Hudnall Christopher, Chair of the committee, called the meeting to order at 8:05 a.m.

The minutes for the November 3, 2005 meeting were approved as written.

ACTION ITEMS

Report of the Board of Trustees of the Endowment Fund (BAC-1)

Philip Richman explained to the Board that the Endowment Board was different from the other foundation boards in that it was established by statute from the legislature. A certified audit goes through three reviews - the Audit Committee, the Board of Trustees and the Board of Governors. The funds from the Endowment Fund are used for scholarships, fellowships and professorships. There was an unqualified audit opinion and a business advise letter recommending an audit committee. There is a Board of Governors Policy pending on the formation of this committee.

Tom Ross moved to approve the report. William Pratt seconded the motion and it was unanimously approved for recommendation to the full Board.

Designer Selection for Mossman Roof Replacement (BAC-2)

Philip Richman reported that twelve letters of interest were received for this project. Four were selected for presentation and qualifications. The firm of Sutton-Kennerly & Associates was recommended as the designer due to previous experience, sufficient technical staff and excellent customer service during construction.
Tom Ross moved to approve the recommendation. William Pratt seconded the motion and it was unanimously approved for recommendation to the full Board.

**Designer Selection for UNCG Data Center Study (BAC-3)**

Davis Lumpkin advised the Board that with the expansion of IT on the campus, the physical move of the installation is critical. There are three main areas of concern - 1) What kind of measures to take prior to the move to maintain service, 2) How to move the present equipment from Forney and remain on-line, and 3) How to plan for the future. Seven letters of interest were received for this study. Two firms were chosen for review of presentation and qualifications. Calloway Johnson Moore & West is recommended due to their experience with similar installation and technical expertise.

Jean Davis asked how long the study would take. Mr. Lumpkin estimated that this study would take until the end of the fiscal year.

William Pratt moved to approve the recommendation. Tom Ross seconded the motion and it was unanimously approved for recommendation to the full Board.

**Lease Agreement between the Greensboro Center for Innovative Development and UNCG and NCA&T (BAC-4)**

Philip Richman advised the Board that the School of the Deaf property became available in 2002. NC A&T and UNCG asked that the property be transferred to the campuses which formed the Joint Millennium Campus. In order to manage the property the GCID was created to enhance facility development and new building for the two sites. Mr. Richman asked John Merrill to speak to the specifics of the lease.

John stated that the ground lease was designed to give more flexibility for development, use state funds and work with the facility staff of both UNCG and NC A&T. The USDA is a possibility for the anchor tenant. The details of the lease were reviewed by Skip Capone for UNCG and Leslie Winner for General Administration. All details of the lease have been reviewed beyond the campuses. The template was designed by Skip Capone, Leslie Winner and representatives from NC A&T and the Financial Department in General Administration. Following approval by both Boards of Trustees, the lease will be submitted to the Board of Governors, then the Council of State and finally the Governor.

Tom Ross moved to approve the recommendation. William Pratt seconded the motion and it was unanimously approved for recommendation to the full Board.

**INFORMATION ITEM**

**Trustee Audit Review (BAC-5)**
Philip Richman informed the new members of the Board that the Business Affairs Committee serves as the Audit Committee of the Board of Trustees for UNCG. Annually they review the external and internal audits performed for UNCG. The primary audit is held in August of each year and extends for several months. Also in August the independent auditors, McGladrey & Pullen are in our offices. This year we had an additional NCAA audit which was a program, rather than a financial audit. There was no federal audit in 2004-05.

The State audit was unqualified with no major findings. McGladrey & Pullen’s audit was also unqualified with no major findings. There was a recommendation that a specific audit committee be convened for the foundations. The Weatherspoon Foundation, which is a volunteer organization had two minor notes. The NCAA audit which was special and specific to the program had no findings.

William Pratt asked if the recent business climate had changed the auditing process. Mr. Richman responded that it was much more intense now, even for non-profit organization. There is much sharper scrutiny since the Sarbanes Oxley was introduced.

Chancellor Sullivan advised that the Board of Governors had instituted a study of the Best Practices and new guidelines were expected to be adopted shortly. More information should be received shortly.

**University Investment Fund Update (BAC-6)**

Philip Richman presented the annual report of the University Investment Fund. There is $142.7 million in this consolidation of all foundations. The purpose of the fund is to hold the funds for the other entities and manage the portfolio. A chart was distributed to show the ownership and allocation percentages of the fund. Cambridge has managed the fund since its inception in July, 1992. They will supply the final figures for the year by April.

Hudnall Christopher asked how many of the investments did not meet their targets. Mr. Richman advised that only 1 or 2 did not.

Chancellor Sullivan announced that the Peabody Park and Bridge renovation has been presented with an award from the State of North Carolina and will be presented for a national award.

The meeting was adjourned at 8:41 a.m.

Respectfully submitted,

Donna Honeycutt, CPS