The Fiscal Policy Committee of the University of South Carolina Board of Trustees met on Thursday, June 11, 2009, at 11:15 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Eugene P. Warr, Jr., Chairman; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Ms. Darla D. Moore; Mr. John C. von Lehe, Jr.; Mr. Miles Loadholt, Board Chairman; and Mr. Samuel R. Foster II, Board Vice Chairman. Mr. Michael J. Mungo; Mrs. Amy E. Stone; and Mr. Mack I. Whittle, Jr. were absent.

Other members of the Board present were: Mr. Mark W. Buyck, Jr.; Mr. William W. Jones, Jr.; and Mr. Toney J. Lister.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Planning and Executive Vice President for Academic Affairs and Provost [Interim] William T. Moore; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Interim Vice President for Advancement Michelle D. Dodenhoff; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Director of the Department of Internal Audit Alton McCoy; Athletics Director Eric C. Hyman; Chancellor of USC Aiken Thomas L. Hallman; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Associate Provost and Dean of Undergraduate Studies Helen I. Doerpinghaus; Vice Provost for Faculty Development Christine W. Curtis; Associate Vice President for Finance and Budget Director, Division of Business and Finance, Leslie Brunelli; Dean of the College of Arts and Sciences Mary Ann Fitzpatrick; Associate Vice Provost for Academic Resources, Edward L. Walton; Assistant Provost for Academic Programs Kris H. Finnigan; Special Assistant to the President J. Cantey Heath; Assistant to the President and Athletics Director John D. Gregory; Chief Financial Officer, Department of Athletics, Jeff Tallant; Deputy Athletics Director Marcy Girton; Chair of the Department of Physical Education, College of Education, Karen French; Director of Purchasing, Division of Business and Finance, Venis Manigo; Manager of Consolidated Services, Department of Purchasing, Randy Wise; Executive Vice Chancellor of Academic Affairs, USC Aiken, Suzanne Ozment; Vice Chancellor of Business and Finance, USC Aiken, Virginia S. Hudock; Senior Vice Chancellor, USC Upstate, Marsh Dowell; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Faculty Senate Chair-Elect Patrick D. Nolan; Chair of the Faculty Welfare
Chairman Warr called the meeting to order, welcomed everyone, and asked Board members to introduce themselves. Ms. Lamb stated that no members of the media were present.

Chairman Warr stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the Committee; and a quorum was present to conduct business.

I. Designated Fund Budget, FY 2009-2010:

Chairman Warr called on Dr. Moore who explained that Designated Funds were revenues collected from auxiliary accounts, of which $2.6 million was used annually for scholarships and $493,000 was allocated for discretionary use throughout the University. No changes were recommended for the FY 2009-2010 Designated Fund Budget.

Mr. Burroughs moved to recommend the budget to the Executive Committee for inclusion in the University's FY 2009-2010 Budget. Mr. von Lehe seconded the motion. The vote was taken and the motion carried.

II. Internal Audit Budget, FY 2009-2010:

Mr. Warr called on Secretary Stepp who explained that the Internal Audit Budget flowed administratively through the Board of Trustees Office and that upon the Committee's approval, would be forwarded to the Executive Committee. He said that Mr. McCoy presented the FY 2009-2010 Internal Audit Budget with sufficient funds to operate the department at its continued high standards.

Mr. Burroughs moved to approve the FY 2009-2010 Internal Audit Budget, as recommended, for inclusion in the Executive Committee’s budget presentation to the full Board. Ms. Moore seconded the motion.

The vote was taken, and the motion carried.

III. Audit Tracking Report:

Chairman Warr called on Mr. McCoy who reported that the USC Press audit had been resolved since the last meeting. There were two outstanding findings in the Honors College audit; and six in the USC Upstate audit which were in the process of being resolved.

IV. Internal Audits:

Chairman Warr called on Mr. McCoy to report on the following three audits.

A. Consolidated Services: Mr. McCoy reported one finding that involved the development of a University-wide policy to govern the disposal of computer hard drives to eliminate the risk of compromising personal or confidential information. However, given the limited resources, current budget restraints, and the small resale value of surplus computers, it was considered more effective and
efficient to destroy hard drives rather than to develop a process to verify that hard drives had been digitally sanitized to eliminate data.

The Purchasing Department agreed to work with the Office of Information Technology (OIT) to ensure proper disposal of hard drives to accomplish all security concerns.

B. Contract Between USC and Centerplate: Mr. McCoy stated that contractual obligations were being met in accordance with the terms of the contract. There were no findings.

C. Athletics Department: The first of five findings dealt with the untimely manner by which travel advances were being repaid. The second finding was the result of a procurement through a contract in excess of $250,000 which was not approved as required by University Policy.

Delay in the signing of the CSTV Contract was the third finding. Mr. Parham explained that although the contract had been approved by the Board in accordance with University Policy, specific language of the contract needed further clarification prior to signing.

The forth finding dealt with ticket reconciliation. Mr. McCoy noted that the new Ticket Master System would address the issues raised in this finding.

The final finding was the need for a revised “Returned Checks” policy and the enforcement of the policy.

All matters have been resolved or are in the process of resolution. Mr. Stepp noted that he had recently signed the CSTV contract.

V. Adjournment:

Since there were no other matters to come before the Committee, Chairman Warr declared the meeting adjourned at 11:50 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary