

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of November 15, 2016

Finance & Capital Committee members 2016-2017:

Linda Green, Chair

John DeGrace

Donna Tuman

Kathy Weiss

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Trustee Green on the eleventh floor of the Administrative Tower at approximately 5:15 p.m.

Trustees Present: Jorge Gardyn, Chair
 Linda Green, Chair, Finance & Capital Committee
 John DeGrace
 Donna Tuman
 Michael Hilt, Student Trustee

Also in attendance: President Keen
 VPs Collins, Conzatti, Muscarella, Reznik
 General Counsel/Government & Media Relations Murray
 Comptroller Izquierdo
 Procurement Director Cappello

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of October 18, 2016 were presented for approval. Trustee Tuman made the motion, seconded by Trustee DeGrace. The minutes were approved.

2. Pending College Procurement Agreement—There were no Pending College Procurement Agreements to be presented at the November 15, 2016 meeting.

3. Comptroller's Report—September, 2016. Comptroller Izquierdo reported that an audit was done for Other Than Personal Services (OTPS) disbursements as well as Personal Service Contracts (PSC). There is nothing significant to report. Regarding the Accounts Receivable Report, NCC is two months into the fall 2016 semester and as the semester continues NCC will continue to collect money. The total of old receivables collected has increased to \$334,000. The original amount of old receivables cited from County audit was \$14 million to be collected. The College has collected \$5.8 million (41%) to date. Short discussion followed. Chair Gardyn praised all personnel responsible for collection of old receivables.

4. Discussion—Change to Travel Policy and Draft Resolution. VP Reznik advised that at the October 2016 Finance Committee meeting, Board members expressed interest in transferring travel approvals above \$1,500 threshold to the office of the College President or his designee. VP Reznik indicated that in the Finance package there is a copy of a draft resolution and draft change to the existing Board of Trustees policy for review. Should Board members have any questions, please address them now or any time before the December Finance Committee meeting. At the December Finance Committee meeting, the policy and resolution will be presented for discussion and a recommendation to the full Board.

5. Travel Requests— VP Reznik advised that until the Board policy is changed, travel requests need to be approved by Board members of the Finance Committee. There are three (3) travel requests in the amount of \$5,819.52 to be approved. Trustee DeGrace made a motion, seconded by Trustee Tuman. The travel was approved.

6. Discussion—Letter from Office of Inspector General (OIG) for Audit Services. VP Reznik advised that OIG letter stating that the auditors did not audit one of the NCC programs was addressed to the Board of Trustees and received at NCC as well as by the outside auditors (RSM).

The program in question was audited and included in the “Schedule of Expenditures of Federal Awards”, but was omitted on the “Schedule of Findings and Questioned Costs” – Identification of Major Programs page. VP Reznik provided copies of the RSM report, and a draft response to the Office of Inspector General. VP Reznik was advised by RSM US LLP partner, Jen Katz that this was a clerical error of RSM auditors. Short discussion followed. VP Reznik advised that it is the responsibility of the RSM auditors to correct. Once approved VP Reznik’s letter will be submitted to the Office of the Inspector General for Audit Services.

7. Discussion—FY 2016 Operating Results. VP Reznik gave a PowerPoint presentation budget to actual on a budgetary basis of accounting for fiscal year ended August 31, 2016. Operating results: NCC ended the year with an increase to Fund Balance of almost \$3 million. Revenues were lower than budget by \$5 million and expenses lower than budget by \$8 million. The Fund Balance as of August 31, 2016 is approximately \$12 million keeping us above 5% as a percentage of the prior year’s operating budget; this is in line with Board of Trustees policy.

The huge amount of individuals who participated in the retirement incentive affected the total surplus. The expense has been deferred and will be taken over the life of the debt. NCC was able to borrow \$7.5 million from Nassau County – approximately \$2 million is to be repaid by August 31, 2018. Short discussion followed.

VP Reznik advised that fringes came in lower than anticipated due to health benefits and pension benefits percentages were lower.

The cost was considerably less for heating and cooling system this past year. Short discussion followed.

The budget built in a 2% decline in enrollment but the actual decline was over 5%. Chargeback revenue (enrollment from other counties) has also dropped. Short discussion followed regarding enrollment. NCC’s priority is recruitment and retention of students. However, the major effort should be retention of students.

The meeting adjourned at 5:45 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance