(1,580,089)	49.97
	Transfers for Financial Aid Match	(3,425)	(3,425)	0	0.00
	Transfers to Reserves	(1,792,101)	(1,602,260)	0	0.00
	Transfers for Scholarships	0	0	0	0.00
	Transfers - Other	766	0	0	
	Total:	(5,092,812)	(4,886,827)	(1,580,089)	32.33
BUDGET BALANCE - Projected Transfer to Reserves		0	0	219,897	
* Add: PROJECTED NET ASSETS - Beginning of Year		<u>9,780,324</u>	<u>9,780,324</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>9,780,324</u>	<u>9,780,324</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2014 in the amount of \$943,130

* Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of September 30 2014

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	23,005,263	23,009,763	9,147,841	39.76
	State/Local Grants and Contracts	6,935,203	7,072,638	1,186,952	16.78
	Private Grants and Contracts	1,735,358	1,781,858	704,881	39.56
	Other Operating Revenue				
	Total:	31,675,824	31,864,259	11,039,675	34.65
OPERATING EXPENSE	Salaries	547,237	571,527	200,226	35.03
	Benefits	67,230	69,705	25,679	36.84
	Student financial aid - scholarships	40,219,650	40,219,650	13,630,933	33.89
	Utilities	0	0	6	0.00
	Supplies and Other Services	780,086	942,618	120,857	12.82
	Equipment Expense	68,593	67,732	73,161	108.02
	Total:	41,682,796	41,871,232	14,050,861	33.56
OPERATING INCOME / (LOSS)		(10,006,972)	(10,006,972)	(3,011,187)	30.09
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	10,000,000	10,000,000	3,949,790	39.50
	Gifts	2,307	2,307		
	Investment Income	0	0		
	Total:	10,002,307	10,002,307	3,949,790	39.49
TRANSFERS & OTHER	Capital Expenditures	(17,403)	(17,403)	(8,402)	48.28
	Transfers for Fin Aid Match	84,663	84,663	27,001	31.89
	Indirect Cost Recoveries	(17,539)	(17,539)	0	0.00
	Transfers - Other				
	Total:	49,721	49,721	18,599	37.41
BUDGET BALANCE		45,056	45,056	957,202	
* Add: RESTRICTED NET ASSETS - Beginning of Year		466,822	466,822		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>511,878</u>	<u>511,878</u>		

Tab 3

**Fairmont State University
Board of Governors
December 11, 2014**

Item: Approve New Policy #59 – Debt Policy

Committee: Committee of the Whole

Recommended Resolution: Approval of the Debt Policy #59 since the thirty day comment period is over.

Staff Member: Rick Porto

Background: This Policy #59 is recommended to be Fairmont State’s Debt Policy to guide administration in managing the current and future debt of the University.

Note: This policy draft was reviewed and modified by Bond Counsel and Underwriter working with us on the Apartment Replacement Project.

The policy has received one comment from a faculty member which is attached. Due to the comment, Section 3, item 3.5 was added.

Fairmont State University Board of Governors
Policy #59
Effective date:

TITLE: DEBT POLICY

SECTION 1. OVERVIEW

- 1.1 Scope: In support of its mission, Fairmont State University is developing long-term Auxiliary Facility Master Plans. The University has developed an operational and renovation plan to support priorities and objectives for each Auxiliary Enterprise.
- 1.2 The University's use of debt plays a critical role in ensuring adequate funding for the capital plan as well as providing a cost-effective source of funding for facility renewal and replacement purposes, and operational costs for each Auxiliary Enterprise.
- 1.3 The Debt Policy is intended to be a "living" document that will evolve over time to meet the changing needs of the University, but at this time is limited to Auxiliary Funds that are responsible to be self-sustaining and not dependent on Education and General Fee Revenues.

SECTION 2. SCOPE AND OBJECTIVES

- 2.1 Purpose:
- 1) Define what activities are subject to the policy
 - 2) Define the objectives for the Debt Policy
 - 3) Establish debt management goals
- 2.2 The Debt Policy covers several forms of debt including long-term bonds and short-term fixed-rate bonds. It also covers other forms of financing such as lease purchase arrangements for certain projects.
- The objectives of this policy are to:
- (i) Outline the University's philosophy on debt
 - (ii) Establish a control framework for approving and managing debt
 - (iii) Define reporting guidelines
 - (iv) Establish debt management guidelines
- 2.3 The policy establishes a control framework to ensure that appropriate discipline is in place regarding capital rationing, reporting requirements, debt portfolio composition, debt servicing, and debt authorization. It establishes guidelines to ensure that existing and proposed debt issues are consistent with financial resources to maintain an optimal amount of leverage, a strong financial profile, and a strategically optimal credit rating.
- Under this policy, debt is being managed to achieve the following goals:
- (i) Maintaining access to financial markets: capital, money, and bank markets.
 - (ii) Managing the University's credit rating to meet its strategic objectives while maintaining the highest acceptable creditworthiness and most favorable relative cost of capital and borrowing terms;
 - (iii) Optimizing the University's debt mix (i.e. short-term, long-term, and fixed-rate) for the University's debt portfolio;
 - (iv) Managing the structure and maturity profile of debt to meet liquidity objectives and make funds available to support future capital projects and strategic initiatives;
 - (v) Coordinating debt management decisions with asset management decisions to optimize overall funding and portfolio management strategies.

