

DRAFT

UNIVERSITY OF NORTH CAROLINA
SCHOOL OF THE ARTS

Finance Committee

**Thursday, April 27, 2017
9:00 a.m. – 10:00 a.m.**

**Room 301
Hanes Student Commons**

OPEN SESSION AGENDA

Finance Committee

*Elizabeth Madden, Chair

*Phillip Horne

*Charlie Lucas

*Steve Berlin

*Michael Tiemann, *ex-officio*

Bill Watson, *Foundation Liaison*

Sonya Linney, *Staff Council Representative*

Carin Ioannou, *Staff*

David Harrison, *Staff*

Krista Johnson, *Staff*

*Denotes voting members

- | | |
|---------------------------------------|-------------------------|
| 1. Convene Meeting and Confirm Quorum | <i>Elizabeth Madden</i> |
| 2. Approve February 9, 2017 minutes | <i>Elizabeth Madden</i> |
| 3. UNCSA Financial Reports | <i>Carin Ioannou</i> |
| 4. Construction Update | <i>Carin Ioannou</i> |
| 5. TSKIA Spending Guidelines | <i>Corey Madden</i> |
| 6. Other Business | <i>Elizabeth Madden</i> |
| 7. Adjourn | <i>Elizabeth Madden</i> |

UNIVERSITY OF NORTH CAROLINA
SCHOOL OF THE ARTS

Finance Committee Meeting
Thursday, February 9, 2017
9:30 a.m. – 10:30 a.m.

Room 301
Hanes Student Commons

OPEN SESSION MINUTES

Present

*Elizabeth Madden, <i>Chair</i>	Lisa McClinton
*Steve Berlin	Jackie Riffle
*Michael Tiemann, <i>ex officio</i>	Amanda Balwah
Michael Rothkopf, <i>Faculty Council Representative</i>	Tareake Ramos
Carin Ioannou, <i>Staff</i>	Winn Decker
David Harrison, <i>Staff</i>	Allen Carnes
Krista Johnson, <i>Staff</i>	
David English	

Convene Meeting and Confirm Quorum

Chair Elizabeth Madden convened the meeting of the Finance Committee of the University of North Carolina School of the Arts and confirmed that a quorum was present.

Approval of Minutes

Chair Elizabeth Madden requested a motion for approval of minutes from the December 8, 2016 meeting. The first motion came from Michael Tiemann with a second from Steve Berlin. There were none opposed.

UNCSA Financial Reports

Carin Ioannou reviewed the financial reports from December 31, 2016 compared to the same time last year. Ms. Ioannou indicated that departments are spending conservatively with state appropriated funds. Ms. Ioannou also reviewed the institutional trust report stating that there were no major issues to highlight.

Construction Update

Carin Ioannou gave the construction update. Phase 3 of the Library project and the Performance Place Renovation have held their kick-off meetings with the designers. The project kick-off for the Old Library will be held on February 23. The Campus Master Plan and the Stevens Center Master Plan will hold their kick-off meetings towards the end of February. The Center Stage Fire Alarm Project, Gray Restroom Renovation, and the Dance Locker Room Project are on target to begin in the spring with completion dates set for August.

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Adjourn

The meeting of the Finance Committee of the University of North Carolina School of the Arts adjourned at 9:56 a.m.

Submitted by: Krista Johnson, Executive Assistant to the Vice Chancellor for Business Affairs

UNC School of the Arts
BOT Finance Committee

	March 31, 2017	March 31, 2016
Revenue:		
Certified Budget July 1st	48,277,821	46,744,380
Authorized Budget Changes	(817,202)	(1,019,842)
Unalloted Requirements	<u>(12,217,416)</u>	<u>(12,202,791)</u>
Total Revenue:	35,243,203	33,521,747
Expenses:		
Instruction		
Center for Design Innovation	221,511	268,798
Dance	1,704,066	1,502,503
Design & Production	2,596,388	2,417,905
Drama	1,213,246	1,197,728
Film	3,197,843	2,932,070
General Academics	950,727	877,506
High School Programs	1,227,883	1,255,490
Liberal Arts	1,272,782	1,275,885
Music	2,573,079	2,487,846
Administration		
Administration	6,203,572	5,662,601
Facilities	7,240,832	6,511,893
Summer/Workshop/Cmty	648,681	941,371
Federal Aid/Grants	4,144,523	4,007,026
Library	986,901	1,027,768
Student Services	1,061,169	883,983
Other	<u>0</u>	<u>0</u>
Total Expenses:	<u>35,243,203</u>	<u>33,250,374</u>
Under/(Over) Approved Allotment	0	271,373

