

MINUTES
MEETING OF THE BOARD OF TRUSTEES
APPALACHIAN STATE UNIVERSITY

Grandview Ballroom, North Endzone Facility, Ricks Athletic Complex
Friday, June 18, 2021
2:00 p.m.

CALL TO ORDER: The Board of Trustees of Appalachian State University met in the Grandview Ballroom in the North Endzone Facility and via livestream at the call of the Chair and the Chancellor on Friday, June 18, 2021, at 2:00 p.m., Chair Scott K. Lampe presided and called the meeting to order.

MEMBERS PRESENT:

James M. Barnes
M. Lee Barnes, Jr.
Donald C. Beaver
John M. Blackburn
Michael C. Davis
Scott K. Lampe
Charles V. Murray
James K. Reaves
Mark E. Ricks
E. Bonnie Schaefer
R. Thomas Sofield
Carole P. Wilson

MEMBER ABSENT:

Kimberly M. Shepherd

OTHERS PRESENT:

Dawn Antonucci
Jane Barghothi
JJ Brown
C. Philip Byers, *UNC Board of Governors, Liaison*
Sheri Everts, Chancellor
Hank Foreman
Paul Forte
Megan Hayes
Heather Norris

MEDIA PRESENT:

Moss Brennan, *Watauga Democrat*

CONFLICT OF INTEREST NOTICE: Chair Lampe read the following statement:

"Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting, does anyone know that you have a conflict of interest or an interest that

would give rise to the appearance of a conflict of interest? If so, please let me know now."

Trustee Wilson noted that she would recuse herself on any matters related to Mako Laboratories.

ROLL CALL: Chair Lampe asked Dawn Antonucci to call roll to verify all participants on the call.

APPROVAL OF ABSENCES: Chair Lampe stated Trustee Kimberly Shepherd was not able to attend due to personal reasons. Upon motion duly made and seconded, the absence was approved as presented.

APPROVAL OF MINUTES: The minutes of the March 26, 2021 meeting had been delivered to all members via BoardEffect. Upon motion duly made, seconded, and verified by roll call vote, the minutes were approved as presented.

REMARKS FROM CHANCELLOR EVERTS: (see Attachment 1).

REPORT FROM ACADEMIC AFFAIRS COMMITTEE: Chair Lampe recognize Trustee Lee Barnes, Chair of the Academic Affairs Committee, for this report.

Appalachian State University's Faculty Handbook Revisions

Trustee Barnes stated that Dr. Mike McKenzie, Vice Provost for Program Management and Strategic Initiatives presented the proposed changes to the Faculty Handbook and the materials were submitted for Trustee review via BoardEffect.

The Academic Affairs committee requested the Board approve the Faculty Handbook revisions as presented.

Upon motion duly made and seconded, the Faculty Handbook revisions were approved as presented.

Trustee Barnes indicated the Committee had an additional item for closed session and that this concluded his report from the Academic Affairs Committee (see Appendix A).

REPORT FROM ATHLETICS COMMITTEE: Chair Lampe recognized Trustee Thomas Sofield, Chair of the Athletics Committee, for this report.

Introduction / Student-Athlete Presentations

Trustee Sofield stated that the Athletics Committee met this afternoon, and began with a presentation given by Men's Golf student-athlete, Timothius Tirto Tamardi, who gave the committee insight into his transformational experience as a student-athlete at Appalachian. During the 2021 season, Mr. Tamardi finished in the top-5 at the Sun Belt Conference Championships, was named to the Sun Belt All-Conference team, and qualified for the NCAA

Regional Championship (the 1st in App State history to do so). He is also a Finance & Banking major, and has excelled in the classroom achieving Dean's List for multiple semesters since enrolling at App State in fall 2019. Mr. Tamardi is projected to graduate in May of 2023.

Presentation from Director of Athletics

Trustee Sofield stated that Director of Athletics Doug Gillin, then provided a presentation to the committee beginning with a review of the Department of Athletics mission, and an update of App State Athletics' academic performance, where student-athletes achieved their 18th straight semester with at least 3.0 Grade Point Average.

Recent campus and community connections were then discussed, including a partnership with the Boone Bigfoots, a collegiate summer baseball team competing on Beaver Field at Jim and Bettie Smith Stadium this summer. The team has shown early success by averaging 400 to 500 attendees per game through the first home weekends.

Spring season competitive updates were then overviewed, including App State Men's Golf's best ever team finish in the Sun Belt Conference Championships, and the standout performance of Timothius Tirtio Tamardi qualifying for the 2021 NCAA Championships. App State Softball and Baseball both won their first Sun Belt Conference Tournament games in school history, while both landing several student-athletes on the Sun Belt All-Conference Teams. Outdoor Track & Field had three student-athletes qualify for the NCAA East Preliminary Round, including Peighton Simmons from the Women's team who also earned the Sun Belt Outdoor Triple Jump title.

Mr. Gillin then provided the committee with a broad recap of the 2020-21 academic year, as App State is currently 3rd best in the Sun Belt Conference for the Learfield IMG College Director's Cup, which would be the department's best finish since joining the Sun Belt Conference. From a social media and exposure perspective, App State Men's Basketball's NCAA Tournament run in March was worth an estimated \$181 million dollars in media exposure. App State Football also competed a school-record eight times on National TV during the 2020 season.

To conclude the meeting, Mr. Gillin then provided the committee with several additional updates, including:

- App State Athletics partnership with Breakthrough Physical Therapy to provide on-campus physical therapy for the University and High Country communities
- An overview of Athletics Facilities progress, including notable updates on the Appalachian 105 property, and an ongoing strategic facilities assessment
- Recap of fundraising and revenue generation initiatives, including App State Athletics achieving their A Mountaineer Impact Initiative goal of \$60 million dollars; and
- A preview of scheduled events for the fall, including App State Football's home matchup with East Carolina University on September 2nd at Bank of America Stadium in Charlotte, the Luke Combs Concert being held on September 4th at Kidd Brewer Stadium, and App State Men's Basketball's matchups at UNC Chapel Hill and Duke University

Trustee Sofield stated that this concluded his report from the Athletics Committee (see Appendix

REPORT FROM THE AUDIT COMMITTEE: Chair Lampe recognized Trustee Charles Murray, Chair of the Audit Committee, for this report.

Trustee Murray stated the Audit Committee minutes were approved as presented and the Committee had two action items to present to the Board for approval.

Internal Audit Activity Charter

Trustee Murray stated that there was a review and discussion of the updated Internal Audit Activity Charter. This charter defines the purpose, authority, and responsibility of the internal audit activity. It is consistent with the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework. The Audit Committee recommends the approval of the updated Internal Audit Activity Charter to the full Board.

Upon motion duly made and seconded, the Internal Audit Activity Charter was approved as presented.

2021 – 2022 Internal Audit Plan

Trustees Murray stated that the UNC Board of Governors requires that the Office of Internal Audits at each University develops and implements an annual audit plan based on consideration of risk and potential internal control deficiencies. This plan also must be approved by the Board of Trustees Audit Committee. There was review, discussion, and approval of the 2021-2022 Internal Audit Plan by the Audit Committee. The Audit Committee recommends the approval of the 2021-2022 Internal Audit Plan to the full Board.

Upon motion duly made and seconded, the 2021 - 2022 Internal Audit Plan was approved as presented.

Trustee Murray stated a summary of the 2020-2021 Internal Audit Plan was provided and the internal audits reviewed and discussed for this quarter were:

- A review of CARE Grant 20-0115 was completed. Recommendations were made to strengthen controls over expenditures and for management to ensure compliance with University policies, procedures, and grant requirements.
- Campus-Wide Reviews were conducted in the areas of educational and technology funds, fixed assets, travel expenditures, p-card expenditures and fund reconciliations. In addition, a quarterly review was conducted regarding the removal of network access for terminated employees. Also, if necessary, follow-up procedures were performed to determine the resolution of previous findings concerning the campus-wide reviews. Departmental administrators were contacted concerning the results of these reviews and the University policies and procedures were reviewed with them. Recommendations were made regarding ensuring compliance with university policy. No other significant findings to report.