- 2.4 The University may use debt to accomplish critical priorities by more prudently using debt financing to accelerate the initiation or completion of certain projects, where appropriate. As part of its review of each project, the University evaluates all funding sources to determine the optimal funding structure to achieve the lowest cost of capital.

SECTION 3. OVERSIGHT

- 3.1 Purpose:
- 1) Provide mechanism for Board of Governors oversight and review on periodic basis.
 - 2) Provide management flexibility to make ongoing financing decisions within the framework of the Policy.
- 3.2 The Vice President for Administrative & Fiscal Affairs and Chief Financial Officer (“VP & CFO”) is responsible for implementing this policy and for all debt financing activities of the University. The policy and any subsequent, material changes to the policy are approved by the University’s Board of Governors. The approved policy provides the framework under which debt management decisions are made.
- 3.3 The exposure limits listed in the policy are monitored on a regular basis by the Office of the VP & CFO. The office of the VP & CFO reports regularly to the President and the BOG on the University’s debt position and plans.
- 3.4 The Office of the VP & CFO is responsible for establishing procedures to monitor post-issuance compliance with IRS requirements and continuing disclosure obligations.
- 3.5 In the course of the annual external audits the debt of the institution is reviewed and reported on to assure compliance with this debt policy and with all applicable federal and state laws.

SECTION 4. DEBT AFFORDABILITY

- 4.1 In assessing its current debt levels, and when planning for additional debt, the University takes into account its debt affordability. Debt affordability focuses on the University’s ability to service its debt through its operating budget and identified revenue streams and is driven by strength in income and cash flows.
- 4.2 All events to issue tax exempt bonds require substantial financial planning that demonstrates fiscal capability to support with specific revenue streams to pay for the bonds and as well pay for annual operating costs of the facility being bonded and finally maintain the facility with repairs and renovations over the life of the bonds.
- 4.3 All issuances of tax exempt bonds require the support of bond counsel and underwriters that help document the purpose for bonding and help document the financial feasibility to sell bonds. Ultimately it is up to the institution’s leadership to provide committed revenue streams and to adjust these revenue streams to assure bond debt, operating costs, and repair and renovation costs are taken care of for the life of the bonds.

SECTION 5. FINANCING SOURCES

- 5.1 The University recognizes that due-diligence review must be performed for each transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt affordability.

- 5.2 The University recognizes that tax-exempt bond debt is a significant component of the University's capitalization due in part to its substantial cost benefits; therefore, tax-exempt debt is managed as a portfolio of obligations designed to meet long-term financial objectives of our Auxiliary Enterprise operating and capital renewal and replacement needs.

SECTION 6. APPROVAL PROCESS

- 6.1 All debt issued by the University Board of Governors is required to be approved by the Higher Education Policy Commission and the Governor of the State of West Virginia.

DRAFT

Porto, Enrico

From: Kelley, Susan
Sent: Thursday, October 30, 2014 2:45 PM
To: Porto, Enrico
Cc: Biafore, Judith
Subject: RE: Comments on BOG Policy #59; Debt Policy

Hi, Rick,

Here is the link again:

<http://bog.wvu.edu/r/download/16906><http://bog.wvu.edu/r/download/16906>

I went by it a different way this time. If it doesn't work, just type West Virginia University Board of Governors debt policy into Google, and it should be your first link.

The difference between an external audit and reports in an annual financial statement may be subtle, but the difference seems significant to me. I am not concerned for any reason other than FSU's recent past. In order to repair and retain our image as being transparent, careful with our status as a state institution accepting public funds, and above board, it would seem to be an important part of the process to have built into our policy a check and balance.

I doubt we need to meet over this.

All best,
Sue

From: Porto, Enrico
Sent: Wednesday, October 29, 2014 3:50 PM
To: Kelley, Susan
Cc: Biafore, Judith
Subject: FW: Comments on BOG Policy #59; Debt Policy

Hi Sue:

I appreciate the feedback. I tried to use your link below to access the WVU Debt Policy and this did not take me there. Would you try to send this to me if you have their Debt Policy—or send me a link that works.

If you wish to meet with me to go over the things we built into the policy and that we are required to do to provide reports to rating agencies about each bond issue we hold and while we may not elaborate in the policy we do have audits every year on our debt and we are required to accurately show our debt in our annual financial statements.

If you would like to meet—let me know and I will have Tami set this up with you as soon as possible.

Thank You

From: Biafore, Judith
Sent: Wednesday, October 29, 2014 8:10 AM
To: Porto, Enrico
Subject: FW: Comments on BOG Policy #59; Debt Policy

From: Kelley, Susan
Sent: Tuesday, October 28, 2014 3:54 PM
To: Biafore, Judith
Subject: Comments on BOG Policy #59; Debt Policy

In regard to the Fairmont State Board of Governors Policy #59, Debt Policy, I have a few concerns:

First of all, Fairmont State University, having just experienced a significant embezzlement case, would be well advised, I would think, not to concentrate as many decisions about the university's debt in a single person. I would be more comfortable if the president shared this responsibility with the Chief Financial Officer.

Secondly, it would seem prudent to have periodic audits in place as part of the structure of the policy itself. This is a procedure the WVU debt policy requires (<https://outlook.fairmontstate.edu/owa/redir.aspx?C=6COh0OP3UUWX6jhD5XCHQsqqLWR8xtEivjB-p1JLdHJPwuL4Mk5ZxcpjR1yqtCV0crI506GVpX0.&URL=http%3a%2f%2fbog.wvu.edu%2fr%2fdownload%2f16906>), which seems minimal and sensible when decisions about large amounts of money are made.

I make these suggestions solely in the light of what Fairmont State has experienced in the past, not in judgment of anyone currently working at FSU.

Sincerely yours,

Sue Kelley, Professor
Language and Literature
317 Jaynes Hall
Fairmont, WV 26554
304-367-4255

Biafore, Judith

From: Kerwin, Vicki
Sent: Friday, October 17, 2014 9:37 AM
To: Biafore, Judith
Subject: RE: 30-Day Comment Period for FSU BOG Policies #59 and #60

Thank you for distributing these, I reviewed them and I think that they look good.

Vicki Kerwin, RN, MSN, CFNP
Asso. Prof. of Nursing
Fairmont State University

From: Biafore, Judith
Sent: Friday, October 17, 2014 8:21 AM
To: Biafore, Judith
Cc: * FSU - All Faculty (excluding adjuncts); * FSU Classified Staff (Classified only); * FSU Nonclassified Staff (non-classified only)
Subject: FW: 30-Day Comment Period for FSU BOG Policies #59 and #60

From: Biafore, Judith
Sent: Friday, October 17, 2014 8:16 AM
To: Biafore, Judith
Subject: 30-Day Comment Period for FSU BOG Policies #59 and #60

Chairman Tucker asked that I inform you of the two attached draft policies (Policy #59 – Debt Policy and Policy #60 – Email Established as an Official Form of Communication) that the Fairmont State University Board of Governors approved for a 30-Day Comment Period at its October 16, 2014, meeting. The policies may also be viewed on our website at <http://www.fairmontstate.edu/aboutfsu/board-governors/policies-public-comment>.

If you have comments to offer regarding the attached policies, please submit them in writing to the attention of Judy Biafore in the President's Office at the address below or by email to Judy.Biafore@fairmontstate.edu no later than **12:00 p.m., Sunday, November 16, 2014**.

Comments received regarding the proposed policies will be reviewed at the conclusion of the 30-Day Public Comment Period.

Thank you,
Judy



Judy Biafore
Executive Assistant to the President
Office of the President
Fairmont State University
1201 Locust Avenue

Tab 4

**Fairmont State University
Board of Governors
December 11, 2014**

Item: Independent Auditor's Report by Suttle & Stalnaker of the Fairmont State University Financial Statements as of and for the year ended June 30, 2014.

Committee: Committee of the Whole

Action: Be it resolved that the Board of Governors accepts the Independent Auditor's Report.

Staff Member: Rick Porto

Background: On December 1, 2014, Chris Deweese of Suttle & Stalnaker presented the audit report of the University prepared financial statements to the Finance, Facilities, and Audit Committee.

The report indicated that statements prepared by staff presented fairly, in all material respects, the financial position of Fairmont State University. Fairmont State was provided an unmodified opinion.

