



UNT | SYSTEM™

Board Agenda

August 21-22, 2014
Board of Regents Meeting
University of North Texas System
Room 712
1901 Main Street
Dallas, Texas

1. CALL TO ORDER

Convene Full Board

Chancellor's Remarks

Lee Jackson, Chancellor, UNT System

- Financial Transformation Progress
- Law School Start and Transition to UNT Dallas
- Legislative Appropriations Request Submissions
- Outcomes Funding

Commissioner's Report – TO BE RESCHEDULED

~~Dr. Raymond Paredes, Commissioner of Higher Education, Texas Higher Education Coordinating Board~~

- ~~• Laying the Foundation for the Future of Higher Education~~

2. CONSENT AGENDA

- | | |
|---------------------|--|
| 2014-50 UNTS | Approval of the Minutes of May 28, 2014 Special Called Board Meeting by Teleconference |
| 2014-51 UNTS | Approval of the Minutes of June 12, 2014 Board Meeting |
| 2014-52 UNTS | Approval of the Minutes of July 10, 2014 Special Called Board Meeting by Teleconference |
| 2014-53 UNTS | Approval of the Minutes of the July 25, 2014 Special Called Board Meeting by Teleconference |

2014-54 UNTS	Statement Expressing Official Intent to Reimburse Costs of the University of North Texas System
2014-55 UNT	Approval of Tenure Recommendations for New Faculty Appointees
2014-56 UNTD	Approval of Tenure Recommendation for New Faculty Appointee
2014-57 UNT	Approval of the UNT Jon Kellis Steel Drum Room Honoric Naming
2014-58 UNT	Budget Approval and Authorization for Construction for Marquis Hall Renovations

3. EXECUTIVE SESSION

Recess for Executive Session (Room 711)

Government Code, Chapter 551, Section .071 - Consultation with Attorneys Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers

- Consultation with counsel regarding confidential legal matters, including pending, threatened, and contemplated litigation or settlement offers
- Consultation with counsel regarding contemplated, ongoing and/or finalized investigations and any findings, conclusions or recommendations related to those investigations
- Consultation with counsel on the status of negotiations and/or compliance with contracts and agreements, including but not limited to legal obligations and duties and any and all related facts
- Consultation with counsel regarding legal issues related to investigation into state funded employee benefits
- Consultation with counsel regarding legal issues related to debt, debt financing, and related disclosures
- Consultation with counsel regarding legal duties and responsibilities of members of the Board of Regents

Government Code, Chapter 551, Section .072 - Deliberations Regarding the Purchase, Exchange, Lease or Value of Real Property

- Consideration of matters related to the purchase, exchange, lease and value of real property located in Dallas, Denton, and Tarrant Counties

Government Code, Chapter 551, Section .074 - Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Discipline, or Dismissal of Officers or Employees

- Consideration of individual personnel matters related to the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of University and System officers and employees

Reconvene the Board in Open Session (Room 712) to consider action on Executive Session items, if any

Recess full Board for Academic Affairs and Student Success, Finance, Facilities and Audit Committee meetings

4. COMMITTEE MEETINGS

ACADEMIC AFFAIRS AND STUDENT SUCCESS COMMITTEE

Call to Order

Approval of Minutes of June 12, 2014

BRIEFINGS

UNT Planning Update

- Dr. Neal Smatresk, President, UNT

UNT's College of Business – “Business Leadership Starts Here”

- Dr. Finley Graves, Dean, UNT College of Business

ACTION ITEM

2014-59 UNTS Approval and Ratification of 2014-2015 Admission Standards for UNT System Institutions

BACKGROUND REPORT

A. UNT Report of Faculty on Modified Service 2013-2014

Adjourn Academic Affairs to lunch, followed by Finance Committee

FINANCE COMMITTEE

Call to Order

Approve Minutes of June 12, 2014 and July 28, 2014

BRIEFINGS

Reconciliation, Business Process, and Governance

- Blake Rodgers, Deloitte
- Janet Waldron, Vice Chancellor for Finance

Financial Ratios

- Janet Waldron, Vice Chancellor for Finance
- Michael Williams, President of UNT Health Science Center
- John Harman, Vice President and CFO, UNT Health Science Center

ACTION ITEMS

- | | |
|-----------------------|--|
| 2014-60 UNT | FY 2014 UNT Budget Amendment (Materials added 9/19/2014) |
| 2014-61 UNTS | FY 2015 Consolidated Budget for UNT, UNTD, UNTHSC and UNTS (Materials added 9/19/2014) |
| 2014-62 UNTS | Approval of Amendments to System Regulation 08.2000, <i>Investment of System Funds and Associated Institution's Endowment Policies</i> |
| 2014-63 UNTHSC | Delegation of Authority to the Chancellor for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2015 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver), and Update of Estimate IGT Amounts through FY 2015 |
| 2014-64 UNTHSC | UNTHSC Plan for Professional Medical Malpractice Self-Insurance Annual Report and Approval of FY 2015 Premium Rates |
| 2014-65 UNTHSC | Approval of Subaward Number RF0051-2015-01 with Tarrant County Public Health under CDC Grant 200-2011-41271 |

BACKGROUND REPORTS

B. UNTS ~~Strategic Budget Update Q3 FY2014~~ **Withdrawn**

**C. UNTS Financial Briefing Book
(Materials added 9/19/2014)**

Adjourn Finance Committee to Facilities Committee

FACILITIES COMMITTEE

Call to Order

Approve Minutes of June 12, 2014

BRIEFING

New Student Residence Hall (Rawlins Hall) Project Progress and Planned Central Pathway through the UNT Campus

- James Maguire, Vice Chancellor for Facilities Planning and Construction

ACTION ITEMS

**2014-66 UNTS Update to the Project Budget and Project Scope for
the UNT Science Research Building Renovation**

BACKGROUND REPORTS

D. UNT Capital Projects Plan Update

E. UNTHSC Capital Projects Plan Update

F. UNTS Construction and Major Renovation Projects Status Report

Adjourn Facilities Committee to Audit Committee

AUDIT COMMITTEE

Call to Order

Approve Minutes of June 12, 2014 and July 10, 2014

BRIEFINGS

Internal Audit August Report

- Michelle Finley, UNT System Chief Internal Auditor

Consolidated Compliance Report

- Steve Hill, UNT System Compliance Officer
- Anne Long, UNTHSC Compliance Officer

ACTION ITEMS

2014-67 UNTS FY 2015 UNT System Internal Audit Plan

2014-68 UNTS FY 2015 Compliance Risk Assessment and Work Plan

BACKGROUND REPORTS

G. UNTS Internal Audit August Report for April 2014 through August 2014

H. UNTS Consolidated Compliance Report March 2014 through May 2014

Adjourn Audit Committee to full Board

Reconvene full Board and Approve Items from Committees

5. ACTION ITEMS

Academic Affairs and Student Success Committee

2014-59 UNTS Approval and Ratification of 2014-2015 Admission Standards for UNT System Institutions

Finance Committee

2014-60 UNTS FY 2014 UNT Budget Amendment (Materials added 9/19/2014)

2014-61 UNTS FY 2015 Consolidated Budget for UNT, UNTD, UNTHSC and UNTS (Materials added 9/19/2014)