A summary of external audits was presented and discussed. The State Auditor issued the 2020 ASU Statewide Federal Compliance Audit Procedures Report on April 9, 2021. No findings to report. Also, an update was provided on additional external audits currently in progress.

The 2021 Quality Assurance and Improvement Program conducted annually by the Office of Internal Audits was presented and discussed.

In conjunction with the Audit Committee's oversight of the Enterprise Risk Management Program, General Counsel Mr. Paul Meggett provided an update of the program.

Trustee Murray indicated that this concluded his report from the Audit Committee (see Appendix C).

REPORT FROM BUSINESS AFFAIRS: Chair Lampe, on behalf of Trustee Kimberly M. Shepherd, Chair of the Business Affairs Committee, gave this report.

Chair Lampe stated there were four (4) action items to present to the Board for approval.

Update Parking and Traffic Manual

Vice Chancellor Paul Forte presented the updates to the parking and traffic manual. Per General Statute 116-44.4, Board of Trustees approval is required for changes to the University's Parking and Traffic Manual. This year there is no parking rate increase requested, only increases on certain fines.

Upon motion duly made and seconded, the updates to the Parking and Traffic Manual was approved as presented.

Write-off of Uncollectible Accounts

Vice Chancellor Paul Forte presented the annual request to write-off uncollectible accounts from the University.

Upon motion duly made and seconded, the write-off of uncollectible accounts was approved as presented.

Capital Project Approval

Vice Chancellor Paul Forte presented the capital project, Bodenheimer Steam Manhole Replacement, for \$749K for review and Board approval.

Upon motion duly made and seconded, the write-off of uncollectible accounts was approved as presented.

Leases

Vice Chancellor Paul Forte presented a new lease for the Office for Senior Programs and Forster Grandparent Programs.

Upon motion duly made and seconded, the lease was approved as presented.

Chair Lampe stated that Vice Chancellor for Business Affairs Paul Forte presented an update on the new book rental digital material program as well as an update on Capital Projects.

Chair Lampe stated this concluded his report for the Business Affairs Committee (see Appendix D).

REPORT FROM THE NOMINATING COMMITTEE: Chair Lampe stated that the Board of Trustees bylaws require the Chair to announce, at the June meeting, a Nominating Committee to bring a slate of officers before the Trustees at the September Board meeting. Chair Lampe indicated the following Trustees have agreed to serve on the Nominating Committee:

- John Blackburn, Chair
- James Reaves
- Bonnie Schaefer

REMARKS FROM CHAIR LAMPE:

Chair Lampe thanked the committees and chairs for their reports today. In addition, he recognized four Trustees who were completing their terms of service: Dr. Lee Barnes, Don Beaver, Charlie Murray and Carole Wilson. Chair Lampe commended them for their dedication and efforts on behalf of Appalachian.

Chair Lampe also presented a special award, The Golden Gavel, to Trustee John Blackburn for extraordinary service as chair. In addition to service on Appalachian's Board of Trustees, John served the UNC System on the Board of Governors. Chair Lampe thanked John for his stalwart support of Appalachian and for his statewide leadership on behalf of higher education.

Chair Lampe stated at our last meeting, he brought forward, and subsequently withdrew, a motion to charge the appropriate staff with the review of our policies and bylaws to ensure they were up-to-date and in accordance with UNC policy. Following the meeting, he held a number of discussions and took note that there are regular procedures in place to address these updates and that, while a Trustee resolution would have been supportive of the processes, it is not necessary for this work to continue. Chair Lampe thanked those at Appalachian who are working on these reviews and updates and look forward to seeing what they bring forward.

- The next scheduled Board of Trustees Meeting for Appalachian State University will be held on Friday, September 24, 2021.

CLOSED SESSION: Chair Lampe announced that he would entertain a motion for the Board to convene in closed session. Chair Lampe asked that the voting Trustees, Chancellor Everts, Governor Byers, the Provost and Vice-Chancellors, General Counsel, Chief Communications Officer, Director of Corporate and Foundation Relations, Director of HR and the Assistant Secretary join the voting members in closed session.

Chair Lampe stated the livestream will be closed as we head into Closed Session. Once we return to Open Session, the live stream will resume.

Upon motion duly made, seconded and verified by roll call vote, the Board convened in closed session to:

prevent the disclosure of privileged or confidential information pursuant to North Carolina General Statute, Section 126-22 and 132-1.2(1) in accordance with [N.C.G.S. §143-318.11(a) (1)]; and

Prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award in accordance with [N.C.G.S. §143-318.11(a) (2)]; and

consult with the University's attorney in order to preserve the attorney-client privilege pursuant to [N.C.G.S. §143-318.11(a) (3)]; and

discuss matters relating to the location or expansion of industries or other businesses in the area served by this Board in accordance with [N.C.G.S § 143-318.11(a)(4)]; and

establish or instruct the staff or an agent concerning the position to be taken by or on behalf of this Board in negotiating the amount of compensation and other material terms of an employment contract or proposed employment contract in accordance with [N.C.G.S § 143-318.11(a)(5)].

PUBLIC SESSION RECONVENED: Upon motion duly made, seconded and verified by roll call vote, the Board reconvened in open session at 3:56 pm.

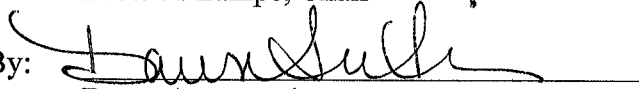
REPORT FROM THE EXECUTIVE COMMITTEE: Chair Lampe stated the Executive Committee recommends approval to support four (4) Tier 1 Senior Academic and Administrative Officers action items.

Upon motion duly made and seconded, the approval of the 4 Tier 1 Senior Academic and Administrative Officers actions were approved as presented

ADJOURNMENT: There being no further business, the meeting adjourned by roll call vote at 3:57 p.m.

Scott K. Lampe, Chair

By:


Dawn Antonucci,
Assistant Secretary

Chancellor Remarks from the June 18, 2021 Meeting of the Board of Trustees

Good afternoon.

It has been a productive two days and I know we have all enjoyed being together with more in-person meeting interaction than this board has had since December of 2019. I appreciate your continued dedication to App State, and share your excitement as the COVID-19 vaccine is offering us the ability to move into a post-pandemic reality.

I'd like to begin by welcoming our new constituency representatives, Dr. Louis Gallien, Chair of Faculty Senate, Clint Coffey, Chair of Staff Senate, and Sara D'Ambrosio, Alumni Council President. Thank you for joining us. I'd also like to welcome Bailey Gardin, Student Government Association President, to his first Trustee meeting.

In April, the UNC System Board of Governors confirmed four members of our Board of Trustees, with four-year terms beginning July 1. The Governors re-appointed our current Chair, Scott Lampe, and Trustee Bonnie Schaefer. They also appointed Fairley Bell Cook and Joseph Jeffries Chesson. Two additional Trustees will be appointed by the legislature soon. I look forward to continuing to work with Chair Lampe and Trustee Schaefer, and to welcoming our newest Trustees to the Board soon.

I would also like to take this moment to share our thanks — on behalf of the entire university community — to our outgoing Trustees: Dr. Lee Barnes, Don Beaver, Charlie Murray and Carole Wilson. You have all been incredibly valuable board members and we appreciate your tireless advocacy for App State and our students, faculty and staff. Your dedication and service to this university has been steadfast during some of our most exciting times as well as some of the most challenging in university history. We thank you so very much.

When we last met, we were planning for our first in-person Commencement since December of 2019.

Our Spring 2021 Commencements were momentous, with more than 3,600 graduates honored during 13 in-person ceremonies over the course of five days, in addition to a virtual conferral of degrees. Our in-person commencement ceremonies were attended by 4,420 individuals and viewed, via livestream, more than 35,000 times.