UNCSA Capital Project Accounts Update

April 4, 2017

Repair and Renovation (R&R) Funding

Code/Item	Fund Description	Original Budget	2009 Reversion	2011 Reversion	Revised Budget	PTD Expenses	Commitments	Available Balance
41338-320	2013 Repairs and Renovation	\$1,788,627.00			\$2,809,027.42	\$2,349,101.56	\$293,561.75	\$166,364.11
45587-XXX	2014 Repairs and Renovation	\$316,800.00			\$316,800.00	\$56,005.27	\$1,450.00	\$259,344.73
41538-320	2015 Repair and Renovation	\$1,410,300.00			\$1,410,300.00	\$44,325.73	\$36,652.33	\$1,329,321.94
41638-320	2016 Repair and Renovation	\$674,770.00			\$674,770.00	\$8,525.00	\$0.00	\$666,245.00
	R&R Funding Sub-total	\$4,190,497.00			\$5,210,897.42	\$2,457,957.56	\$331,664.08	\$2,421,275.78

Facility Funding

Code/Item	Fund Description	Original Budget	2009 Reversion	2010 Reversion	Revised Budget	PTD Expenses	Commitments	Available Balance
40638-301	Library - Advanced Planning	\$1,000,000.00	\$0.00	\$34,622.00	\$965,378.00	\$965,378.00	\$0.00	\$0.00
40738-301	Library	\$24,920,000.00	\$1,876,110.00		\$23,043,890.00	\$21,386,795.75	\$166,648.00	\$1,490,446.25
	Library Sub-Total	\$25,920,000.00	\$1,876,110.00	\$34,622.00	\$24,009,268.00	\$22,352,173.75	\$166,648.00	\$1,490,446.25
40886-301	Central Storage Facility	\$11,100,000.00	\$862,884.00		\$6,433,571.00	\$6,310,170.83	\$0.00	\$123,400.17
40886-301	Campus Police Facility				\$3,803,545.00	\$3,797,623.55	\$0.00	\$5,921.45
40886-302	Film School Production Design Facility	\$12,900,000.00	\$1,356,172.00		\$11,543,828.00	\$11,045,884.57	\$257,035.45	\$240,907.98
46638-302	NC Connect Bond-Performance Place Misc. Renovation	\$7,900,000.00			\$7,900,000.00	\$0.00	\$30,000.00	\$7,870,000.00
46638-301	NC Connect Bond-Old Library Renovation	\$8,000,000.00			\$8,000,000.00	\$0.00	\$619,595.00	\$7,380,405.00
40838-302	Campus Master Plan	\$499,999.00			\$499,999.00	\$0.00	\$493,000.00	\$6,999.00
311521/180830	Stevens Center Master Plan	\$299,544.77			\$299,544.77	\$133.50	\$292,000.00	\$7,411.27
	Capital Funding Sub-total	\$66,619,543.77	\$4,095,166.00	\$34,622.00	\$62,489,755.77	\$43,505,986.20	\$1,858,278.45	\$17,125,491.12
	Total Capital Project Funding	\$70,810,040.77	\$4,095,166.00	\$34,622.00	\$67,700,653.19	\$45,963,943.76	\$2,189,942.53	\$19,546,766.90

UNCSA Capital Projects Update – April 7, 2017

Project Name: Library Revised Phase 3

Funding New Library \$24,920,000; Project Budget \$1,849,000

Designer Gensler

Est. Timeline Design Start February 2017
Design Finish June 2017
Construction Start September 2017
Construction Finish March 2018

Current Status Schematic design phase is complete. Design Development phase is in progress.

Project Name: Performance Place Renovation

Funding NC Connect Bond Project \$2,900,000
Private Donor \$5,000,000

Designer Vines Architecture

Est. Timeline Design Start February 2017
Design Finish February 2018
Construction Start June 2018
Construction Finish May 2019

Current Status Programming phase is in progress and expected to be completed in April 2017. Contract for remaining design phases is awaiting State Construction Office approval.

Project Name: Old Library Renovation (Connect NC Bond Project)

Funding NC Connect Bond Project \$8,000,000

Designer Szostak Design

Est. Timeline: Design Start February 2017
Design Finish March 2018
Construction Start August 2018
Construction Finish March 2020

Current Status Programming phase is in progress and expected to be completed in April/May 2017.