- 2014-62 UNTS Approval of Amendments to System Regulation 08.2000, *Investment of System Funds and Associated Institution's Endowment Policies*
- 2014-63 UNTHSC Delegation of Authority to the Chancellor for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2015 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver), and Update of Estimate IGT Amounts through FY 2015
- 2014-64 UNTHSC UNTHSC Plan for Professional Medical Malpractice Self-Insurance Annual Report and Approval of FY 2015 Premium Rates
- 2014-65 UNTHSC Approval of Subaward Number RF0051-2015-01 with Tarrant County Public Health under CDC Grant 200-2011-41271

Facilities Committee

- 2014-66 UNTS Update to the Project Budget and Project Scope for the UNT Science Research Building Renovation

Audit Committee

- 2014-67 UNTS FY 2015 UNT System Internal Audit Plan
- 2014-68 UNTS FY 2015 Compliance Risk Assessment and Work Plan

6. BACKGROUND REPORTS

- A. UNT Report of Faculty on Modified Service 2013-2014
- B. UNTS ~~Strategic Budget Update Q3 FY2014~~ **Withdrawn**
- C. UNTS Financial Briefing Book
(Materials added 9/19/2014)
- D. UNT Capital Projects Plan Update
- E. UNTHSC Capital Projects Plan Update
- F. UNTS Construction and Major Renovation Projects Status Report

G. UNTS **Internal Audit August Report for April 2014 through August 2014**

H. UNTS **Consolidated Compliance Report March 2014 through May 2014**

Recess to reconvene at 8:00 am on Friday, August 22

FRIDAY, AUGUST 22 – 8:00 am

7. Reconvene Full Board

8. EXECUTIVE SESSION

Recess for Executive Session (Room 711)

Government Code, Chapter 551, Section .071 - Consultation with Attorneys Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers

- Consultation with counsel regarding confidential legal matters, including pending, threatened, and contemplated litigation or settlement offers
- Consultation with counsel regarding contemplated, ongoing and/or finalized investigations and any findings, conclusions or recommendations related to those investigations
- Consultation with counsel on the status of negotiations and/or compliance with contracts and agreements, including but not limited to legal obligations and duties and any and all related facts
- Consultation with counsel regarding legal issues related to investigation into state funded employee benefits
- Consultation with counsel regarding legal issues related to debt, debt financing, and related disclosures
- Consultation with counsel regarding legal duties and responsibilities of members of the Board of Regents

Government Code, Chapter 551, Section .074 - Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Discipline, or Dismissal of Officers or Employees

- Consideration of individual personnel matters related to the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of University and System officers and employees
- Consideration of individual personnel matters related to the employment agreement with the UNT System Chief Internal Auditor, and possible action
- Consideration of individual personnel matters related to the evaluation of the UNT President
- Consideration of individual personnel matters related to the evaluation of the UNTHSC President
- Consideration of individual personnel matters related to the evaluation of and employment agreement with the UNT System Chancellor, and possible action

Reconvene the Board in Open Session (Room 712) to consider action on Executive Session items, if any

ADJOURNMENT



Board Order

Title: Approval of the Minutes of the May 28, 2014 Special Called Board Meeting by Teleconference

Board of Regents Order 2014-50

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the minutes of the May 28, 2014 special called meeting by teleconference of the UNT System Board of Regents have been prepared by the Board Secretary and are attached here for Board approval,

Now, Therefore, The Board of Regents approves the following:

1. The minutes of the May 28, 2014 special called meeting by teleconference of the UNT System Board of Regents
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Order

Title: Approval of the Minutes of the June 12, 2014 Board Meeting

Board of Regents Order 2014-51

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the minutes of the June 12, 2014 meeting of the UNT System Board of Regents have been prepared by the Board Secretary and are attached here for Board approval,

Now, Therefore, The Board of Regents approves the following:

1. The minutes of the June 12, 2014 meeting of the UNT System Board of Regents
-

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Order

Title: Approval of the Minutes of the July 10, 2014 Special Called Board Meeting by Teleconference

Board of Regents Order 2014-52

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the minutes of the July 10, 2014 special called meeting by teleconference of the UNT System Board of Regents have been prepared by the Board Secretary and are attached here for Board approval,

Now, Therefore, The Board of Regents approves the following:

1. The minutes of the July 10, 2014 special called meeting by teleconference of the UNT System Board of Regents
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Order

Title: Approval of the Minutes of the July 25, 2014 Special Called Board Meeting by Teleconference

Board of Regents Order 2014-53

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the minutes of the July 25, 2014 special called meeting by teleconference of the UNT System Board of Regents have been prepared by the Board Secretary and are attached here for Board approval,

Now, Therefore, The Board of Regents approves the following:

1. The minutes of the July 25, 2014 special called meeting by teleconference of the UNT System Board of Regents
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Briefing

Committee: Consent

Date Filed: July 29, 2014

Title: Statement Expressing Official Intent to Reimburse Costs of the University of North Texas System

Background:

For the University of North Texas System ("System") to proceed with the design, planning, acquisition and/or construction of various capital projects, costs (not to exceed \$740,000,000) will be incurred prior to the issuance of debt obligations, or establishment of other funding mechanisms, to finance the projects.

It is intended that the System reimburse itself for such payments through the issuance of debt obligations, or other funding mechanisms, to finance the projects, as permitted by law.

Financial Analysis/History:

The appropriate analysis is provided in the background statement provided above. A list of proposed projects and potential financing options is attached as support for information purposes only. Projects may change in scope and cost.

Janet Waldron
Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice
Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:16:57 -0500

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer
Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 16:55:28 -0500

Vice Chancellor/General Counsel

Schedule:

N/A

Recommendation:

It is recommended that the Board of Regents authorize UNT System Institutions to reimburse themselves for costs (not to exceed \$740,000,000) incurred prior to the issuance of debt instruments or other method of project financing

Recommended By:

Janet Waldron

Vice Chancellor for Finance

Lee Jackson

Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of
North Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu,
c=US
Date: 2014.08.19 10:37:12 -05'00'

Chancellor

Attachment Filed Electronically (List each item):

- **Bond Project List**



Board Order

Title: Statement Expressing Official Intent to Reimburse Costs of the University of North Texas System

Board of Regents Order 2014-54

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent , the Board approved the motion presented below:

Whereas, the University of North Texas System ("System") wishes to proceed expeditiously with the design, planning, acquisition and/or construction of various capital projects and

Whereas, costs will be incurred prior to the issuance of obligations, or establishment of other funding mechanisms, to finance the projects, and

Now, Therefore, The Board of Regents authorizes and approves the following:

1. UNT System Institutions may reimburse themselves for costs (not to exceed \$740,000,000) incurred prior to the issuance of debt instruments or other method of project financing. Debt instruments shall be issued within 18 months of the later of (i) the date the expenditures are paid or (ii) the date on which the property, with respect to which such expenditures were made, is placed in service; and the foregoing notwithstanding, the debt instruments will not be issued on a date that is more than three years after the date any expenditure which is to be reimbursed is paid.