The report to the Committee reviewed:

- The Management Discussion and Analysis, the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP), and the Statement of Cash Flows, and the footnotes. All of these items were prepared by staff.
- Items highlighted from the Statement of Net Position included the decrease in cash and cash equivalents and the increase in capital assets. Total current cash decreased by \$2,010,397 to \$31,428,945. Current Unrestricted Fund Cash and cash equivalents decreased by \$1,065,500 to \$16,841,373. Capital assets increased by \$1,065,976 to \$111,512,590 due primarily to construction projects funded by the East Bonds.
- Items highlighted from the Statement of Revenues, Expenses and Changes in Net Position included the decline in tuition and fee revenues and the additional funds received in capital bond proceeds from the state. Tuition and fees decreased by \$252,557 to \$11,238,773 due primarily to an enrollment decline. The operating loss improved from fiscal year 2013 by \$833,278 to \$(22,415,475). Capital Bond proceeds from the State were

recognized in the amount of \$2,519,903 for construction projects funded by the East Bonds.

- Auxiliary cash reserve balances increased by \$746,664 to \$8,842,663. These funds are available for future auxiliary capital projects or one-time operation costs.
- OPEB liability increased by \$176,933 or 2.03% to \$8,882,014 at June 30, 2014. The cumulative OPEB liability for the Current Unrestricted and Auxiliary Funds at June 30, 2014 were \$7,938,884 and \$943,130, respectively.
- Net Position increased by \$2,950,369 with all funds combined. The chart below shows all net asset changes:

	FY 2014	FY 2013	Increase/Decrease
Invested in capital assets - net of related debt	<u>\$59,615,067</u>	<u>\$56,054,034</u>	<u>\$3,561,033</u>
Restricted for expendable:			
Loans	156,150	156,038	112
Scholarships	6,353	22,056	(15,703)
Capital projects	4,377,852	4,120,413	257,439
Debt service	1,061	1,489	(428)
Total restricted	4,541,416	4,299,996	241,420
Unrestricted:			
Designated for auxiliaries	8,837,194	9,021,982	(184,788)
Designated for fund managers	872,259	779,578	92,681
Undesignated	4,557,807	5,317,784	(759,977)
Total Unrestricted	14,267,260	15,119,344	(852,084)
Total net position	<u>\$78,423,743</u>	<u>\$75,473,374</u>	<u>\$2,950,369</u>

- The Current Unrestricted Fund Net Position of \$13,368,950 (before OPEB liability) were 30% of operating expenses for fiscal year 2015. Again, this is very good. The auditors recommend a benchmark of 10% to 15%. Fairmont State has historically set the benchmark for Net Position at 15%.
- The 2014 Audit Report continues to include details of the Separation of Assets and Liabilities Agreement between Fairmont State University and Pierpont Community and Technical College sharing with interested bond holders of both institutions commitment toward bond debt, operating budgets of the bond

related auxiliaries, and repair and renovation of all Shared Education and General Facilities.

Note: Since the completion of the Audit we have sent to Moody's their requested information and the Financial Audits for both the University and Pierpont, along with a consolidated report of both institutions Statement of Net Assets and Statement of Changes in Revenue and Expense. This data will be reviewed by Moody's and a report will be issued on the rating status of our bonds.

Tab 5

ITEM: FY 2015 Chargeback Agreement

COMMITTEE: Finance Committee

RECOMMENDED RESOLUTION: Be it resolved, that the FSU Board of Governors approve the chargeback agreement for fiscal year 2015 and the estimated chargeback budget for same.

STAFF MEMBER: Rick Porto

BACKGROUND: Changes in chargeback budget values for each institution due to adjustments to the agreement and a change in the FTE enrollment allocation percentage assigned to both institutions are included in the 2015 agreement attached.

Legal authority for Chargeback Agreement:

§18B-3C-12. Relationship between independent community and technical colleges and former sponsoring institutions.

(a) *Intent and purposes.* --

(1) It is the intent of the Legislature to establish community and technical colleges in every region of the state that meet the essential conditions of section three of this article and focus on achieving established state goals and objectives.

(2) This section defines the relationship between a community and technical college which was administratively linked to a sponsoring institution prior to the first day of July, two thousand eight.

(b) Where an independent community and technical college was linked administratively to a sponsoring state college or university, or was designated as a regional campus or a division of another accredited state institution of higher education, prior to the first day of July, two thousand eight the following conditions apply:

(1) The community and technical college shall be accredited separately from the former sponsoring institution;

(2) All state funding allocations for the community and technical college shall be transferred directly to the community and technical college.

(3) The former sponsoring institution and the community and technical college shall agree to the fees the former sponsoring institution may charge for administrative overhead costs.