Project Name: Stevens Center Master Plan

Funding 2016 Carry Forward, Private Funds, & Strategic Initiative Funding –Project Budget \$299,000

Designer Robert A. M. Stern Architects (RAMSA)

Est. Timeline Design Start February 2017
Design Finish August 2017

Current Status Kick-off and Initial design meetings occurred in March 2017. Next meetings with Executive Committee, Deans and Faculty, Departments, Students and External Stakeholders scheduled for April 2017.

Project Name: Campus Master Plan

Funding 2016 Carry Forward, Institutional Trust Funds –Project Budget \$500K

Designer Robert A. M. Stern Architects (RAMSA)

Est. Timeline Design Start February 2017
Design Finish September/October 2017

Current Status Kick-off and Initial design meetings occurred in March 2017. Next meetings with Executive Committee, Deans and Faculty, Departments, Students and External Stakeholders scheduled for April 2017.

Project Name: Commons Boilers Replacement

Funding 2015 Repair & Renovation Funds –Project Budget \$200,000

Designer Charlotte Engineers

Est. Timeline Construction Start May 2017
Construction Finish August 2017

Current Status Project design is complete. Bids are to be received in April 2017

Project Name: Center Stage Fire Alarm System Upgrade

Funding 2015 Repair & Renovation Funds – Project Budget \$415,300

Designer McKim & Creed

Contractor BECO Inc.

Est. Timeline: Construction Start May 2017
Construction Finish August 2017

Current Status Project Design is complete. Bids received and contract awarded to BECO Inc. Bids were within the project budget.

Project Name: Main Entrance Sign Replacement

Funding 2014 Repair & Renovation Funds
Est. Timeline Construction Start May 2017
Estimated completion July 2017
Current Status Design complete. Contract awarded to Piedmont Signs.

Project Name: Gray Building North End Restrooms Fit-up

Funding 2015 Repair and Renovation Funds –Project Budget \$200K
Designer Gensler
Est. Timeline: Design Start February 2017
Design Finish April 2017
Construction Start May 2017
Construction Finish August 2017
Current Status Schematic and Design Development phases are complete. Construction Document phase is in progress. Project to be bid in May 2017.

Project Name: Workplace Dance Locker Room Fit-up

Funding 2015 Repair and Renovation Funds –Project Budget \$120K
Designer Gensler
Est. Timeline: Design Start February 2017
Design Finish April 2017
Construction Start May 2017
Construction Finish August 2017
Current Status Schematic and Design Development phases are complete. Construction Document phase is in progress. Project to be bid in May 2017.



Policy on the Use of Thomas S. Kenan Institute for the Arts Funds

I. Background and Purpose

The Thomas S. Kenan Institute for the Arts (TSK Institute) was established at the North Carolina School of the Arts in 1993. Its mission is to build creative community through partnerships to support creative projects, many of which are associated with the University of North Carolina School of the Arts (UNCSA). The Institute has a professional staff of five, including an executive director, all of whom are UNCSA employees. Its operations are funded by an annual grant from the William Rand Kenan, Jr. Fund for the Arts, supplemented by additional grants, as well as contributed and earned income. These funds are intended to cover all costs of the TSK Institute; state funds are not to be used. The annual budget for expending these funds is created by TSK Institute staff and must be recommended first by the TSK Institute Board of Advisors and then approved by the Board of the William Rand Kenan, Jr. Fund for the Arts before any expenditure is made. The TSK Institute Board of Advisors is elected by the UNCSA Board of Trustees; the Board is chaired by the UNCSA Chancellor, or the Chancellor's designee. The TSK Institute Board of Advisors is governed by its mission, by-laws and policies.

The TSK Institute spending policy ensures that the TSK Institute can carry out its mission effectively and that sound fiscal and legal spending practices exist to govern the expenditures of these funds. All expenditures of TSK Institute funds must comply with **donor intent** and restrictions, as well as any tax or other applicable federal and state regulations.

II. Definition

The annual grant from the William Rand Kenan, Jr. Fund for the Arts is restricted to the administration and programs of the TSK Institute reflected in the approved budget. Additional funds may come from grants, contributed and earned income restricted to one or more programs of the Institute.