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents

UNT | SYSTEM™

Proposed Bond Projects

Tuition Revenue Bonds & Non-Tuition Revenue Bonds

<u>New Projects:</u>	TRB	NON TRB	Total
UNT			
College of Visual Arts and Design	\$82,800,000	\$9,200,000	\$92,000,000
Science and Technology Research Building	\$88,200,000	\$9,800,000	\$98,000,000
Union Renovation & Expansion		\$120,400,000	\$120,400,000
Residence Hall		\$37,100,000	\$37,100,000
UNT Dallas			
Library and Student Success Center	\$70,000,000	\$0	\$70,000,000
UNT HSC			
Interdisciplinary Research Building	\$96,800,000	\$24,200,000	\$121,000,000
System Administration			
College of Law Building Renovation	\$56,000,000	\$29,000,000	\$85,000,000
Subtotal New Money:	\$393,800,000	\$229,700,000	\$623,500,000
<u>Potential Refundings:</u>			
Series 2003A	\$6,185,000		\$6,185,000
Series 2005	\$22,180,000	\$11,330,000	\$33,510,000
Series 2007		\$45,605,000	\$45,605,000
Subtotal Potential Refunding:	\$28,365,000	\$56,935,000	\$85,300,000
<u>Potential Refunding Commercial Paper:</u>			
UNT Stadium		\$21,690,000	\$21,690,000
<u>Estimated Financing Costs</u>			
Underwriter Discount, costs of issuance, potential capitalized interest			\$4,794,800
Total			\$735,284,800
Round up			\$740,000,000



Board Briefing

Committee: Consent

Date Filed: June 17, 2014

Title: Approval of Tenure Recommendations for New UNT Faculty Appointees

Background:

In accordance with UNT Policy 15.0.1.00000, *Faculty Appointment and the Granting of Tenure and Promotion*,

15.0.2.32000 Maximum Probationary Period

"The maximum probationary period is defined as the maximum amount of time a faculty member may be appointed in probationary ranks in the university. **This period shall be specified for each individual at the time of his or her initial appointment.**

Except as otherwise stated in this and related sections of policy, the maximum probationary period is the equivalent of six years of full-time service in the university at the rank of assistant professor, or three years of full-time service in the university at the rank of associate or full professor."

"These provisions do not preclude a recommendation for the granting of tenure or a non-retention decision at any time prior to the expiration of the maximum probationary period."

15.0.6.31300 Review of Dossier by Provost

"Recommendations for tenure are sent to the President. The President then transmits his or her recommendations for tenure to the Board of Regents."

Cory Armstrong received a Bachelor's (1991) in English from Miami University and a Master's (2001) degree in Mass Communications from the University of Wisconsin-Madison. She received her PhD in Mass Communications from the University of Wisconsin-Madison in 2004. Dr. Armstrong provides expertise in gender representation in media and has eight years of professional newspaper industry experience. Dr. Armstrong served as an Associate Professor with tenure (2009-2014) and Assistant Professor (2004-2009) at the University of Florida. Since 2005, she has also served as affiliated faculty with the Center for Women's Studies and Gender Research at the University of Florida. She has over twenty-eight peer-reviewed publications, appearing in *Journalism & Mass Communication Quarterly*, *Journal of Broadcasting & Electronic*

Journalism Studies, Mass Communication & Society, and Journal of Health Communication, and has completed an edited book. Dr. Armstrong served as an associate editor of *Mass Communication & Society* and served on the editorial board of *Newspaper Research Journal*. She formerly served on the executive board of Association for Education in Journalism and Mass Communication, as chair of the Commission on the Status of Women. Dr. Armstrong has presented 34 conference papers, and has been awarded a number of university grants. She has also been awarded external grants from renowned entities such as the Association for Education in Journalism and Mass Communication. Dr. Armstrong will join the Frank W. and Sue Mayborn School of Journalism in August 2014, serving as Faculty Director and Professor of Journalism.

Molly Fillmore received a Bachelor's (1994) in Vocal Performance from American University and a Master's in Music (1996) from the University of Maryland. Professor Fillmore has served as a faculty member at Michigan State University since 2004, where she currently serves as a tenured Associate Professor, and developed an interdisciplinary approach to teaching vocal literature. Professor Fillmore has performed over 60 times at the Metropolitan Opera in New York City, with the recording of a recent performance winning a Grammy Award. She recently performed the lead soprano role in *Die Tote Stadt* in St. Gallen, Switzerland. Professor Fillmore's national and international performances of great professional significance include performing with top symphony orchestras in the country, including the Seattle and Detroit Symphonies. Professor Fillmore has over 20 students who have achieved professional engagements or were awarded prizes at competitions, and several of her former students hold academic appointments. She served on key university committees as well as the Michigan State University Faculty Senate. Her involvement with students is exemplified by her creation of an annual Schubertiade for students, involving them in the community through outreach programs and benefit concerts. Professor Fillmore will join the College of Music in September 2014, as a Professor of Vocal Studies.

Tyson Lewis received a Bachelor's (2000) in Art History from the University of Colorado, and a Master's (2002) degree in Museum Studies from the University of Denver. He received his PhD in Social Sciences and Comparative Education with a concentration in Philosophy of Education from the UCLA in 2006. Dr. Lewis provides expertise in critical pedagogy and educational/aesthetic philosophies. Dr. Lewis has served as the Director of Graduate Program in Pedagogy and Philosophy and Associate Professor with tenure at Montclair State University since 2011. He taught a variety of graduate and undergraduate courses in this role, as well as serving on a variety of interdisciplinary committees. Dr. Lewis served as a visiting professor at the Institute for Doctoral Studies in the Visual Arts from 2011-2012. He has over thirty published articles in journals such as *Curriculum Inquiry, Educational Theory, Journal of Aesthetic Education, The Journal of Philosophy of Education, Educational Philosophy and Theory, and Studies in Philosophy and Education*. Dr. Lewis has two single-authored books, with another manuscript under review. He is a member of the American Education Research Association where he served as a proposal reviewer from 2006-2011. Dr. Lewis is also a member of the National Art Education Association and the American Educational Studies Association. Dr. Lewis has been awarded a number of fellowships and in 2010 was recognized by Montclair State as most outstanding young faculty. He has been invited to give

keynote lectures at universities such as Columbia, Princeton, CUNY, and Adelphi. Dr. Lewis will join the College of Visual Arts and Design in September 2014 as an Associate Professor of Art Education and Art History.

Lee Walker received a Bachelor's (1982) in Political Science from Mercer University, Bachelor's (1996) in Spanish from Georgia College, and a Master's (1998) degree in Latin American Studies from the University of Florida. He received his PhD in Political Science from the University of Florida in 2003. Dr. Walker provides expertise in Latin American Politics, Comparative Judicial Behavior and Methodology, and builds strength in the Race and Ethnic Politics segment of the department. Dr. Walker served as an Assistant Professor (2006-2011) and as Associate Professor (2011-2014) of Political Science with tenure at the University of South Carolina, teaching a variety of classes. He has served as the Director of Graduate Studies for the department of Political Science at the University of South Carolina since 2011. Additionally, Dr. Walker instructed courses at the University of Michigan during the summers of 2008 and 2009. He has 10 published or accepted manuscripts, publishing in both field journals as well some of the leading general journals within the discipline (*American Journal of Political Science* and *Journal of Politics*). Dr. Walker has published as sole author and has numerous manuscripts and a book under review. Dr. Walker is a member of several sections of the American Political Science Association and the Midwest Political Science Association. He served as a member of the Editorial Board of *Political Analysis* from 2008-2010, and was selected to serve on the Executive Council of the Southern Political Science Association from 2012-2015. Dr. Walker has received numerous awards, grants and fellowships including three grants from the National Science Foundation (NSF), and a visiting scholar fellowship at Harvard University. Dr. Walker will join the College of Arts and Sciences in September 2014 as an Associate Professor of Political Science.

Financial Analysis/History:

In general, the award of tenure carries with it the assurance of continued employment absent the showing of good cause for termination.