(A) The fee schedule model agreed to by the institutions shall delineate services to be provided and the fees to be charged to the community and technical colleges for the services;

(B) The fee schedule shall be based upon the reasonable and customary fee for any service, shall bear a rational relationship to the cost of providing the service.

(C) Any contract between a community and technical college and its former sponsoring institution related to provision of services pursuant to subsection (c) of this section in effect on the first day of July, two thousand eight, shall continue in effect until the first day of July, two thousand nine, unless amended or revoked before that date by mutual agreement of the contracting parties.

(D) The former sponsoring institution shall continue to provide services pursuant to subsection (c) of this section as the governing board of the community and technical college considers appropriate under a negotiated contractual arrangement until the first day of July, two thousand eleven or the governing boards of both institutions mutually agree to end the contract arrangement.

(4) An independent community and technical college and the institution from which it obtains services may customize the fee schedule model to fit their needs.

(5) Policies shall be formally established to ensure the separation of academic and faculty personnel policies of the community and technical college from those of the former sponsoring institution. These policies include, but are not limited to, appointment, promotion, workload and, if appropriate, tenure; and

(c) The former sponsoring institution which was administratively linked to a community and technical college prior to the first day of July, two thousand eight, shall provide the following services subject to the provisions of subsection (b) of this section:

(1) Personnel management;

(2) Recordkeeping;

(3) Payroll;

- (4) Accounting;**
- (5) Legal services;**
- (6) Registration;**
- (7) Student aid;**
- (8) Student records; and**

(9) Any other services determined to be necessary and appropriate by the board of governors of the former sponsoring institution and the board of governors of the community and technical college.

(d) Any disputes between an independent community and technical college and its former sponsoring institution, regarding their respective rights and responsibilities under this chapter of the code, which cannot be resolved by the governing boards, shall be resolved as follows:

(1) The matters in dispute shall be summarized in writing and submitted to the chancellors jointly for resolution;

(2) If the matters in dispute cannot be resolved by the chancellors within thirty days, they shall be submitted to the Council and Commission for resolution;

(3) If the Commission and Council jointly cannot reach a resolution following their first regularly scheduled meeting or within sixty days, whichever is sooner, the chairpersons of the Commission and Council respectively shall establish a three-person panel to hear the matters and issue a decision within thirty days:

(A) The three-person panel is comprised of one person appointed by the chairperson of the Commission, one person appointed by the chairperson of the Council, and one person appointed jointly by the two chairpersons.

(B) The decision rendered by the three-person panel is binding on the governing boards, Commission and Council, and may not be challenged in the courts of this state.

(e) The governing board of the community and technical college and the Council are responsible for the development of the community and technical college and for compliance with the essential conditions, all as required by this article.

(f) The president of the community and technical college has such responsibilities, powers and duties in the development of the community and technical college and

in compliance with the essential conditions, as directed by the governing board or as are necessary for the proper implementation of the provisions of this act.

(g) Notwithstanding any other provision of this code to the contrary, the Commission shall take necessary steps to ensure that institutional bonded indebtedness is secure and that each community and technical college assumes its fair share of any institutional debt acquired while it was part of the baccalaureate institution.

(h) The community and technical college is encouraged to secure academic services from the former sponsoring institution when it is in their best interests and beneficial to the students to be served. In determining whether or not to secure services from the former sponsoring institution, the community and technical college shall consider the following:

(1) The cost of the academic services;

(2) The quality of the academic services;

(3) The availability, both as to time and place, of the academic services; and

(4) Such other considerations as the community and technical college finds appropriate taking into account the best interests of the students to be served, the community and technical college, and the former sponsoring institution. Nothing in this article prohibits any state institution of higher education from purchasing or brokering remedial or developmental courses from a community and technical college.

Chargeback Agreement for Fiscal Year 2015

Fairmont State University (FSU)
Pierpont Community & Technical College (PIERPONT)

Accounting for both the FSU and PIERPONT will be on an independent profit model basis, and financial records will be maintained on a stand-alone basis. This document is intended to establish the contractual services which will be provided by both institutions. Chargeback services will occur from each institution to the other. Thus contract services will be provided by PIERPONT to FSU and FSU to PIERPONT. The definition of Chargeback services is services from one institution to the other and/or services provided from the Administrative, Academic Support, Student Service, and Physical Plant support areas of the University to the Community and Technical College and vice versa. Chargeback services costs range from the collection of fees for the payment of debt and operating expenses, to teaching services, to the everyday upkeep of the facilities so that both the University and Community and Technical College students enjoy and take advantage of both academic learning, student services, and student activities offered by Fairmont State University and Pierpont Community and Technical College for its student bodies.