While faculty and staff participation was limited due to COVID-19 safety restrictions, each academic college also held celebrations for the Class of 2021, and we were able to honor Dr. Caroline Smith, associate professor in the Department of Health and Exercise Science, who was recognized by our UNC Board of Governors representative Philip Byers for being App State's winner of the UNC Board of Governors' 2021 Excellence in Teaching Award.

I would like to extend my sincere thanks to Governor Byers and Chair Lampe, who attended multiple ceremonies — Governor Byers attended all 13 and had a different story at each ceremony!

I would also like to thank Dr. Mark Bradbury and Dr. Jay Jackson, who carried the university banner and read the names of our graduates as they crossed the stage, and the mace bearers: Paul Orkiszewski, Dr. Robin Byerly, Dr. Rodney Duke, Dr. Beth Fiske, Dr. Barbara Howard, Dr. Marie Huff, Dr. Jeff Vahlbusch, Dr. Sandra Vannoy, and Appalachian Police Department Captain Johnny Brown.

And of course, the wonderful Margaret McCoy, who I gave seven weeks to plan as many ceremonies as it would take so that every single graduate who wanted to could walk across the stage, and she pulled together the teams to make 13 — did I say already we had 13 ceremonies? — 13 **fabulous** commencement ceremonies

so incredibly special for our Spring graduates and their families. Margaret is also collaborating with Executive Director of Alumni Affairs Stephanie Billings to ensure that our **2020** graduates, who did not get the opportunity to have an in-person commencement, will have one — as promised — in September. We will share more details about this soon.

Stephanie and her team have done a marvelous job with alumni engagement, and for those of you who have joined the other 725 members of the alumni book club, or the more than 1,000 participants in regular trivia nights, you know how well they bring our university community together from across the nation to build and sustain the App State network.

Stephanie and her team are now hard at work planning a full week of events, programming and activities leading up to the September second App State–ECU football game in Charlotte, which they are calling the Queen City Takeover, and we know our alumni and students will turn the city black and gold... before we WIN that game!

If I recall, Governor Byers checked the odds on our win, so if you want to ask him about it later, I'm sure he'd be happy to give you that information... but I'll just take this moment to remind everyone App State has been the highest-ranked FBS team from North Carolina in two of the last three seasons and achieved the most wins EVER by an in-state FBS team last fall! I'm not sure any college football fans are looking more forward to the upcoming football season more than App State's!

Last season's success by our football team was just one of many ways App State's students, faculty and staff rose to meet and overcome the many incredible challenges presented by COVID-19 in the last year.

Last month, the Boone Area Chamber of Commerce presented Dr. Alex Howard, interim assistant vice chancellor in the Division of Student Affairs and director of Wellness and Prevention Services, with its "4 Under 40" award in the education professional category. Alex leads the departments of Counseling and Psychological Services, Student Health Services, University Recreation and Wellness and Prevention Services. The Student Wellness Educators in Alex's area have been critical to our COVID-19 response efforts, helping with student compliance with COVID-19 safety protocols like mask wearing and social distancing in the Fall of 2020, and vaccine promotion in the spring. Importantly, while Alex's area of Wellness and Prevention is key to responding to student needs for health services, his team also works to help students **before** they are in crisis, focusing on many dimensions of wellness which include not only physical and emotional, but also social, intellectual and financial aspects as well. In addition to the many student support services Alex has developed and manages, he also teaches in the Beaver College of Health Sciences.

Our staff are also recognized in less formal — yet not less important ways. I routinely receive emails complimenting our staff for the many ways they make a difference for our students. Recently, a parent emailed me to let me know John Wolcott, Associate Director of Campus Dining, and Teresa Bridges, Business Services Coordinator in University Housing, provided personalized guidance and attention to two incoming students, making them feel welcomed and supported as they selected their housing and dining options remotely while managing pandemic constraints. These staff members would tell you they are simply doing their jobs, yet they make the students they work with feel valued and taken care of — and as we all know, that can make all the difference for young people getting to know a new place, especially while navigating the effects of a global pandemic.

Our faculty continue to advance the reputation of App State regionally, nationally and internationally. The National Science Foundation has recently recognized several of our faculty.

- Dr. Rahman Tashakkori, Dr. Cindy Norris and Dr. Jay Fenwick, professors in the Department of Computer Science, were awarded a National Science Foundation grant to create and implement a program designed to expand access to and diversify computer science education for students at rural high schools in the Appalachian region of North Carolina, Tennessee and Virginia.

- Dr. Maggie Sugg, assistant professor in the Department of Geography and Planning, recently received the prestigious CAREER Award from the National Science Foundation's Faculty Early Career Development Program. This award is given to faculty who are early in their careers and who have the potential to serve as academic role models in research and education, and to lead advances in the mission of their department or organization. She is only the second App State faculty member to receive this award. Dr. Baker Perry, professor in the Department of Geography and Planning, received the award in 2014. Some of you may have noticed there is an article about Dr. Perry in the Watauga Democrat today.

Our students also continue to demonstrate excellence.

- Undergraduate research assistant Tatum Schwartz, a sociology major from Chapel Hill, is assisting with a study of COVID-19 "long-haulers" who have had persistent and often debilitating symptoms associated with the disease. She and the faculty are exploring these individuals' symptoms and interactions with health care professionals. Last year, she also organized a campaign to help obtain cold-weather clothing for migrant families, who typically work in warm climates and come to the area for seasonal work at local Christmas tree farms.
- Five Appalachian State University business majors made history this year in the 2021 Chartered Financial Analysts Institute Research Challenge. The Walker College of Business Broyhill Fellows team took home state and regional titles, and in a first for App State, they also won at the continental level, and were selected as one of the top five teams to compete in the challenge's Global Final.
- This spring marked the **eighteenth** straight semester that App State student-athletes earned a 3.0 or better cumulative grade point average.

Support for our excellent faculty, staff and students is more important than ever, and Vice Chancellor for Advancement Jane Barghothi reports that we are on track to raise more than \$26 million this year. Despite her team, and our donors, not being able to travel due to the pandemic, Jane anticipates this year's fundraising efforts will meet or exceed that of the year prior — which was an exceptional year as well.

Importantly, the number of donors to the university is up **19%** over the last year as well. Jane's team excels at working with our deans, department chairs, faculty and students to engage our donors and showcase areas of need, and while some find one particular area they connect with, others find a number of areas on campus that interest them.

Currently, a retired educator and alumna of the class of 1960 is in the process of making a series of gifts to benefit the Department of Theatre and Dance, the University Libraries and the Department of English. Her generosity has already provided scholarships and academic awards in poetry and prose for our students. She is also contributing to our Special Collections, helping enhance the lighting and sound systems in Valborg Theatre, and providing support for multicultural community events and performances. This is but one example of how one person can make real and powerful differences in hundreds of lives now and in our future.

Earlier this month, we said goodbye to a beloved App State alumnus, leader and benefactor whose legacy will be felt at App State for generations to come. George Beasley passed away at the age of 89. George's prowess as a radio pioneer was much-celebrated by the broadcasting industry, who awarded him numerous honors, including a Country Radio Broadcasters Hall of Fame award and the Broadcasters Foundation of America Lifetime Achievement Award. App State benefitted from George's leadership as a Chair of the Foundation Board of Directors as well as his service on this Board. In 1990, he earned the university's Distinguished Alumni Award. In 2013, he was presented with an honorary App State doctorate, and the university's George G. Beasley Media Complex was named for him. Because of his generosity, students have been able to gain real-world radio and television experience they have utilized to launch successful careers, and students who never had the opportunity to meet him say his name daily, and thank him for providing them with a place to flourish. The world lost a powerful force when we lost George, but his legacy is strong.

As many of you heard in the Business Affairs Committee meeting, our work continues on our university's physical infrastructure. As I have said to our campus community, it is important that we provide the highest-quality setting to empower our students to grow and learn and our faculty to teach, research and serve.