Bob Brown Digitally signed by Bob Brown
DN: cn=Bob Brown, o=University of North Texas, ou=VP for Finance and Administration,
email=bob.brown@unt.edu, c=US
Date: 2014.08.07 09:57:07 -05'00'

Institution Chief Financial Officer

Janet Waldron Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:18:25 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 16:56:09 -05'00'

Schedule:

Tenure will be awarded for Cory Armstrong, Molly Fillmore, Tyson Lewis and Lee Walker on their first day of employment at UNT.

Recommendation:

The President recommends that the Board of Regents authorize and approve the award of tenure for Cory Armstrong, Molly Fillmore, Tyson Lewis and Lee Walker.

Recommended By:

Warren Burggren

Provost and VPAA

Neal
Smatresk

Digitally signed by Neal Smatresk
DN: cn=Neal Smatresk, o=University
of North Texas, ou=President,
email=neal.smatresk@unt.edu, c=US
Date: 2014.08.13 09:10:18 -05'00'

President

Rosemary
R. Haggett

Digitally signed by Rosemary R. Haggett
DN: cn=Rosemary R. Haggett, o=University
of North Texas System, ou=Vice Chancellor
for Academic Affairs and Student Success,
email=rosemary.haggett@untsystem.edu,
c=US
Date: 2014.08.08 09:35:20 -05'00'

Vice Chancellor

Lee
Jackson

Digitally signed by Lee Jackson
DN: cn=Lee Jackson,
o=University of North Texas
System, ou=Chancellor,
email=lee.jackson@untsystem.ed
u, c=US
Date: 2014.08.19 10:42:27 -05'00'

Chancellor



Board Order

Title: Approval of Tenure Recommendations for New UNT Faculty Appointees

Board of Regents Order 2014-55

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, in accordance with UNT Policy 15.0.1.00000, *Faculty Appointment and the Granting of Tenure and Promotion*,

“The maximum probationary period is defined as the maximum amount of time a faculty member may be appointed in probationary ranks in the university,” and

Whereas, this period shall be specified for each individual at the time of his or her initial appointment,” and

Whereas, “these provisions do not preclude a recommendation for the granting of tenure at any time prior to the expiration of the maximum probationary period,” and

Whereas, Cory Armstrong, Molly Fillmore, Tyson Lewis and Lee Walker were all awarded tenure at their previous institutions, and

Whereas, Cory Armstrong, Molly Fillmore, Tyson Lewis and Lee Walker, all have the credentials and experience to be awarded tenure as confirmed by the department, college and provost, and

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Confer tenure for Cory Armstrong, Molly Fillmore, Tyson Lewis and Lee Walker on their first day of employment at the University of North Texas.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Briefing

Committee: Consent

Date Filed: July 17, 2014

Title: Approval of Tenure Recommendation for New UNT Dallas Faculty Appointee

Background:

In accordance with the University of North Texas at Dallas Policy 6.009 Tenure and/or Promotion Review, " the President, in consultation with the Provost, is responsible for ensuring that any individual who is considered for tenure before the institution has a sufficient number of faculty with the credentials necessary to establish departmental, division and/or institutional promotion and tenure committees, has demonstrated significant academic work in his or her academic discipline; demonstrated excellence and substantial professional achievements in the areas of teaching and student success, research, scholarly and creative activities, and service and public engagement in the context of, and consistent with, levels expected at peer or aspirational peer programs; and demonstrated a desire to work as a member of a group and understands the nature of membership in a community of scholars. The President may appoint an ad hoc committee on tenure and promotion to assist with this responsibility. "

Dr. Daniel Edelman, PhD, CPA was hired on July 1, 2014 at UNT Dallas as Chief Financial Officer and Vice President for Finance and Administration and Professor of Accounting in the Division of Business. Dr. Edelman comes to UNT Dallas from Texas A&M-Commerce where he served as Associate Provost and Vice President of Academic Affairs, as well as Interim Dean of the College of Science, Engineering and Agriculture. Prior to that Edelman was Interim Provost and Vice President of Academic Affairs and Head of the Department of Accounting, among other responsibilities. He also held tenure at Texas A&M-Commerce.

Edelman has a long history in education having served at the Illinois Institute of Technology, St. Xavier University and Roosevelt University in Chicago. Prior to his career in education he served in various corporate positions.

Dr. Edelman earned his PhD from the Illinois Institute of Technology, his Master of Science in accounting from Roosevelt University and his Bachelor of Business Administration from Loyola University. Edelman has published a number of papers and manuscripts, we well as taught a number of courses, primarily in accounting.

Vice President Edelman is a member of the Texas Society of Certified Public Accountants, Association of Certified Fraud Examiners, American Institute of Certified Public Accountants, the American Accounting Association and Dallas CPA Society.

After review of his qualifications, the UNT Dallas Tenure and Promotion committee, made up of tenured faculty and chaired by the Dean of Education and Human Services, unanimously recommended that tenure be granted to Dr. Daniel Edelman. The recommendation was presented to the president from the provost. The president concurred with the recommendation.

Financial Analysis/History:

In general, the award of tenure carries with it the assurance of continued employment absent the showing of good cause for termination.

Janet Waldron Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice Chancellor
for Finance, email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:19:29 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 16:56:44 -05'00'

Vice Chancellor/General Counsel

Schedule: Tenure will be effective immediately upon Board approval.

Recommendation:

The President recommends, with the concurrence of the Chancellor, that the Board of Regents authorize and approve the award of tenure for Dr. Daniel Edelman.

Recommended By:

Lois Becker

Provost and Vice President
Ronald T. Brown Digitally signed by Ronald T. Brown
DN: cn=Ronald T. Brown, o=UNT
Dallas, ou=Office of the President,
email=rtbrown@unt.edu, c=US
Date: 2014.08.13 07:46:12 -05'00'

President

Rosemary R. Haggett Digitally signed by Rosemary R. Haggett
DN: cn=Rosemary R. Haggett, o=University of North
Texas System, ou=Vice Chancellor for Academic
Affairs and Student Success,
email=rosemary.haggett@untsystem.edu, c=US
Date: 2014.08.08 10:27:18 -05'00'

Vice Chancellor

Lee Jackson Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of
North Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu,
c=US
Date: 2014.08.19 10:43:03 -05'00'

Chancellor



Board Order

Title: Approval of Tenure Recommendation for UNT Dallas New Faculty Appointee

Board of Regents Order 2014-56

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, in accordance with the University of North Texas at Dallas Policy 6.009 Tenure and/or Promotion Review, the President, in consultation with the Provost, is responsible for ensuring that any individual who is considered for tenure has the necessary credentials before the institution has a sufficient number of faculty with the credentials necessary to establish departmental, division and/or institutional promotion and tenure committees, and the President may appoint an ad hoc committee on tenure and promotion to assist with this responsibility, and

Whereas, Dr. Daniel Edelman came to UNT Dallas in 2014 from Texas A&M-Commerce as an administrator and tenured Professor in the Department of Accounting, and

Whereas, Dr. Daniel Edelman previously held tenure at Texas A&M-Commerce, and

Whereas, Dr. Daniel Edelman has a proven record as an administrator and accounting and teacher educator.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The conferring of tenure to Dr. Daniel Edelman, effective immediately.
-

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Briefing

Committee: Consent

Date Filed: July 17, 2014

Title: Approval of the UNT Jon Kellis Steel Drum Room Honorific Naming

Background:

In recognition of the motivational impact of Jon Kellis to the percussion program of the UNT College of Music, UNT requests that the Board of Regents approve the honorific naming of the College of Music Annex Room 102 (957 sq. feet) as the *Jon Kellis Steel Drum Room*.