Revenues:

- R.1.0.** All tuition revenues will be posted to the institution in which the student is enrolled.
- R.1.1.** Required Auxiliary, Capital, and Student Activity Fee revenues will be recorded as revenues to the institution in which the student is enrolled. Under this contract agreement all (100%) of these revenues will be transferred as an expense to the Capital, Auxiliary, and Student Activity Funds from which the Operating, Capital, and Debt Service Expenditures are paid. Most of these fees are pledged on revenue bonds and must be transferred to maintain compliance with bond covenants.
- R.1.2.** User fees collected from students of either institution will be deposited directly to the appropriate auxiliary revenue account, and not recorded as revenues by separate institution; however a report shall be shared with each institution at the conclusion of each semester identifying the fees paid by fee type by the students of each institution. A detailed list of the fee types for which a report shall be prepared will be identified each semester.
- R.1.3.** Grant revenues will be deposited in the institutions fund to which the grant was awarded.
- R.1.4.** Student payments made via lockbox, web, etc. will be deposited to the four-year clearing fund and will be moved daily to the appropriate operating state fund for each institution.

R.1.5 Interest income will be allocated by HEPC to both institutions based on current allocation methods.

Expenditures:

E. 1.0. Direct expenditures will be assigned directly to either FSU or PIERPONT.

E. 1.1 Full and part-time faculty personnel services and fringe benefit expenditures will be paid from the institution where they are employed.

E. 1.1a. Teaching service expenses will be charged back from one institution to the other based on the number of credit hours taught, except in the case of the National Aerospace Education Center (NAEC). This chargeback process has been automated for instructional salary and benefit costs and is based on the teaching chargeback formula utilizing a faculty load of 21 credit hours per semester for UNIVERSITY and PIERPONT faculty as outlined in each institution's Board of Governors Policy # 37, except in the case of the faculty at the NAEC where faculty full load per semester is based on a 19 contact hours per semester model instead of 21 credit hours. This contact hour model shall be used in the teaching chargeback formula in determining teaching service expenses at the NAEC. The teaching chargeback formula process reviews the faculty member, their salary and benefit costs, courses taught, the student being taught, and the number of student credit hours being taught. The result is a report on each faculty member (full or part-time) indicating the charge and chargeback values allocated to each institution for the credit hours taught to both PIERPONT and FSU students. The teaching chargeback services calculation will be performed once each semester. If required by the State Auditor this teaching services chargeback report will be provided to substantiate the values being charged by each institution to the other.

E. 1.2. Support service charge back for salary and benefit costs.

The salary and benefit chargeback services from each institution to the other for Support Services will be based on the percentage of total credit hours (FTE enrollment) calculated for the PIERPONT and FSU students. When appropriate certain services may be negotiated at a different chargeback rate than the percentage of total credit hours. This is reflected on the attached chargeback table. The total credit hour enrollment percentages will be determined based on enrollments from the prior academic year's fall and spring terms at census dates.

E.1.2a. Support service charge back for staff located in the academic schools or departments will not be charged back to the other institution in FY 2015, except in the case where one institution is responsible for the delivery of academic programs for the other institution. In these instances a negotiated chargeback rate will be established for those specific areas and reflected on the attached chargeback table.

E.1.3. Operating (Non-Labor) expenses for all support offices listed in the Support Service and Operating Cost Chargeback Table are funded based on percentages listed in this table. The organization manager of those offices has budget authority to expend against these budgets during the fiscal year. All unspent budgets at the end of each fiscal year are not carried forward to future fiscal years. Therefore, unspent budget increases the fund balance of both institutions. These fund balances are under the direct control of the respective Presidents of each institution.

E.1.4. Academic operating costs are funded directly by E&G revenues received by each institution and will not be charged back to the other institution in FY 2015, except in the case where one institution is responsible for the delivery of academic programs for the other institution. In these instances a negotiated chargeback rate will be established for those specific areas and reflected on the attached chargeback table.

E.1.5. Support staff actual liability costs.

The liability costs incurred annually from employee benefits provided to support staff, such as retiree health premiums, severance payable, etc. will be allocated to the institutions based on the percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates unless a specific area is negotiated at another rate.

E.1.6. Support staff accrued liabilities.

Accrued liabilities (sick leave, annual leave, severance payable, etc.) required to be recorded on the financial statements annually for all support staff will be allocated to the institutions based on the percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates unless a specific area is negotiated at another rate.

E.1.6a. PEIA retiree and severance payables in the current year.

Payout of PEIA retiree and severance costs incurred during the year will be allocated to the institutions based on percentage of total credit hours calculated for the PIERPONT and FSU students for the prior academic year's fall and spring terms at census dates unless a specific area is negotiated at another rate.