- In March, we opened the doors on the newly renovated Sanford Hall, a building in which nearly every undergraduate student has a class before graduating, and in which, on average, 4,600 students learn every day. More than 100 faculty and staff will be moving into their offices soon to be ready for classes in August.
- I am so pleased with the progress on the new residence halls! We are looking forward to the opening of Laurel Creek Hall in a few weeks, and New River Hall is also well underway. Both projects are on budget and on schedule.
- I am also very pleased with the progress of the new Career Development Center, slated to be finished next month. Construction began in December in the Plemmons Student Union, and the beautiful new facility is centrally located on the second floor for easy access for students. In addition to offices and meeting space, it also offers interview rooms for students and potential employers. Our Career Development team does a really terrific job helping prepare and place our students in professional internships and careers, and this new setting will be a huge boost to their already successful efforts.

Last week, new Board of Governors member Sonja Nichols spent a day with my leadership team and me on campus, and we took the time to show her and talk with her about several of these important capital improvements, as well as to share additional ones we are requesting, including for the Innovation District, I.G. Greer and Wey Hall. We also talked at length about how important it is to change App State's position in the UNC System funding model and to increase salaries for our faculty and staff.

We also shared some of the many points of pride that help us earn the accolade that App State is the premier public undergraduate institution in North Carolina — and beyond — including:

- Our retention rates, which are third in the UNC System.
- Some of our key accolades, and...
- That 75% of our alumni live and work in North Carolina, contributing to our state's communities and its growing economy.

We also shared App State's Sun Belt football media exposure generated by our success in 2020, which totaled more than \$3.8 million, as well as some spring semester figures about our non-athletics-related media coverage, which totaled more than \$9.7 million in additional media coverage, and which is largely due to the successes of our faculty.

Last year, we not only realized significant increases in positive or neutral media coverage, but we also had consistently between two and four times the level of positive social media engagement with our alumni, students and followers than two of our key sister institutions in Chapel Hill and Raleigh. This a small snapshot of just some of our positive exposure, we did not pay for with marketing dollars, and which bolsters our strong reputation and helps keep enrollment numbers strong.

As we are readying our campus for a fall semester with pre-pandemic operations, safety remains ever at the forefront of our decisions. We closed out the academic year having conducted more than 57,000 COVID-19 tests on campus, and today, I am pleased to report we have **zero** active cases in students, faculty and staff.

As we all know public health guidance has shifted from mitigating the virus with testing, face coverings and social distancing to the single, most effective tool we have to protect ourselves and others from COVID-19, and that is the vaccine.

While we cannot require it, we want **every** student, faculty and staff member to get vaccinated against COVID-19. We continue to emphasize the importance of the COVID-19 vaccine in getting back to the people, places and activities we love, and we are proud to be part of North Carolina's vaccination efforts.

We are also regularly updating our university's COVID-19 website and our Summer and Fall 2021 Guide to Campus Operations, which provides key guidance to faculty and staff who are on campus now, who have been for quite some time, and those who will be returning soon.

I'd like to close my remarks today with a few important announcements:

Since we last met, we have made three important academic appointments. As you know, last month, I was very pleased to remove the word "interim" from the title of Dr. Heather Hulburt Norris and announce that she has assumed the role of Provost and Executive Vice Chancellor permanently.

Since February of 2020, Heather has served in this role in an interim capacity, and her leadership throughout the pandemic has been exceptional. She has risen to each challenge, building consensus, leading by example and fostering innovation and creative solutions under immensely difficult circumstances.

For several months leading up to this decision, I met with all of the Deans, Department Chairs, Faculty Senate, Staff Senate and Student Government Association leadership to hear how their work is going, where we are doing well, where we could do better and what we can do to assist. During these meetings, I consistently heard positive feedback about Heather. All were very supportive of her and confident in her leadership.

Heather's distinguished career at App State began when she joined the Walker College of Business faculty in the fall of 2003 in the Department of Finance, Banking and Insurance. She was named assistant dean for undergraduate programs in 2005, associate dean for undergraduate programs and administration in 2008, senior associate dean in 2012, acting dean in 2014, and interim dean in 2016. In July 2016, following a national search, she became permanent dean of the Walker College of Business.

I am also pleased to share in this setting the appointment of Dr. Shannon Campbell as dean of Appalachian State University's College of Fine and Applied Arts effective July 1, and of Sue Polanka to the position of dean of our University Libraries, effective September 13, both after national searches. I know you all join me in welcoming Shannon and Sue to App State, and also in thanking Paul Orkiszewski and Dr. Janice Pope, who led these areas as interim deans during the most difficult times in university history.

Shannon comes to App State most recently from Metropolitan State University of Denver, and she has been a well-published professor of strategic communication for more than 20 years. She has a successful record as a higher education administrator who mentored faculty, students and staff, managed diverse staffs and large complex budgets, and developed and implemented policies, operations and procedures at all university levels.

Sue comes to us from her most recent position as university librarian for Wright State's University Libraries, and has more than three decades of experience as a librarian at public, state and academic libraries. She has published and presented internationally and in 2017 she was a recipient of the Academic Library Association of Ohio Jay Ladd Distinguished Service Award for her significant contributions to academic libraries in Ohio.

I appreciate the support from this board as we made these key leadership appointments.

Additionally, after five years of service to App State, Vice Chancellor for Business Affairs Paul Forte has announced his decision to leave our university, effective July 31.

Since joining App State in 2016, Paul has provided expert administrative oversight of finance and administration, facilities operations and the areas that manage university safety and security. At each turn, Paul found fiscally sound methods to carry out my direction: from ensuring our P3 projects were financially viable,

to allocating resources for faculty and staff salary increases, to re-assigning staff who would otherwise have been furloughed. In the process, he has helped our institution become financially stronger, has earned university-wide respect and admiration, and has become not only an esteemed colleague, but also a dear friend.

Paul will take an 18-month position with UNC-Greensboro assisting his friend and Vice Chancellor for Finance and Administration Bob Shea. I know you all join me in wishing Paul well. We will miss his guidance, his humor and his fishing stories. Paul, thank you for your service to App State.

Sharon Bell has assumed the position of Interim Chief Financial Officer, effective immediately, and I know you join me in thanking Sharon for taking on this role. A national search for a new Vice Chancellor for Business Affairs will be announced soon.

Earlier this week, we celebrated Dr. Willie Fleming as he retired from his position as the first Cabinet-level Chief Diversity Officer. Willie has been long beloved and respected by faculty, staff and students, and I know you join me in thanking him for his decades of dedicated work to prioritize diversity, equity and inclusion at App State. While we will miss Willie's presence on campus, he will always be a Mountaineer!

As I announced on May 6, Jamie Parson has already begun transitioning into the role of Interim Chief Diversity Officer. Jamie comes to us from the faculty of the Department of Finance, Banking, and Insurance at App State. Her history of service to the university includes leading the Walker College of Business' Inclusive Excellence Team, the Risk Management and Insurance diversity initiatives in the Brantley Risk & Insurance Center, and service on numerous boards and committees, including the university's Diversity and Inclusion Accountability Team. Jamie is a proven leader of inclusive excellence at App State who is sustaining and advancing our diversity, equity and inclusion initiatives, and I appreciate her continued leadership in this important role.

Finally, a quick pitch for An Appalachian Summer Festival, which has a terrific lineup of events, many of which are in person this summer. I hope you will attend some of these events on our beautiful campus this summer.

Mr. Chair, this concludes my remarks.

MINUTES
MEETING OF THE ACADEMIC AFFAIRS COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, June 18, 2021
Grandview Ballroom
Breakout Room B

CALL TO ORDER: The Academic Affairs Committee of the Board of Trustees of Appalachian State University met at the call of the Chairperson, Lee Barnes on Friday, June 18, 2021, at 10:00 a.m. in Breakout Room B of the Grandview Ballroom of the North End Zone facility on the campus of Appalachian State University in Boone, North Carolina. Chairperson Lee Barnes presided and called the meeting to order.