Toward the end of his doctoral studies at UNT, Jon Kellis was killed crossing the street near campus. Jon’s legacy has inspired UNT music students, as well as donors who have created an endowed scholarship fund and expendable scholarships to support the music program, its students and faculty.

The naming of this room complies with Board of Regents Rule 09.200 and UNT Policy 19.6.

Financial Analysis/History:

The room and equipment are currently in place; there will be a small plaque created but there are no financial implications.

Bob Brown

Digitally signed by Bob Brown
DN: cn=Bob Brown, o=University of North Texas, ou=VP for Finance and Administration,
email=bob.brown@unt.edu, c=US
Date: 2014.08.07 09:57:50 -05'00'

Institution Chief Financial Officer

Janet Waldron

Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:20:37 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 16:57:20 -05'00'

Vice Chancellor/General Counsel

Schedule:

A plaque will be placed during the 2014-15 Academic Year.

Recommendation:

It is recommended that the Board of Regents authorize and approve the following Board Order.

Recommended By:

Michael Monticino

Vice President for Advancement

Neal

Smatresk

Digitally signed by Neal Smatresk
DN: cn=Neal Smatresk, o=University of
North Texas, ou=President,
email=neal.smatresk@unt.edu, c=US
Date: 2014.08.13 09:11:06 -05'00'

President

Lee

Jackson

Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University
of North Texas System,
ou=Chancellor,
email=lee.jackson@untsystem.edu
, c=US
Date: 2014.08.19 10:43:49 -05'00'

Chancellor



Board Order

Title: Approval of the UNT Jon Kellis Steel Drum Room Honorific Naming

Board of Regents Order 2014-57

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the naming of the Jon Kellis Steel Drum Room complies with UNT Policy 19.6, and

Whereas, the naming of this room complies with Board of Regents Rule 09.200, and

Whereas, the naming of this room will recognize the dedication, accomplishment and generosity of Jon Kellis whose message and memory have become a motivating beacon for UNT music students,

Now, Therefore, The Board of Regents authorizes and approves the following: the naming of the College of Music Annex Room 102 as the UNT Jon Kellis Steel Drum Room.

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Briefing

Committee: Consent

Date Filed: July 17, 2014

Title: Budget Approval and Authorization for Construction for Marquis Hall Renovations

Background:

Marquis Hall built in 1935, and named for UNT's 6th President R.L. Marquis, is a 39,576 square foot, three-story building with partial basement. In 1969 the building was converted into offices and in 1979 HVAC was added. Since that time, few improvements have been made to the building.

This project combines both an upgrade to the building's antiquated mechanical, electrical and plumbing (MEP) systems and also an interior remodel for UNT International (UNTi).

In April 2014, the Board of Regents approved delegation of authority to the Vice Chancellor for Facilities Planning and Construction and Chief Architect to execute a contract with a construction manager for pre-construction services. UNT requested interested firms to submit proposals for Construction Manager at Risk for both preconstruction and construction services for the project. Ten (10) responses were received and evaluated by a panel comprised of representatives from the UNTS and UNT. Based on the panel's recommendation, The Vice Chancellor for Facilities Planning and Construction has selected Joeris General Contractors as the Construction Manager at Risk; Core Construction was ranked second. UNT has entered into a contract with Joeris General Contractors for pre-construction services. Based on program information and preliminary design, the architect and construction manager have developed an estimate and project budget in the amount of \$7,000,000. Construction is scheduled to begin in September 2014 and complete in August 2015.

Financial Analysis/History:

Based on concept design studies and cost analysis a budget of \$7,000,000 has been developed. The budget for the project includes \$6,970,000, funded by Higher Education Assistance Funds listed in line items number 2.31, 2.31a & 2.31c.1 in the Capital Project Plan FY 2014 & FY 2015, and \$30,000, funded by International Program funds listed in line item number 2.31b in the Capital Project Plan FY 2015 for a total of \$7,000,000.

Bob Brown

Digitally signed by Bob Brown
DN: cn=Bob Brown, o=University of North
Texas, ou=VP for Finance and
Administration,
email=bob.brown@unt.edu, c=US
Date: 2014.08.07 09:58:39 -05'00'

Institution Chief Financial Officer

Janet Waldron

Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System,
ou=Vice Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:22:07 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 16:58:05 -05'00'

Vice Chancellor/General Counsel

Schedule:

Design began	April 2014
Selection of Construction Manager at Risk	May 2014
Construction Start	September 2014
Construction Completion	August 2015

Recommendation:

It is recommended that the Board of Regents authorize and approve the following Board Order.

Recommended By:

David L. Reynolds, P.E.

Associate VP for Facilities

**Neal
Smatresk**

Digitally signed by Neal Smatresk
DN: cn=Neal Smatresk, o=University
of North Texas, ou=President,
email=neal.smatresk@unt.edu, c=US
Date: 2014.08.13 09:12:34 -05'00'

President

James Maguire

Digitally signed by James Maguire
DN: cn=James Maguire, o=Vice Chancellor for
Administrative Services, ou=UNT System,
email=james.maguire@untsystem.edu, c=US
Date: 2014.08.11 10:30:02 -05'00'

Lee Jackson

Vice Chancellor
Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of
North Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu,
c=US
Date: 2014.08.19 10:44:40 -05'00'

Chancellor



Board Order

Title: Budget Approval and Authorization for Construction for Marquis Hall Renovations

Board of Regents Order 2014-58

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, it is within the best interest of the University of North Texas to renovate Marquis Hall to accommodate UNT International, and

Whereas, LBL Architects has been selected for design services for the renovation of Marquis Hall, and

Whereas, Joeris General Contractors has been selected as the Construction Manager at Risk for the project, and

Whereas, a project budget of \$7,000,000 has been included in the UNT Capital Project Schedule, and

Whereas, Joeris General Contractors has provided satisfactory performance of preconstruction services, and

Now, Therefore, The Board of Regents authorizes and approves the following:

1. A project budget of \$7,000,000.
2. Delegation of authority to the Vice Chancellor for Facilities Planning and Construction and Chief Architect to enter into and execute a contract with Joeris General Contractors for construction services upon submission of a HUB plan acceptable to the UNT System, and acceptable final Guaranteed Maximum Price (GMP) so that the project budget is not exceeded, and other conditions as determined appropriate. If negotiations are unsuccessful, undertake negotiations and enter into a contract(s) with the second ranked firm.

3. Reporting to the Texas Higher Education Board as appropriate under SB 215.

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Board Briefing

Committee: Academic Affairs and Student Success

Date Filed: July 24, 2014

Title: Approval and Ratification of 2014-2015 Admission Standards for UNT System Institutions

Background:

UNT System Regents Rule 3.701 states that the Board shall "set Institution admission standards consistent with the role and mission of each Institution, considering the admission standards of similar institutions nationwide having a similar role and mission, as determined by the Texas Higher Education Coordinating Board." Further, Regents Rule 3.801 states that the Board may establish admission standards for each of the institutions," and Regents Rule 7.204 states that "changes to admissions standards must be submitted by the President to the Chancellor for review and approval by the Board."