E.1.7. Expenditure supporting documentation.

Specific expenditure details shall be made available to each institution as support for any chargeback invoices presented for payment. The method by which this information is made available shall be mutually agreed to by both institutions.

E.1.8. Chargeback Table

The attached chargeback table will be utilized for FY 2015.

Chairperson
Fairmont State
Board of Governors

Chairperson
Pierpont Community & Technical College
Board of Governors

President
Fairmont State University

President
Pierpont Community & Technical College

FY 2015 CHARGEBACK TABLE

201410 & 201420 Terms - Institutional Rate 66.78% / 33.22%
3-Dec-14

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PCTC %	TOTAL	MANAGER
15	1	1211XX	Public Relations - Labor	U	6001XX	95.00	5.00	100.00	Pellegrin, Amy
15	1	1211XX	Public Relations - Labor	U	9000XX	95.00	5.00	100.00	Pellegrin, Amy
15	1	2390XX	Caperton Center-Administration	U	6001XX	66.78	33.22	100.00	McClure, Nancy
15	1	2390XX	Caperton Center-Administration	U	9000XX	66.78	33.22	100.00	McClure, Nancy
15	1	2391XX	Caperton Center - Instruction	U	6001XX	66.78	33.22	100.00	McClure, Nancy
15	1	2391XX	Caperton Center - Instruction	U	9000XX	66.78	33.22	100.00	McClure, Nancy
15	1	3110XX	Business Office	U	6001XX	66.78	33.22	100.00	Porto, Rick
15	1	3110XX	Business Office	U	9000XX	66.78	33.22	100.00	Porto, Rick
15	1	3130XX	Mailroom	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3130XX	Mailroom	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3158XX	Institutional Administrative Costs	U	6001XX	66.78	33.22	100.00	Fletcher, Carolyn
15	1	3158XX	Institutional Administrative Costs	U	9000XX	66.78	33.22	100.00	Fletcher, Carolyn
15	1	3165XX	General Institutional	U	6001XX	66.78	33.22	100.00	Porto, Rick
15	1	3165XX	General Institutional	U	9000XX	66.78	33.22	100.00	Porto, Rick
15	1	3400XX	Physical Plant Administration	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3400XX	Physical Plant Administration	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3401XX	Recycling	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3401XX	Recycling	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3405XX	Custodial Services	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3405XX	Custodial Services	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3407XX	Operations and Maintenance-MATEC	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3407XX	Operations and Maintenance-MATEC	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3412XX	Utilities	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3412XX	Utilities	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3425XX	Receiving and Storage	U	6001XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	3425XX	Receiving and Storage	U	9000XX	66.78	33.22	100.00	Montgomery, Lenora
15	1	5008XX	Enrollment Services-10%CB	U	6001XX	90.00	10.00	100.00	Widney, Kaye
15	1	5008XX	Enrollment Services-10%CB	U	9000XX	90.00	10.00	100.00	Widney, Kaye
15	1	5010XX	Enrollment Services	U	6001XX	66.78	33.22	100.00	Widney, Kaye
15	1	5010XX	Enrollment Services	U	9000XX	66.78	33.22	100.00	Widney, Kaye
15	1	5120XX	Student Fin Aid Administration	U	6001XX	66.78	33.22	100.00	Widney, Kaye
15	1	5120XX	Student Fin Aid Administration	U	9000XX	66.78	33.22	100.00	Widney, Kaye
15	1	5125XX	Guidance and Counseling	U	6001XX	66.78	33.22	100.00	Pammer, Andrea
15	1	5125XX	Guidance and Counseling	U	9000XX	66.78	33.22	100.00	Pammer, Andrea
15	1	5140XX	ADA Administration	U	6001XX	66.78	33.22	100.00	Pammer, Andrea
15	1	5140XX	ADA Administration	U	9000XX	66.78	33.22	100.00	Pammer, Andrea
15	1	6130XX	CIO - Telephone	U	6001XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6130XX	CIO - Telephone	U	9000XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6150XX	Library	U	6001XX	66.78	33.22	100.00	Hutchins, Thelma
15	1	6150XX	Library	U	9000XX	66.78	33.22	100.00	Hutchins, Thelma
15	1	6170XX	CIO - Information Technology	U	6001XX	66.78	33.22	100.00	Lympany, John
15	1	6170XX	CIO - Information Technology	U	9000XX	66.78	33.22	100.00	Lympany, John
15	1	6171XX	Business Applications	U	6001XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6171XX	Business Applications	U	9000XX	66.78	33.22	100.00	Raisovich, Andy
15	1	6173XX	Teaching & Learning Commons	U	6001XX	66.78	33.22	100.00	Raisovich, Joanie
15	1	6173XX	Teaching & Learning Commons	U	9000XX	66.78	33.22	100.00	Raisovich, Joanie
15	1	6174XX	Networks	U	6001XX	66.78	33.22	100.00	Jackson, Clifton
15	1	6174XX	Networks	U	9000XX	66.78	33.22	100.00	Jackson, Clifton
15	1	6209XX	Business Office - Computer Charges	U	6001XX	66.78	33.22	100.00	Porto, Rick
15	1	6209XX	Business Office - Computer Charges	U	9000XX	66.78	33.22	100.00	Porto, Rick
15	1	6273XX	Teaching & Learning Commons 5%CB	U	6001XX	95.00	5.00	100.00	Raisovich, Joanie
15	1	6273XX	Teaching & Learning Commons 5%CB	U	9000XX	95.00	5.00	100.00	Raisovich, Joanie

FY	COA	ORG	ORG TITLE	OWNER	FUND	UNIV %	PCTC %	TOTAL	MANAGER
15	1	7225XX	Tutoring	C	3100XX	66.78	33.22	100.00	Mainenti, Raymond
15	1	7225XX	Tutoring	C	3103XX	66.78	33.22	100.00	Mainenti, Raymond
15	1	7225XX	Tutoring	C	5971XX	66.78	33.22	100.00	Mainenti, Raymond
15	1	7245XX	Aviation Training Center	C	3100XX	48.82	51.18	100.00	Stose, Thomas
15	1	7245XX	Aviation Training Center	C	3103XX	48.82	51.18	100.00	Stose, Thomas
15	1	7245XX	Aviation Training Center	C	5971XX	48.82	51.18	100.00	Stose, Thomas
15	1	7248XX	C&TC Aviation and Technology	C	3100XX	48.82	51.18	100.00	Stose, Thomas
15	1	7248XX	C&TC Aviation and Technology	C	3103XX	48.82	51.18	100.00	Stose, Thomas
15	1	7248XX	C&TC Aviation and Technology	C	5971XX	48.82	51.18	100.00	Stose, Thomas
15	1	7410XX	C&TC General Administration	C	3100XX	66.78	33.22	100.00	Bradley, Dale
15	1	7410XX	C&TC General Administration	C	3103XX	66.78	33.22	100.00	Bradley, Dale
15	1	7410XX	C&TC General Administration	C	5971XX	66.78	33.22	100.00	Bradley, Dale
15	1	7420XX	Off-Campus Credit Programs	C	3100XX	66.78	33.22	100.00	Bradley, Dale
15	1	7420XX	Off-Campus Credit Programs	C	3103XX	66.78	33.22	100.00	Bradley, Dale
15	1	7420XX	Off-Campus Credit Programs	C	5971XX	66.78	33.22	100.00	Bradley, Dale
15	1	7452XX	Off Campus Courses - North	C	3100XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7452XX	Off Campus Courses - North	C	3103XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7452XX	Off Campus Courses - North	C	5971XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7454XX	Off-Campus Courses - South	C	3100XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7454XX	Off-Campus Courses - South	C	3103XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7454XX	Off-Campus Courses - South	C	5971XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7470XX	Dual-Credit Programs	C	3100XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7470XX	Dual-Credit Programs	C	3103XX	66.78	33.22	100.00	Hawkins, Clara
15	1	7470XX	Dual-Credit Programs	C	5971XX	66.78	33.22	100.00	Hawkins, Clara

Institutional Chargeback Allocation Detail

for: Fairmont State University and Pierpont C&TC

<u>FY 2015</u>	<u>Chargeback C&TC</u>	<u>Chargeback University</u>
Chargeback Allocation (From) to:		
Revenue:		
Capital Fees	1,088,220.00	2,143,379.58
Required Auxiliary Fees	739,480.00	4,504,995.39
Student Services	122,608.00	355,634.00
Other (list):	0.00	0.00
Total Chargeback Revenue	1,950,308.00	7,004,008.97
Teaching Chargeback		
Instruction:		
Total Teaching Chargeback	809,999.68	1,053,034.00
Support Services and Operating Chargeback Expenses:		
Academic Support	603,724.80	168,360.66
Student Services	562,005.21	0.00
Operations and Maintenance of Plant	1,484,041.33	0.00
Institutional Support	1,786,670.74	3,579.11
Other:		
Instruction	10,038.05	319,773.77
Public Service		0.00
Chargeback Estimate for Pay Raises	-	0.00
Total Support Services and Operating Chargeback	4,446,480.13	491,713.54
Grand Total	7,206,787.81	8,548,756.51