MEMBERS PRESENT: Lee Barnes, Chairperson
Charles V. Murray
Carole Wilson
Bailey Gardin

MEMBERS ABSENT: Bonnie Schaefer

OTHERS PRESENT: George Baldwin
Jane Barghothi
Sharon Bell
John Blackburn
J.J. Brown
Kathy Brown
Jennifer Chrisohon
Sheri Everts, Chancellor
Mark Ginn
Marie Hoepfl
Marie Huff
Ece Karatan
Scott Lampe
Mike McKenzie
Paul Meggett
Heather Norris
Paul Orkiszewski
Jamie Parson
Melba Spooner
Jeff Vahlbusch
Sandra Vannoy
Tom Van Gilder

CONFLICT OF INTEREST NOTICE: Chairperson Barnes read the following statement:
“Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today’s meeting, does anyone know that you have a conflict of interest or an interest that would give rise to the appearance of a conflict of interest? If so, please let me know now.” Carole Wilson responded that she would recuse herself from any discussions relating to Mako Medical Laboratories.

EXPECTATION OF CONDUCT NOTICE: Chairperson Barnes read the following statement:
As we begin the business portion of the meeting, I would like to remind everyone of the Subcommittee’s expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Subcommittee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest.

APPROVAL OF MINUTES: A motion was made by Charles Murray and seconded by Carole Wilson to approve meeting minutes from the Academic Affairs Committee meeting on March 26, 2021. The motion was approved unanimously.

APPALACHIAN STATE UNIVERSITY’S FACULTY HANDBOOK REVISIONS

Dr. Mike McKenzie, Vice Provost for Program Development and Strategic Initiatives, presented the proposed changes to the faculty handbook. Reference Exhibit A-1.

Chairperson Barnes requested a motion to accept the faculty handbook revisions as presented in Exhibit A-1 and to recommend them to the full board for approval. A motion was made by Carole Wilson to accept the faculty handbook revisions and to recommend them to the full board for approval. The motion was seconded by Charles Murray. The motion was approved unanimously.

CLOSED SESSION: Chairperson Barnes announced to the committee members and others present that he would entertain a motion to convene in closed session.

Carole Wilson read the following:

I move to convene in closed session in order to:

1)] prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award. [N.C.G.S § 143-318.11(a)(2)], and

2) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee. [N.C.G.S § 143-318.11(a)(6)].

Chairperson Barnes requested a second to the motion to adjourn in closed session. Bailey Gardin seconded the motion. The motion was approved unanimously.

Chairperson Barnes excused others present with the exception of: Lee Barnes, Carol Wilson, Charles V. Murray, Bailey Gardin, Heather Norris, Mike McKenzie, and Kathy Brown. The meeting convened in closed session.

Reconvene Open Session: Chairperson Barnes requested a motion, if no further business, to adjourn.

A motion was made by Carole Wilson and seconded by Charles Murray to adjourn. The motion was approved unanimously.

ADJOURNMENT: There being no further business, the meeting adjourned.

Respectfully submitted,

Kathy Brown
Recording Secretary

MINUTES
MEETING OF THE BOARD OF TRUSTEES ATHLETICS COMMITTEE
APPALACHIAN STATE UNIVERSITY

Friday, June 18, 2021
Grandview Ballroom
Breakout Room B

CALL TO ORDER: The Athletics Committee of the Board of Trustees of Appalachian State University met at the call of the Chairperson and the Chancellor on Friday, June 18, 2021, at 1:00 p.m. in the North End Zone Facility Breakout Room B on the campus of Appalachian State University, Boone, North Carolina. R. Thomas Sofield presided and called the meeting to order.

MEMBERS PRESENT:

James M. Barnes
Donald C. Beaver
James K. Reaves
R. Thomas Sofield
Carole P. Wilson

OTHERS PRESENT:

John M. Blackburn
C. Philip Byers
Moss P. Brennan
J.J. Brown
J. Jeffries Chesson
Sheri Everts, Chancellor
Bailey K. Gardin
Douglas P. Gillin
Paul A. Meggett
Charles V. Murray
Jonathan B. Reeder
Timothius Tirto Tamardi

CONFLICT OF INTEREST NOTICE: Chair Sofield read the statement: "Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting, does anyone know that you have a conflict of interest or an interest that would give rise to the appearance of a conflict of interest? If so, please let me know now." Trustee Carole Wilson noted that she would recuse herself on any matters related to Mako Laboratories.

OPENING STATEMENT ON EXPECTATIONS OF CONDUCT: Chair Sofield read the statement: "As we begin the business portion of the meeting, I would like to remind everyone of the Committee's expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest."

APPROVAL OF MINUTES: Chair Sofield stated the March 26, 2021 Athletics Committee meeting minutes were included in Committee members' materials. A motion was made by Trustee Wilson, seconded by Trustee Barnes, and approved to accept the minutes as distributed.

COMMENTS FROM STUDENT-ATHLETES: Junior Men's Golf student-athlete, Timothius Tirto Tamardi, provided the Committee insight into his transformational experiences as a student-athlete at Appalachian State University.

PRESENTATION BY DIRECTOR OF ATHLETICS: Mr. Doug Gillin, Director of Athletics, presented several updates to the Committee:

- An update of App State Athletics' academic performance, where student-athletes achieved their 18th straight semester with at least 3.0 Grade Point Average
- Recent campus and community connections, including a partnership with the Boone Bigfoots, a collegiate summer baseball team competing on Beaver Field at Jim and Bettie Smith Stadium in summer 2021
- Spring 2021 competitive updates, including App State Men's Golf's best ever team finish in the Sun Belt Conference Championships, and the standout performance of Timothius Tirto Tamardi qualifying for the 2021 NCAA Championships; App State Softball and Baseball both won their first Sun Belt Conference Tournament games in school history, while both landing several student-athletes on the Sun Belt All-Conference Teams; and Outdoor Track & Field had three student-athletes qualify for the NCAA East Preliminary Round, including Peighton Simmons from the Women's team who earned the Sun Belt Outdoor Triple Jump title
- Mr. Gillin then provided a broad recap of the 2020-21 academic year, as App State is currently third best in the Sun Belt Conference for the Learfield IMG College Director's Cup, which would be the department's best finish since joining the Sun Belt Conference. From a social media and exposure perspective, App State Men's Basketball's NCAA Tournament run in March was worth an estimated \$181 million dollars in media exposure. App State Football also competed a school-record eight times on National TV during the 2020 season
- To conclude the presentation, Mr. Gillin provided the committee with several additional updates:
 - App State Athletics partnership with Breakthrough Physical Therapy to provide on-campus physical therapy for the University and High Country communities
 - An overview of Athletics Facilities progress, including notable updates on the Appalachian 105 property, and an ongoing strategic facilities assessment
 - Recap of fundraising and revenue generation initiatives, including App State Athletics achieving their A Mountaineer Impact Initiative goal of \$60 million dollars; and
 - A preview of scheduled events for the fall, including App State Football's home matchup with East Carolina University on September 2nd at Bank of America Stadium in Charlotte, the Luke Combs Concert being held on September 4th at Kidd Brewer Stadium, and App State Men's Basketball's matchups at UNC Chapel Hill and Duke University

ADJOURNMENT: A motion was made to adjourn the meeting by Trustee Carole Wilson, seconded by Trustee James Barnes. The meeting of the Athletics Committee adjourned at 1:40 p.m.

Respectfully submitted,

Jonathan B. Reeder
Recording Secretary

MINUTES
MEETING OF THE AUDIT COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, June 18, 2021
Grandview Ballroom
Breakout Room A

CALL TO ORDER: The Audit Committee of the Board of Trustees of Appalachian State University met at the call of the Chair on Friday, June 18, 2021, at 8:58 a.m. in the Grandview Ballroom, Breakout Room A of the North End zone Facility on the campus of Appalachian State University in Boone, North Carolina. Mr. Charles V. Murray, Chair, presided and called the meeting to order.