As UNT, UNT Health Science Center and UNT Dallas continue to grow and evolve, it is prudent to regularly reaffirm the admission standards of the institutions. The UNT System institutions recognize the Board of Regents' authority related to approval of admissions standards and seek to submit a consolidated annual update of all admissions standards for BOR approval and ratification. To ensure that all admission standards have been duly approved by the Board of Regents, the attached summary is being submitted by the UNT System for approval.

Financial Analysis/History:

No changes to the admission standards are proposed, thus there is no financial impact.

Janet
Waldron

Digitally signed by Janet Waldron
DN: cn=Janet Waldron, ou=UNT System, ou=Vice
Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:23:47 -0500

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 16:58:54 -05'00'

Vice Chancellor/General Counsel

Schedule:

2014-2015 Academic Year

Recommendation:

It is recommended that the Board of Regents approve and ratify the attached admission standards for UNT, UNT Health Science Center and UNT Dallas.

Recommended By:

Rosemary Haggett

Vice Chancellor for Academic Affairs
and Student Success

**Lee
Jackson** Digitally signed by Lee Jackson
DN: cn=Lee Jackson,
o=University of North Texas
System, ou=Chancellor,
email=lee.jackson@untsystem.
edu, c=US
Date: 2014.08.19 10:45:29
-05'00'

Chancellor

Attachments Filed Electronically:

- **UNT System Institutional Admission Standards Spreadsheet**



Board Order

Title: Approval and Ratification of 2014-2015 Admission Standards for UNT System Institutions

Board of Regents Order 2014-59

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the Board of Regents has the authority to set institutional admission standards consistent with the role and mission of each institution, and

Whereas, changes in admission standards must be approved by the Board of Regents, and

Whereas, it is prudent to ensure on an annual basis that all admission standards of the UNT System institutions have been approved by the Board of Regents,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The FY 2014-2015 Admission Standards for UNT, UNT Health Science Center and UNT Dallas.
-

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents

The University of North Texas System Campuses: Freshman Admission Requirements, Year 2014 - 2015

Campus/ Program	Application Fee	Admission Under Uniform Admission Policy	Standards for Full Admission	Conditional Admission and Requirements for Full Admission	TOEFL	Other Requirements
<p align="center">UNT</p>	<p>\$75 non-refundable fee</p> <p>International students: \$85 non-refundable fee</p> <p><i>\$90 Late application fee</i></p>	<p>Top 10% with submitted SAT or ACT score</p>	<p>Next 15% and have a min 950 SAT Reasoning Test (combined Critical Reading/Verbal + Math) or 20 ACT.</p> <p>Rank in 2nd quarter and have a min 1050 SAT Reasoning Test or 23 ACT.</p> <p>Rank in 3rd quarter and have a min 1180 SAT Reasoning Test or 26 ACT.</p>	<p>Individual review— Applicants who do not meet the standards for full admission or who rank in the fourth quarter may be admitted only by individual review.</p> <p>Conditional Admission without meeting English language proficiency (International Students): Study English at IELI and finish final level - Level 6.</p>	<p>Min scores are: 550 International Paper; 213 Computer; 79 IBT</p> <p>Score must be less than 2 years old unless the student has been continuously studying at a U.S. college/university</p> <p>6.5 IELTS</p>	<p>Various colleges may have additional requirements including, but not limited to, interviews, auditions, additional paperwork, higher minimum entrance exam requirements, etc.</p>
<p align="center">UNT Dallas</p>	<p>\$40 non-refundable fee</p>	<p>Top 10% with submitted SAT or ACT score</p>	<p>Next 15% and have a min 950 SAT Reasoning Test or 20 ACT.</p> <p>Rank in 2nd quarter and have a min. 1050 SAT Reasoning Test or 23 ACT.</p> <p>Rank in 3rd quarter and have a min. 1180 SAT Reasoning Test or 26 ACT.</p>	<p>Individual review— Applicants who do not meet the standards for full admission or who rank in the fourth quarter may be admitted only by individual review.</p> <p>Conditional Admission without TOEFL (International Students): Study English at IELI and finish final level - Level 6.</p>	<p>Min scores are: 550 International Paper; 213 Computer; 79 IBT</p> <p>Score must be less than 2 years old unless the student has been continuously studying at a U.S. college/university</p> <p>6.5 IELTS</p>	<p>Optional but recommended: Writing sample or personal statement & two letters of recommendation</p> <p>Adult admission (earned HS diploma or GED 5 or more years ago & never enrolled in college) requires a personal statement, THECB form (required by law) and may require a personal interview.</p>

The University of North Texas System Campuses: Transfer Admission Requirements, Year 2014 - 2015

Campus/ Program	Application Fee	Admission Standards	Use of High School Record	International Requirements	Other Requirements
UNT	\$75 non-refundable fee International students: \$85 non-refundable fee \$90 Late application fee	>44 SCH min. college 2.0 GPA (4.0 system) 30-44 SCH min. college 2.25 GPA (4.0 system) Students must be eligible to return to all institutions attended.	< 30 SCH -Graduation from accredited high school - Min. college 2.5 GPA (4.0 system) - SAT/ACT score and high school class rank as required for UNT freshmen	Min TOEFL scores are: 550 International Paper; 213 Computer; 79 IBT Score must be less than 2 years old unless the student has been continuously studying at a U.S. college/university 6.5 IELTS	International Students will have additional requirements for admission.
UNT Dallas	\$40 non-refundable fee	>44 SCH min. college 2.0 GPA (4.0 system) 30-44 SCH min. college 2.25 GPA (4.0 system) Students must be eligible to return to the last institution attended.	<30 SCH requires official high school transcript or GED & SAT or ACT score.	Min TOEFL scores are: 550 International Paper; 213 Computer; 79 IBT Score must be less than 2 years old unless the student has been continuously studying at a U.S. college/university 6.5 IELTS	International Students will have additional requirements for admission. Adult admission (earned HS diploma or GED 5 or more years ago & have less than 29 SCH) requires a personal statement, THECB form (required by law) and may require a personal interview.

The University of North Texas System Campuses: Graduate & Professional Admission Requirements, Year 2014 - 2015

Campus/ Program	Application Fee	Previous Degree	Undergraduate Cumulative GPA	GRE	GMAT Business	International Requirements	Letters of Recommendation (LOR)/Other
<p style="text-align: center;">UNT Toulouse Graduate School (TGS)</p>	<p>\$75 application fee \$50 late registration fee</p>	<p>Bachelor's Degree from a regionally accredited school.</p> <p>Official transcripts from all previously attended colleges and universities must be sent.</p>	<p>2.8 GPA+ on undergraduate degree OR 3.0 GPA on the last 60 SCH of undergraduate degree OR 3.4 GPA on a completed master's degree.</p> <p><i>Select programs in the College of Engineering and the College of Public Affairs and Community Service require 3.0+ GPAs.</i></p>	<p>Official test scores must be sent to TGS for all colleges other than Business.</p> <p><i>College of Education requires GRE less than 5 years old.</i></p>	<p>Official test scores must be sent to TGS only for College of Business applicants.</p>	<p>Engineering requires min. TOEFL score of: 550 written, 213 computer-based, 79 internet-based for applicants whose native language is not English and who do not have a degree from an accredited U.S. institution. A minimum IELTS of 6.5 is also acceptable.</p>	<p>Acceptance must occur both with TGS and specific degree program.</p> <p>Submit additional documents as required by specific major. The following colleges require a resume and/or curriculum vitae for select programs: Business, Education, Information, Merchandising, Hospitality, and Tourism, Music, Visual Arts & Design. Portfolios are required by select programs in Music and Visual Arts & Design. Select programs in Music require an audition. All colleges with the exception of Engineering require 2+ LOR and one or more of the following: writing sample, professional essay, personal statement, and statement of purpose. College of Education requires prior certification for select degree programs.</p>