TSK funds are held in the UNCSA Foundation account and supervised by the Institute Executive Director in consultation with the UNCSA Chancellor and Provost. All expenditures must be approved in writing by the TSK Institute Executive Director, who is responsible for ensuring that expenditures fall within the approved budget. All expenditures must be accompanied by appropriate documentation, including receipts, date of activities, location, and names of persons involved. For any reimbursement requests, if the Executive Director is unavailable, the Chancellor or Chief Financial Officer may sign a request as long as the reimbursement is not for them. The Executive Director's reimbursements must be approved by the UNCSA Chancellor or Chief Financial Officer.

Approved by TSK Institute Board of Advisors
Revised by AB 04/29/2008
Draft Revision by UNCSA-EC and Kenan ED 10-29-13
Revision Approved by TSKIA BOA 11-08-13
Revised by TSK AD and ED 11-1-16 and 3-3-17

May 16, 2006

III. Program Expenses

The TSK Institute is charged with conceiving, planning and producing a wide variety of events, programs, publications and media involving the stakeholders associated with the strategic mission of the TSK Institute at UNCSCA and among its strategic partners. The expenses for its annual programming are vetted and approved by UNCSCA's Chancellor and the TSK Board of Advisors, annually; as well as its funders. As part of its annual programming budget, TSK Institute pays wages, fees for services, as well as buys supplies and equipment necessary for the execution of their programming.

In addition, TSK Institute may pay or reimburse for the following permitted expenditures.

IV. Permitted Expenditures

A. Travel

The TSK Institute will pay the current state rate for reimbursement of mileage for use of a personal vehicle, car rental and economy airfare for air travel. TSK Institute may reimburse "economy plus" air fare for trips over four hours, TSK Institute may pay for business/first class airfare if required by a guest artist or required because of reasonable accommodations for a disability. The TSK Institute will reimburse travel for its staff, Board of Advisors, guest artists, program staff (including temporary and contracted employees), candidates for employment as Executive Director, and others deemed as appropriate by the Executive Director. Some projects may require international travel for TSK Institute staff, project leaders, participants, and Board of Advisors. The TSK Institute Executive Director may use his/her discretion to reimburse business class travel for international trips.

B. Meals and Lodging

Generally, TSK Institute will pay the current state rate *per diem* for meals and lodging for travel on TSK Institute business. TSK Institute will pay all reasonable and appropriate meals and lodging costs for Board of Advisors events, entertaining donors, foundation or business representatives, or social events related to TSK Institute programs. The Executive Director may use his/her discretion in approving travel costs that exceed the state rate. Approved expenses incurred by the Board of Advisors, individuals working on TSK Institute projects, and TSK Institute staff will be reimbursed upon submission of receipts to the TSK Institute office. The TSK Institute Executive Director may at times approve costs for working lunches for TSK Institute staff, TSK Institute Board of Advisors, UNCSCA faculty and administration working on behalf of TSK Institute, retreats for staff and/or Board of Advisors, and committees working on TSK projects.

Based on the location and timing of programmatic work of the Institute, it may become necessary to obtain lodging in a privately-owned house, condominium or

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apartment to house guest artists, project directors/managers, staff and other participants who are in the process of implementing and completing project work. At the Executive Director's discretion, TSKIA can engage a third-party lodging service (including but not limited to online services) to obtain and process lodging as needed for participants in Institute related programs and projects.

C. Alcoholic Beverages

The TSK Institute will pay for alcoholic beverages for events associated with Board of Advisors events, entertaining donors, foundation or business representatives, or social events related to TSK Institute projects. All use of TSK Institute funds for this purpose must abide by laws ensuring that minors are not consuming alcoholic beverages and that appropriate permissions have been granted to serve alcoholic beverages. The TSK Institute will follow the UNCOSA policy on the use of alcoholic beverages at school events.

D. Personal Support

The TSK Institute will not provide funds for personal support such as clothing, household items, or medical or personal services such as massages, cosmetics, or hair care, except as necessary to an approved program. Other exceptions are furniture and household items for the TSK Institute offices, artwork for offices or common areas, or items associated with a project that are necessary to the integrity of that event.

E. Registrations for Conferences, Meetings, Special Events

The TSK Institute will pay for staff to attend conferences related to programs, professional development or peer associations, within the constraints of the approved budget. Optional conference events related to TSK Institute business such as tours and arts events can also be included within reasonable limits.