MEMBERS PRESENT:

Charles V. Murray, Chair
James M. Barnes
M. Lee Barnes
John M. Blackburn

MEMBERS ABSENT:

Kimberly M. Shepherd

OTHERS PRESENT:

John Adams
Sharon Bell
Eloise Covalt
Sheri Everts, Chancellor
Paul Forte
Tom Van Gilder
David Jamison
Paul Meggett
Heather Norris
Monica Saner
Jennifer Chrisohon
Anita McGowan
Bailey Gardin
Jamie Parson

CONFLICT OF INTEREST NOTICE: Chair Murray read the following: "Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting,

does anyone know that you have a conflict of interest or an interest that would give rise to the appearance of a conflict of interest? If so, please let me know now." [None reported.]

EXPECTATION OF CONDUCT NOTICE: Chair Murray also read the following: "As we begin the business portion of the meeting, I would like to remind everyone of the Committee's expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest."

APPROVAL OF MINUTES: The minutes of the March 26, 2021 Audit Committee meeting were delivered to all Audit Committee members prior to the meeting. There were no corrections. Chair Murray called for a motion to approve the March 26, 2021 Audit Committee meeting minutes. Upon motion duly made and seconded, the minutes of the meeting were approved as presented.

SUMMARY OF 2020-2021 AUDIT PLAN AND RECENT INTERNAL AUDIT ACTIVITY

UPDATE: Mrs. Eloise Covalt, Chief Audit Officer, provided the committee with the 2020-2021 Audit Plan progress and summary to date regarding recent internal audit activity prior to the meeting. Mrs. Covalt provided the following updates:

- The Office of Internal Audits achieved an 89% rating of completed and in-progress audits for the fiscal year ending in June 2021. This included eight additional audits and investigations added to the plan this year. There was a question on the floor from Chair Murray. Mrs. Covalt explained why the additional audits and investigations were added to the audit plan, adding that this was not an unusual occurrence.
- An internal audit review of financial transactions, checking for compliance, for the CARE Grant Proposal 20-0115 showed two areas of non-compliance. Dr. Vannoy, Acting Dean of the Walker College of Business, and Dr. Specht, Dean of the College of Arts and Sciences, fully agreed with the audit findings and are providing oversight to ensure corrective action is taken.
- Regarding campus-wide reviews:
 - P-Card Review for the quarter ending in March of 2021 revealed no findings. This review sampled cardholders with the highest expenditures and 25 transactions were tested. Follow-up work for prior quarterly results also showed resolution or satisfactory progress made.
 - Travel Review showed no findings for the quarter ending in March of 2021. David Jamison, the University Controller, spoke to the committee regarding the new travel system, Chrome River, and how it helps with travel processes.

- Departmental Fund Reconciliation Review for the quarter ending in March of 2021 showed no findings for this quarterly review. Because of this progress, this quarterly report will now move to an annual review.
- Educational and Technology Funds Review for this quarter showed one finding. Academic Affairs has increased their oversight and now requires a pre-approval process. Processes have been implemented to prevent future findings. Follow-up testing showed previously reported findings were resolved.
- Fixed Asset Control Review for the quarter ending in March 2021 showed one asset permanently moved to another area without proper documentation. A recommendation was given to the department that the appropriate paperwork be processed. A follow-up will be performed in the following quarterly review.
- Computer Access Security review for quarter ending December 2020 tests for timely termination of computer and banner access at the end of employment to ensure security. The tests revealed no findings.

SUMMARY OF RECENTLY COMPLETED AND IN-PROGRESS EXTERNAL AUDITS:

Mrs. Eloise Covalt, Chief Audit Officer, spoke to the committee regarding the 2020 Federal Compliance Higher Education Emergency Relief Fund Audit (HEERF) conducted by David Ericht, State Auditor, who gave an overview at the last Audit Committee meeting. Mrs. Covalt reported no findings. There are three external audits currently in progress. The State Auditor is presently conducting the Financial Audit for the fiscal year 2021. An external auditor is currently conducting the Foundation Audit anticipated to be completed by October 2021, and lastly, the Appalachian Student Housing Corp. Audit is expected to be completed in November 2021.

REVIEW AND APPROVAL OF THE 2021-2022 AUDIT PLAN:

Mrs. Eloise Covalt, Chief Audit Officer, provided the committee with the 2021-2022 audit plan draft via Board Effect and gave background on how the plan came together. There being no questions, Chair Murray called for a motion to approve the 2021 -2022 audit plan. Upon motion duly made and seconded, the 2021-2022 Audit Plan was approved as presented.

REVIEW AND APPROVAL OF INTERNAL AUDIT ACTIVITY CHARTER:

Mrs. Eloise Covalt, Chief Audit Officer, provided an overview of the revisions made to the Internal Audit Charter. As per IIA Standard 1000 and in accordance with OIA's Quality Assurance and Improvement Program, the Charter is periodically reviewed with the Audit Committee to determine whether the Charter's provisions continue to enable the internal audit activity to accomplish its objectives. With the Charter already being up to date, only minor modifications were made. Minor edits include increased clarity and alignment with the recently published IIA Position Paper "The Internal Audit Charter – A Blueprint to Assurance Success." In conjunction with the review of the Internal Audit Activity Charter, it was confirmed that:

- The Office of Internal Audits recognizes the mandatory nature of the Definition of Internal Auditing, the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the IIA Standards.
- The Office of Internal Audits is structured to ensure the organizational independence of the internal audit activity. During 2020-21, there was no interference regarding determining the scope of internal auditing, performing the work, and communicating the audit results.

There being no questions from the committee, Chair Murray called for a motion to approve the Internal Audit Activity Charter. Upon motion duly made and seconded, the Charter was approved as presented. (See Exhibit C-1)

QAIP ANNUAL REPORT:

Mrs. Eloise Covalt, Chief Audit Officer, provided the committee with a 2021 QAIP Action Plan report, which summarized the work the OIA does to maintain compliance with the Standards and improve the efficiency and effectiveness of the internal auditing function. The report indicated no resource limitations to date. The Office of Internal Audits was able to add an Audit Manager position with a search in progress.

ENTERPRISE RISK MANAGEMENT UPDATE: Mr. Paul Meggett, General Counsel, updated the committee regarding the Enterprise Risk Management department. He reported last quarter the department's search for a new Enterprise Risk Manager. The search is still currently underway. In the Office of General Counsel, Anita McGowan, Senior Paralegal, will fill in on an interim capacity until a manager is hired. Mrs. McGowan introduced herself to the committee and gave a brief update.

Committee Member, John Blackburn, gave brief remarks to thank Chair Murray for his service. Chair Murray thanked everyone who works so hard to make this university run well.

ADJOURNMENT: There being no further business, the meeting adjourned at 9:29 a.m.

CHARLES V. MURRAY, Chair

By: _____
Monica Saner
Recording Secretary

Appalachian State University

Office of Internal Audits

Internal Audit Activity Charter

MISSION, PURPOSE AND SCOPE OF WORK:

The Institute of Internal Auditors' *International Professional Practices Framework* (hereafter referred to as "IPPF") defines the mission of internal audit as follows: "to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight." The mission, purpose and scope of this office is consistent with both the IPPF mission statement and the mandatory elements of the IPPF. Internal Auditing is an independent and objective assurance and consulting activity that is designed to add value to improve the operations of Appalachian State University. The Office of Internal Audits assists the University in accomplishing its objectives through a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes. The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Chancellor, the Appalachian State University Board of Trustees Audit Committee (hereafter referred to as the "Audit Committee"), other management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the University. The Chief Audit Officer (hereafter referred to as "CAO") will report periodically to senior management and the governing body on the results of the Office of Internal Audits and the work the activity performs.

ROLE AND ACCOUNTABILITY:

The internal audit activity is established by the Audit Committee. The Office of Internal Audits' responsibilities are defined by the Audit Committee as part of its oversight role. Final approval of the internal audit activity charter resides with the Board of Trustees.