The University of North Texas System Campuses: Graduate & Professional Admission Requirements, Year 2014 - 2015

<p align="center">UNT Dallas Graduate Programs</p>	<p>\$60 application fee</p>	<p>Bachelor's degree from a regionally accredited school. Official transcripts from all previously attended colleges and universities must be sent.</p>	<p>2.8 GPA+ on undergraduate degree OR 3.0 GPA on the last 60 SCH of undergraduate degree OR 3.4 GPA on a completed master's degree.</p>	<p>Official test scores must be sent for programs other than business.</p>	<p>GMAT score must be less than 5 years old at the time of application.</p>	<p>International students must take TOEFL or have graduated from a college/ university in the U.S. or have successfully completed an intensive English program.</p>	<p>M.Ed. in Educational Leadership requires 2 years creditable K-12 teaching experience, an essay, a supervisor recommendation letter, resume, provisional teacher certification and copy of teacher service record. M.Ed. in School Counseling also requires 2 years creditable K-12 teaching experience and a copy of teacher service record.</p>
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The University of North Texas System Health Science Center: Admission Standards, Year 2014 - 2015

Campus/ Program	Application Fee	Bachelor's Degree	Official College Transcripts	Undergraduate Cumulative GPA	Standardized Test Requirements	International Requirements	Letters of Recommendation (LOR) /Other
<p>UNTHSC TCOM</p>	<p>Applications to TCOM are made through the Texas Medical and Dental Schools Application Service (TMDSAS) the fee payable to TMDSAS is \$140. TCOM requires a supplemental application be submitted directly to the university. There is no fee for the supplemental application.</p>	<p>Minimum of three years of college (90 SCH or equivalent # of quarter hours) toward a bachelor's degree from a regionally accredited U.S. college or university (or Canadian equivalent) is required (some courses may be in progress). Certain pre-requisite courses must be completed. <i>Note: Strong preference given to those who complete a bachelor's degree prior to matriculation.</i></p>	<p>Official transcripts from all universities and colleges attended must be submitted to the TCOM admissions office after acceptance.</p>	<p>No minimum GPA cutoff; expected to have better than a B average</p>	<p>MCAT required</p>	<p>International applicants are classified as non-residents and must meet the same requirements as all other students. International applicants must show proof of financial means prior to obtaining a visa to enter the country.</p>	<p>A premedical/health professions advisory committee evaluation or two letters of evaluation are required. Applicants are also strongly encouraged to submit a letter of evaluation from an osteopathic physician familiar with the applicant (please note - this is recommended but NOT required). The physician may submit this letter of evaluation directly to TCOM if it is not already included in the advisory committee evaluation.</p>

The University of North Texas System Health Science Center: Admission Standards, Year 2014 - 2015

<p align="center">UNTHSC Graduate School of Biomedical Science</p> <p align="center">Traditional & Specialized M.S. Programs</p>	<p>\$40 application fee, payable by check or money order issued to UNTHSC. <i>Note: Waived for McNair scholars with documentation of participation.</i></p>	<p>Bachelor's degree from regionally accredited institution required. Competitive applicant typically has a background in biology, biochemistry, chemistry or related field.</p>	<p>Official transcripts from all universities and colleges attended must be sent.</p>	<p>At least a 3.0 GPA on a 4.0 scale on the last 60 undergraduate SCH prior to receiving bachelor's degree or on all undergraduate work. Applicants holding a master's degree must have a 3.0 GPA in master's work or meet the undergraduate requirements for unconditional admission.</p>	<p>Submit official test scores, depending on the program of interest: GRE, MCAT or DAT</p>	<p>Official TOEFL or IELTS score is required for applicants who are not U.S. citizens or permanent residents, unless applicant has completed a degree program within the U.S. For credits earned outside the U.S., applicant must submit an official WES or ECE course-by-course evaluation as well as the individual transcript.</p>	<p>2 LOR, signed on letterhead and sent directly from recommenders; Supplemental materials (e.g. resume/CV) will be considered but are not required.</p>
<p align="center">UNTHSC Graduate School of Biomedical Science</p> <p align="center">M.S. in Medical Science</p>	<p>\$40 application fee, payable by check or money order issued to UNTHSC. <i>Note: Waived for McNair scholars with documentation of participation.</i></p>	<p>Bachelor's degree from regionally accredited institution required. Competitive applicant typically has a background in biology, biochemistry, chemistry or related field.</p>	<p>Official transcripts from all universities and colleges attended must be sent.</p>	<p>At least a 3.0 GPA on a 4.0 scale on the last 60 undergraduate SCH prior to receiving bachelor's degree or on all undergraduate work. Applicants holding a master's degree must have a 3.0 GPA in master's work or meet the undergraduate requirements for unconditional admission.</p>	<p>Applicants submit the following scores according to pursued professional school: Medical school - MCATDental school - DATPA programs - GRE</p>	<p>Official TOEFL or IELTS score is required for applicants who are not U.S. citizens or permanent residents, unless applicant has completed a degree program within the U.S. For credits earned outside the U.S., applicant must submit an official WES or ECE course-by-course evaluation as well as the individual transcript.</p>	<p>2 LOR, signed on letterhead and sent directly from recommenders.</p>

The University of North Texas System Health Science Center: Admission Standards, Year 2014 - 2015

<p align="center">UNTHSC Graduate School of Biomedical Science Ph.D. Program</p>	<p>\$40 application fee, payable by check or money order issued to UNTHSC</p>	<p>Bachelor's degree from regionally accredited institution required. Competitive applicant typically has a background in biology, biochemistry, chemistry or related field.</p>	<p>Official transcripts from all universities and colleges attended must be sent.</p>	<p>At least a 3.0 GPA on a 4.0 scale on the last 60 undergraduate SCH prior to receiving bachelor's degree or on all undergraduate work. Applicants holding a master's degree must have a 3.0 GPA in master's work or meet the undergraduate requirements for unconditional admission.</p>	<p>Official GRE score required</p>	<p>Official TOEFL or IELTS score is required for applicants who are not U.S. citizens or permanent residents, unless applicant has completed a degree program within the U.S. For credits earned outside the U.S., applicant must submit an official WES or ECE course-by-course evaluation as well as the individual transcript.</p>	<p>2 LOR, signed on letterhead and sent directly from recommenders.</p>
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The University of North Texas System Health Science Center: Admission Standards, Year 2014 - 2015