F. Tickets and other Admission Costs

The TSK Institute will pay the admission cost for performances associated with entertaining the Board of Advisors, donors or potential program partners and funders. Likewise, tickets costs related to TSK Institute programs and TSK Institute strategic mission are legitimate costs. The Executive Director may use his/her discretion in approving ticket and other admission costs for spouses/partners of TSK Institute staff, UNCOSA faculty and administration, Board of Advisors, donors or potential program partners.

G. Flowers and Gifts

TSK Institute funds at the Executive Director's discretion may be used to purchase the following items including but not limited to get well gifts, retirement gifts, thank-you gifts, holiday gifts or flowers for staff, guest artists, project managers, program partners and donors as well as flowers and decorations for events.

H. Club Memberships

Club memberships for the purpose of entertaining donors and UNCSA guests are permissible, subject to approval by the TSK Institute Board of Advisors.

I. Moving Expenses

TSK Institute funds may be used to cover moving expenses for new TSK Institute EPA employees as a part of the initial offer of employment. Requests for the use of such funds must be approved by the UNCSA Chancellor or Chief Financial Officer.

J. Donations or Contributions

TSK Institute funds cannot be used to make political contributions. TSK Institute funds may be used to make contributions to non-profit organizations if the contribution is related to the work of the Institute, including but not limited to, the purchase of a table at a fundraising event or the purchase of advertising space in a program, brochure, or newsletter that promotes the Institute or one of its projects is allowable. TSK Institute funds may be used for a donation to a non-profit or charitable organization in lieu of flowers (for a death or serious illness, for example).

The TSK Institute will re-grant funds to other non-profit organizations for purposes designated in a project proposal which has been recommended by the Board of Advisors and approved by the William Rand Kenan, Jr. Fund for the Arts. In such cases, TSK Institute staff will follow its re-granting guidelines.

K. Spouse/Partner Expenses (travel, meals, other)

There are events for which the Executive Director's spouse may be an important contributor and in such cases the Institute will cover all travel and meal expenses for the executive director's spouse, with prior approval by the Chancellor or Chief Financial Officer. Under special circumstances and with the prior approval of the Chancellor, TSK Institute may also cover the appropriate travel costs for the spouse/significant other of the Board of Advisors or other school employees. It is often appropriate to invite spouses/significant others of UNCSA employees to dinners related to TSK Institute programs and in such cases, TSK Institute will pay for those meals.

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L. Salaries, Salary Supplements

TSK Institute funds may be used to pay salaries and supplemental payments for its staff and for UNCOSA employees engaged in work related to TSK Institute programs, provided that compensation is established by the school according to salary administration policies created by the Office of State Personnel for SPA employees and according to the Board of Governors' annual resolution on salary matters for faculty and non-faculty EPA employees. In the case of supplemental payments to UNCOSA employees, TSK Institute will follow its faculty/staff compensation guidelines.

M. Scholarships

TSK Institute funds are not to be used to support UNCOSA student scholarships. The exception is a contribution to an UNCOSA scholarship fund in honor of a departing colleague, as a memorial, or in other special circumstances.

N. Building, Equipment, Renovations, Repairs

TSK Institute funds may be used for the purchase of equipment and for repair and renovations of TSK Institute office equipment and building.

O. Petty Cash

The TSK Institute can maintain a petty cash fund of \$300 for the purposes of covering minor purchases (under \$30 per transaction) by staff and/or project leaders upon submission of an original receipt. The Executive Director reserves the right to decline reimbursement for any expense deemed inconsistent with TSK Institute's mission. Petty cash will be kept in a locked box, bolted within a desk.

P. Expenditures not Allowable

TSK Institute funds may not be used to pay for memberships in non-job related professional societies, air travel clubs, health club memberships, or hotel amenities such as movies. Funds may not be used for the payment of fines or parking tickets.

V. Approvals

Both the UNCOSA Foundation and UNCOSA's Financial Services may receive and account for TSK Institute's funds on their behalf, depending on their source. All funds, including administrative and program costs, disbursed from the TSK Institute must have the written approval of the Executive Director, or in his/her absence or circumstances noted above, the approval of UNCOSA Chancellor or its Chief Financial Officer.

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If at any time the UNCOSA Foundation or UNCOSA Controller or an Advisory Board Member believes that an individual is abusing this privilege, he or she shall inform the Chancellor or Chief Financial Officer. If the circumstance involves the Chancellor serving or chair of the advisory board, the vice-chair of the TSK Institute Board of Advisors shall contact the chair of the UNCOSA Board of Trustees.

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