INTERNATIONAL STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING:

The Office of Internal Audits will govern itself by adherence to The Institute of Internal Auditors' IPPF mandatory guidance including 1) the Definition of Internal Auditing, 2) the Core Principles for the Professional Practice of Internal Auditing, 3) the Code of Ethics, and 4) the *International Standards for the Professional Practice of Internal Auditing* (hereafter referred to as "Standards"). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance. The CAO will report periodically to the Chancellor and the Audit Committee regarding the Office of Internal Audits' conformance to the Code of Ethics and the *Standards*.

The Institute of Internal Auditors' Implementation Guidance and Supplemental Guidance will also be adhered to as applicable to guide operations. In addition, the Office of Internal Audits will adhere to Appalachian State University's relevant policies and procedures and the departmental standard operating procedures manual (Audit Manual).

AUTHORITY:

The Office of Internal Audits, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all records, physical properties, and personnel pertinent to carrying out any engagement in accordance with *North Carolina General Statute 147-64.7* and *Session Law 2010-194, Section 21*. All university employees are directed to assist the Office of Internal Audits in fulfilling its roles and responsibilities upon request. The Office of Internal Audits will also have free and unrestricted access to the Audit Committee.

The Office of Internal Audits is not authorized to perform operational duties for the University, implement internal controls, initiate or approve accounting or other transactions external to the internal audit office, nor direct the activities of any university employee not employed in the Office of Internal Audits.

The Audit Committee shall be composed, organized and fulfill its responsibilities in accordance with the Audit Committee Charter approved by the Board of Trustees in establishing, maintaining and assuring that the internal audit activity has sufficient authority to fulfill its duties.

ORGANIZATION:

The CAO will report functionally to the Chair of the Audit Committee and administratively (i.e., day-to-day operations) to the Chancellor. The CAO will communicate and interact directly with the Audit Committee, including in closed sessions and between regularly scheduled Audit Committee meetings, as appropriate.

INDEPENDENCE AND OBJECTIVITY:

The Office of Internal Audits should be free from interference in determining the scope of internal auditing, performing work, and communicating results. To provide for the independence of the Office of Internal Audits, its personnel should report to the CAO, who reports administratively to the Chancellor and functionally to the Audit Committee. The CAO shall have direct and unrestricted access to the Chancellor and the Audit Committee. The CAO will confirm to the Audit Committee and the Board of Trustees, at least annually, the organizational independence of the Office of Internal Audits. The CAO will ensure that the internal audit activity remains free of conditions that threaten the ability of the activity to carry out its activities in an unbiased manner. If the CAO determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties. The CAO will disclose to the Chancellor and the Audit Committee any interference and related implications in determining the scope of internal auditing, performing work and communicating results.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own

interests or by others in forming judgment.

Objectivity and independence are crucial to the duties of the Office of Internal Audits. Either may be compromised if auditors participate directly in any activity that may impair their judgment, including implementing internal controls or developing procedures, preparing records or accounting transactions, designing systems and operations, or directing activities of any organization personnel not employed in the Office of Internal Audits. In addition, the Office of Internal Audits staff will not assess specific operations for which they had responsibility within the previous year. Therefore, the Office of Internal Audits' staff will serve only in an advisory capacity in these matters.

RESPONSIBILITY:

The Office of Internal Audits is responsible for:

- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out effectively and efficiently.
- Monitoring and evaluating the effectiveness of the organization's risk management processes.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on the organization.
- Assessing information security and information technology controls in all appropriate projects.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization, provided the Office of Internal Audits does not assume management responsibility.
- Managing its function and activity appropriately to ensure the fulfillment of its mandate.
- Maintaining a professional audit staff with sufficient knowledge, skills, experience, competencies, and professional certifications to meet the requirements of the Charter.
- Communicating to the Chancellor and the Audit Committee the impact of resource limitations, if any, on the internal audit plan.
- Ensuring the internal audit activity conforms to the *Standards*.
- Establishing a quality assurance and improvement program by which the CAO assures the operation of internal auditing activities. This will include assuring adherence to both internal policies and procedures and University policies and procedures.
- Issuing periodic reports summarizing results of audit activities to management, the Chancellor, and the Audit Committee.
- Keeping the Chancellor and Audit Committee informed of emerging trends and issues that could impact the University.
- Ensuring that emerging trends and successful practices in internal auditing are considered.
- Assisting and/or conducting the investigation of suspected fraudulent activities within the

organization and notifying the Chancellor and the Audit Committee of the results.

- Serving as a liaison between University management and external auditors. In addition, as appropriate, coordinating activities and considering reliance on the work of other external assurance and consulting service providers as needed.
- As appropriate, providing consulting services to management that add value and promote the best interests of the organization.
- Developing a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Chancellor and Audit Committee for review and approval as well as periodic updates.
- Ensuring that information security is addressed in the risk-based annual audit plan, in accordance with UNC Policy 1400.2.
- Implementing the annual audit plan, as approved, including any special tasks or projects requested by management and the Audit Committee. At the end of the audit cycle, providing the Audit Committee with a comparison of the annual audit plan with internal audits performed by the internal audit department.
- Forwarding copies of both the approved audit plan and the summary of internal audit results, including any material reportable conditions and how they were addressed, to the UNC System Office in the prescribed format.

REPORTING AND MONITORING:

A written report will be prepared and issued by the CAO or audit designee following the conclusion of each internal audit engagement and will be distributed as appropriate. If warranted, reporting will include significant risk exposures and control issues, including fraud risks, governance issues, and other matters. Internal audit results will also be communicated to the Audit Committee and the Board of Trustees. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

The internal audit report may include management's response and corrective action to be taken in regard to the specific findings and recommendations. Management's response, whether included within the audit report or provided thereafter (i.e., within fifteen days) by management of the audited area, should include a timetable for anticipated completion of action to be taken or an explanation for any corrective action recommendations that will not be implemented (i.e., management will accept the risk). The CAO will report to the Chancellor and the Audit Committee any response to risk by management that, in the CAO's opinion, may be unacceptable to the University.

The Office of Internal Audits will be responsible for appropriate follow-up on audit findings and recommendations. All significant findings will remain in an open issues file until they are cleared.

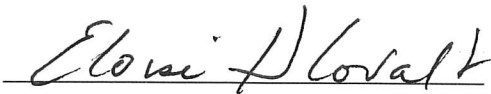
QUALITY ASSURANCE AND IMPROVEMENT PROGRAM:

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the *Standards*, and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The CAO will communicate to the Chancellor and the Audit Committee on the Office of Internal Audits' quality assurance and improvement program, including results of ongoing internal assessments. The CAO will periodically report to the Chancellor and the Audit Committee on the Office of Internal Audits' purpose, authority, and responsibility, as well as performance relative to its audit plan. The reporting will include any resource requirements of the Office of Internal Audits as well as the Office of Internal Audits' conformance with the IIA's Code of Ethics and *Standards*. Action plans to address significant conformance issues, if any, will be reported.

The CAO will also obtain an external assessment, conducted at least every five years, by a qualified, independent assessor or assessment team from outside of Appalachian State University. Likewise, the results of the external assessment will be reported to the Chancellor and the Audit Committee and action plans to address significant conformance issues, if any, will be reported.

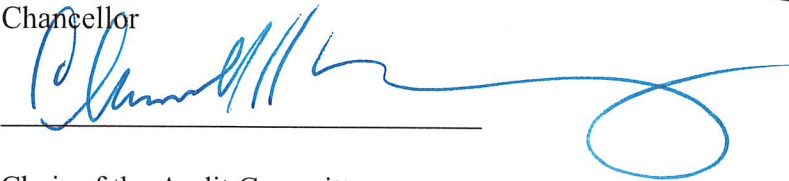
Approved this 18th day of June, 2021.



Chief Audit Officer



Chancellor



Chair of the Audit Committee



Chair of the Board of Trustees

MINUTES
MEETING OF THE BUSINESS AFFAIRS COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, June 18, 2021
Grandview Ballroom
Breakout Room A

CALL TO ORDER: The Business Affairs Committee of the Board of Trustees of Appalachian State University met at the call of the Chairperson and the Chancellor on Friday, June 18, 2021, at 11:00 a.m. in the North End Zone – Break Out Room A. Mr. Scott Lampe presided.

MEMBERS PRESENT:

Donald C. Beaver
E. Bonnie Schaefer
R. Thomas Sofield
James K. Reaves

MEMBER ABSENT:

Kimberly M. Shepherd, Chair

CONSTITUENCY REPRESENTATIVES
PRESENT:

Louis Gillian, Chair
Faculty Senate

OTHERS PRESENT:

John Adams
George Baldwin
Jane Bargothe
Lisa Bingham
Sharon Bell
J.J. Brown
Jennifer Chrisohon
Mathew Dockman
John Eckman
Chancellor Sheri Everts
Paul Forte
Doug Gillian
Mark Ginn
David Jamison
Nick Katers
Paul Meggett
Heather Norris
Diane Pitts

CONFLICT OF INTEREST NOTICE: Mr. Scott K. Lampe read the following:

"Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting, does anyone know that you have a conflict of interest or an interest that would give rise to the

appearance of a conflict of interest? If so, please let me know now." [None reported]

The following statement was also read, as we begin the business portion of the meeting, I would like to remind everyone of the Committee's expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest."

APPROVAL OF MINUTES:

The minutes of the March 26, 2021, and closed session March 26, 2021 meetings of the Business Affairs Committee have been reviewed and upon motion made and seconded, were approved as submitted.

WRITE-OFF UNCOLLECTABLE ACCOUNTS:

The write-off of uncollectable accounts in excess of \$1,000 requires action by the Board of Trustees. All attempts to collect these accounts have been exhausted. The administration is seeking permission to write off the following accounts, see Exhibit D-1 for details.

Following discussion, the motion was made and seconded to write off these uncollectable accounts. The motion carried.

UPDATE PARKING AND TRANSPORTATION MANUAL: Vice Chancellor for Business Affairs Paul Forte, recognized John Eckman, Associate Vice Chancellor for Campus Services to present the 2021-2022 proposed updates to the Parking and Transportation Manual. The updates include editorial and date changes.

Following discussion, the motion was made and seconded to accept these changes to the Parking and Transportation Manual. The motion carried.

CAPITAL PROJECT APPROVAL – BODENHEIMER STEAM MANHOLE REPAIR

Paul Forte, Vice Chancellor for Business Affairs, recognized Nick Katers, Associate Vice Chancellor for Facilities Management to present information regarding the following capital project for Board of Trustee approval:

- Bodenheimer Steam Manhole Repairs - \$749,000
This project includes the repair or replacement of 3-steam manholes on Bodenheimer Drive. These manholes have deteriorated over many years with damage caused by the salt used during the winter months. The scope of the project includes repairing 2-manholes and fully replacing a third.

Following discussion, the motion was made and seconded to approve this capital project.

The motion carried.

APPROVAL OF LEASE – ASHE COUNTY – SENIOR PROGRAMS OFFICE SPACE:

Paul Forte, Vice Chancellor for Business Affairs recognized Nick Katers, Associate Vice Chancellor for Facilities Management. Nick presented the following information regarding the senior program office space lease:

Ashe County – Senior Programs Office Space

Address: 626 Ashe Central School Road, Jefferson, NC

Purpose: Offices for Senior Programs
Foster Grandparent programs.
Grant supported.

Term: 2 years, August 1, 2021 – July 30, 2023

Rental Amount: \$1,215 per month / \$14,580 per year

Square Footage: 1,992

Other: Grant funded through AmeriCorp Seniors.

Following discussion, the motion was made and seconded to approve this senior programs office space lease.

The motion carried.

CAPITAL PROJECT UPDATE:

Nick Katers, Vice Chancellor for Facilities Management, gave a capital projects update. Mr. Katers presented the following information:

- Projects underway – 40
- Projects in progress - \$140,000,000
- Capital projects >750 K Underway – 11
- Capital projects < 750K Underway – 29
- Active learning classrooms goal: 1-per classroom, 4-under construction – Cost \$80K - \$110 per classroom
- Campus Fire Alarm Updates – New central receiver and 11-main fire alarm control panels. Alarms are now received by University Police (instead of third party) – improves response time and financial benefit.
- Career Development Center – Hopeful to be complete by July 2021. Will serve more students, be in a centralized location in the Student Union, have more space and attract recruiters.
- P3 Phase 2 – Building 300 – Laurel Creek
Completion set for July 30, 2021. All apartments and corridors have been complete. Major systems online: HVAC, sprinkler, and elevators. Ribbon cutting July 26, 2021.

- P2- Phase 3 – Building 400 – New River Hall
Construction started June 1, 2020 with a completion date of July 30, 2022. Budget is \$51,412,00. This project is on schedule.

BOOK RENTAL FEE DIGITAL COURSE MATERIAL PROGRAM:

Paul Forte, Vice Chancellor for Business Affairs, recognized John Eckman, Associate Vice Chancellor for Campus Services for an update on the digital book rental program. Mr. Eckman stated the during the Summer Session 1 – 6,838 students paid a rental fee averaging \$35.61. For fall semester the digital program will be a flat \$250, only 1.8% of students opted out of the digital program and about 70% of the books were delivered digitally. One of the advantages of the digital format is the ease of making last minute changes for faculty which in the past could take 2-3 weeks. The rollout for the digital rental program has been very smooth.

CLOSED SESSION: Chair Lampe announced that he would entertain a motion for the Business Affairs Committee to convene in closed session.

Upon motion duly made, seconded and approved, the Business Affairs Committee convened in closed session to:

- prevent the disclosure of privileged information under North Carolina General Statutes 132-1.7, subsections (a) and (a2) of United States laws or regulations [N.C.G.S. §143-318.11(a)(1)];
- consult with our attorney to preserve the attorney-client privilege [N.C.G.S. §143-318.11 (a)(3)].

PUBLIC SESSION RECONVENED: Upon motion duly made, seconded and approved, the Board reconvened in open session at 11:35 a.m.

ADJOURNMENT:

There being no further business, the meeting adjourned at 11:40 a.m.

Respectfully submitted,

Diane Pitts
Recording Secretary

Write off Uncollectible Accounts - University Treasurer/ Student Accounts

The write off of uncollectible accounts in excess of \$1,000 requires board action by the Board of Trustees. All attempts to collect these accounts have been exhausted. The administration is seeking approval to write-off the accounts attached.

	2021	2020	\$ Variance	% Variance
Tuition	286,926.20	133,276.34	153,649.86	115.29%
Fees	72,838.00	37,954.74	34,883.26	91.91%
Financial Aid	84,837.76	167,916.43	(83,078.67)	-49.48%
Late Fees/ Interest	155,427.35	136,634.90	18,792.45	13.75%
Library	3,678.89	2,314.40	1,364.49	58.96%
Other State Funds	33,682.70	1,491.85	32,190.85	2157.78%
Payroll	9,593.09		9,593.09	100.00%
Food Services	32,084.78	17,019.81	15,064.97	88.51%
Health Services	90,428.18	39,877.25	50,550.93	126.77%
Housing	42,480.65	24,718.93	17,761.72	71.85%
Bookstore	15,671.07	10,586.96	5,084.11	48.02%
Other Trust Funds	9,280.44	3,533.16	5,747.28	162.67%
	<u>836,929.11</u>	<u>575,324.77</u>	<u>261,604.34</u>	<u>45.47%</u>
Total University and Student Accounts				\$ 836,929.11

Write off Uncollectible Accounts - Other Accounts

Action is required by the Board of Trustees for the write off of uncollectible accounts in excess of \$1,000. The Administration is seeking permission to write off the following account:

Conference Services - Southern Appalachian Historical Association

2015 Charges	10,500.00
2016 Charges	21,058.00
2017 Charges	45,490.00
2018 Charges	37,047.00
	<u>\$ 114,095.00</u>

Total Accounts for Board of Trustees Approval for Write Off

\$ 951,024.11