

KSURSF BOARD MEETING

30 April 2013

Attendees: Ken Harmon (KH), voting member; Teresa Joyce (TJ), voting member; Randy Hinds (RH), voting member; Charles Amlaner (CA), voting member; Flora Devine (FD), voting member; Mark Anderson (MA), voting member; John Salerno (JS), voting member; John Marshall (JM), non-voting advisor; Carolyn Elliott-Farino (CEF), non-voting secretary. Guest: Eric Vreeland, Mauldin & Jenkins.

Mauldin & Jenkins FY 12 Financial Statements Reissued

Prior to the start of the Board meeting, Eric Vreeland of Mauldin & Jenkins, who oversaw KSURSF's FY 12 audit, explained why the financial statements needed to be reissued. Subsequent to the issuance of the June 30, 2012 OMB Circular A-133 compliance report, it was discovered that the Schedule of Findings and Questioned Costs did not properly identify all of the major programs required by A-133. Based on this revised schedule and the revised Schedule of Federal Expenditures of Federal Awards, which regrouped expenditures into proper clusters and groupings, M&J identified and tested Education and Human Resources grants as major and they retested the Research & Development cluster. There were no changes to the statements and no additional cost to KSURSF.

Board Meeting Minutes

1. The meeting was called to order by Board Chair Ken Harmon.
2. The minutes from the 13 November 2012 meeting were approved.
3. Resolution to accept the reissued FY 12 audit: The motion was seconded and the resolution was approved.
4. KSURSF's Chief Operating Officer Charles Amlaner presented KSU's F&A (indirects) rate proposal that was forwarded to the federal government at the end of March 2013. The rate is slated to decrease due to increased expenditures on teaching, research, and public service not accompanied by a corresponding increase in administrative costs (library, sponsored projects, general, and departmental) or facilities costs (maintenance and depreciation). The rate proposal is not a KSURSF responsibility, but it impacts KSURSF's ability to stimulate research and economic development. The Board discussed the need for KSU to consider being more strategic in its expenditures so that future rate proposals will yield a higher rate, allowing KSURSF and KSU to maximize the potential return on F&A.
5. Carolyn Elliott-Farino updated the Board on the policy manual. CEF said they were making good progress and expected to have it ready by 30 June per the Board mandate.
6. CEF and CA updated the Board on equipment donations: one was received since the previous meeting, valued at \$32,000. The donation was made to KSURSF and the assets (two pieces) were transferred to KSU using the KSURSF Asset Transfer Agreement. The Board discussed standard operating procedures for asset transfers, including which entity should accept the donation, KSURSF, KSU, or the KSU Foundation. Any of the three can accept a donation depending on the circumstances and communication between all parties to determine the best way forward is important. Harmon, Amlaner, and Mike Harders, KSU's VP for Advancement and Development, should meet to discuss this topic. The

donor needs to give the valuation amount and KSURSF/KSU needs to keep the equipment for at least three years, otherwise the donor would be required to redo their taxes.

John Salerno mentioned that not every donor cares about receiving a donee letter for tax purposes and KSURSF/KSU's insistence on a valuation amount could cause KSURSF to lose a donation. The Board decided that KSURSF/KSU could accept the gift without a dollar value and pay a consultant to appraise the value of the gift. The gift would go on the books with the consultant's appraised value. Salerno also suggested that for future donations KSURSF/KSU will need to pay someone to move the equipment.

7. The KSURSF-Clinic MOU has not yet been updated. John Marshall and Elliott-Farino are working on this. A Board member asked how the Clinic was being funded, since only a small part passes through KSURSF. There was no answer to the question.
8. COO Amlaner gave an update on patent activity. KSURSF has spent \$95,000 on various application and legal fees for the commercialization of KSU employees' intellectual property. Henceforth, the Board will receive semi-annual reports on IP development and commercialization.
9. The Faculty Senate has not yet appointed a faculty member to the Board. The Board was reminded that the representative does not have to be a member of the Faculty Senate. From the Bylaws, 4.2 (5): "The Faculty Senate of Kennesaw State University shall appoint one faculty member who shall, at the time of appointment to the Board of Directors, be a tenured member of the Corps of Instruction holding the rank of associate professor or professor, and shall have full voting power." CEO Harmon and/or COO Amlaner will contact the Faculty Senate president, Ken White.
10. The COI disclosure forms were distributed to the Board members, signed, and collected by Secretary Elliott-Farino.
11. Report of the Chairperson: Nothing to report.
12. Reports of other officers: Nothing to report.
13. Report of the Executive Committee: Nothing to report.
14. Reports of other committees: Nothing to report.
15. Other new business: None.
16. The Board Secretary will send out a request for the next board meeting to be held in October 2013.
17. The meeting was adjourned by the Chair.