<p align="center"> UNTHSC School of Public Health MPH, MHA, DrPH, & Dual Degree Programs </p>	<p>Applications to the MPH, MHA, DrPH, PhD, and dual degree programs must be made through the Schools of Public Health Application Service (SOPHAS) with min. app. fee of \$120. MHA students may also apply through the Healthcare Administration, Management & Policy CAS (HAMPCAS) with min. app. fee of \$115. Dual degree students must complete an internal application. There is a \$40 application fee, payable by check or money order issued to UNTHSC.</p>	<p>Bachelor's degree or equivalent from a recognized institution. A master's degree is required for the DrPH Program.</p>	<p>Official transcripts from all universities and colleges attended must be sent.</p>	<p>Various minimum <u>graduate</u> GPAs required, depending upon the program. 3.2 graduate GPA for DrPH & PhD programs.</p>	<p>Submit official scores from: GRE, GMAT, MCAT, LSAT, PCAT, or DAT. <i>Note: the exam req. is waived for applicants possessing a professional degree with license to practice in the U.S.</i></p>	<p>Applicants with foreign transcripts must include an official WES or ECE transcript evaluation report listing course-by-course U.S. grade point equivalencies. Min. TOEFL: Written = 550; Computer-based = 213; Internet-based = 79.</p>	<p>3 LOR, statement of purpose, current resume or curriculum vita, and possible on-campus interview or technology-assisted interview. DrPH strongly recommends a minimum of three years of significant public health or other appropriate work experience.</p>
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The University of North Texas System Health Science Center: Admission Standards, Year 2014 - 2015

<p align="center">UNTHSC School of Health Professions</p> <p align="center">Physical Therapy</p>	<p>\$35 non-refundable application fee, payable only by check or money order issued to UNT Health Science Center</p>	<p>Bachelor's degree from a regionally-accredited U.S. college or university</p>	<p>Official transcripts from all universities and colleges attended must be sent.</p>	<p>Minimum 3.0 GPA in last 60 hours of coursework. Completion of specific coursework with a minimum 3.0 GPA.</p>	<p>There are no standardized test requirements for this program.</p>	<p>International students must meet the same requirements as all other students. International/non-resident students must show proof of financial means prior to obtaining a visa to enter the country.</p>	<p>Two letters of professional reference (max of 3 accepted)</p> <p>Admissions interview (by invitation)</p>
<p align="center">UNTHSC School of Health Professions</p> <p align="center">Physician Assistant</p>	<p>Applications to the PA program are made through CASPA (Central Application Service for Physician Assistants). The cost of the CASPA application is \$175. The PA program requires a supplemental application with a \$35 non-refundable application fee, payable only by check or money order issued to UNT Health Science Center.</p>	<p>Bachelor's degree from a regionally-accredited U.S. college or university</p>	<p>Official transcripts from all universities and colleges attended must be sent for all students accepted into the program.</p>	<p>Minimum overall 2.85 GPA as calculated by CASPA</p>	<p>GRE test score required, earned no more than five years prior to the date of application</p>	<p>International students must meet the same requirements as all other students. International/Non-resident students must show proof of financial means prior to obtaining a visa to enter the country.</p>	<p>Two letters of professional reference through the CASPA application. A letter from a practicing PA is highly recommended. Admissions interview (by invitation)</p>

The University of North Texas System Health Science Center: Admission Standards, Year 2014 - 2015

<p align="center">UNT System College of Pharmacy</p>	<p>Apply for admission via PharmCAS - fee dependent upon number of PharmCas Degree Program Designators (\$150 min.). Submit a supplemental application and non-refundable fee (money order) of \$75.00 made payable to UNT System College of Pharmacy.</p>	<p>Applicants must complete 71 prerequisite credit hours. However, if the applicant has attained a bachelor's degree or higher from an accredited US college or university, they are exempt from the general course requirements. An official transcript is required noting that a degree was conferred prior to matriculation.</p>	<p>Official transcripts from all universities and colleges attended must be sent.</p>	<p>Achieve a minimum overall 2.50 grade point average on prerequisite coursework.<i>Important Note:</i> If an applicant elects an exemption for general coursework requirements based on a completed bachelor's (or higher) degree from an accredited U.S. college or university, then only his/her math and science prerequisite coursework will be included in the GPA calculation. A 2.5 math and science GPA must be maintained.</p>	<p>Must have a minimum of a 40 composite percentile on the PCAT (Pharmacy College Admissions Test)</p>	<p>No international admissions.</p>	<p>Obtain three (3) letters of recommendation. Letters of recommendation must be from a person, who can comment on the applicant's academic, volunteer, and/or employment experiences and attributes. Letters of recommendation from friends and family members are not accepted.</p>
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Background Report

Committee: Academic

Date Filed: June 17, 2014

Title: Report of UNT Faculty on Modified Service 2013-2014

Background:

In accordance with UNT Policy 1.3.15, *Early Retirement of Faculty Members and Modified Service*,

“For each individual on modified service due to retirement during the fall and/or spring semester, the Dean shall prepare a report detailing both workload and compensation to be presented at the summer meeting of the Board of Regents.” Attached is a summary of the reports.

Financial Analysis/History:

This is a report item only.

Bob Brown
Digitally signed by Bob Brown
DN: cn=Bob Brown, o=University of North
Texas, ou=VP for Finance and Administration,
email=bob.brown@unt.edu, c=US
Date: 2014.08.07 10:00:14 -05'00'
Institution Chief Financial Officer

Janet Waldron
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DN: cn=Janet Waldron, o=UNT System,
ou=Vice Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 15:35:45 -05'00'
Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer
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DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.13 16:55:48 -05'00'
Vice Chancellor/General Counsel

Schedule:

Effective Academic Year 2013-2014

No action required. Information only. Submitted by:

Warren Burggren

Provost and VPAA

**Neal
Smatresk**

Digitally signed by Neal Smatresk
DN: cn=Neal Smatresk, o=University of
North Texas, ou=President,
email=neal.smatresk@unt.edu, c=US
Date: 2014.08.19 11:30:25 -05'00'

President

**Rosemary
R. Haggett**

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of North Texas System, ou=Vice Chancellor
for Academic Affairs and Student Success,
email=rosemary.haggett@unsystem.edu,
c=US
Date: 2014.08.08 09:43:44 -05'00'

Vice Chancellor

**Lee
Jackson**

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North Texas System, ou=Chancellor,
email=lee.jackson@unsystem.edu,
c=US
Date: 2014.08.19 10:57:11 -05'00'

Chancellor

Attachments Filed Electronically:

- **Deans' Report of UNT Faculty on Modified Service 2013-2014**

**Deans' Report of UNT Faculty on Modified Service
2013-2014**

	Fall Semester		Spring Semester	
	FTE	Salary	FTE	Salary
College of Arts and Sciences				
Ruthanne Thomas	50%	\$30,538.09	50%	\$30,877.65
College of Education				
Bob Way	50%	\$14,710.93	50%	\$14,821.97
Johnetta Hudson			100%	\$40,950.00
Jon Young	50%	\$27,744.52	50%	\$28,166.76
Robert Patton	50%	\$20,320.74	50%	\$20,431.98
College of Music				
Joan Groom	33%	\$12,368.84		
College of Visual Arts & Design				
Elmer E. Taylor	50%	\$22,122.11	50%	\$22,730.99



Board Briefing

Committee: Finance
Date Filed: August 15, 2014

Title: UNT FY 2014 Budget Amendment

Background:

The University of North Texas proposes to update and correct its FY14 Operating Budget to reflect significant adjustments that have been discussed through the past year. It is important to accurately reflect changes to State revenues, as well as other adjustments made by management to ensure fiscal and budgetary alignment. It is also important to be able to make accurate comparisons between the corrected FY14 budget and future operating budgets in FY15 and beyond.

A summary of the UNT FY 2014 Budget Amendment is as follows:

FY 2014 Proposed Amended Operating Budget

Revenues	FY 2014	Expenditures	FY 2014
	Revised Budget		Revised Budget
State Appropriations -General Revenue	\$122,043,464	Faculty Salaries	\$110,573,994
Tuition and Fees	\$229,804,151	Staff Salaries	\$124,838,287
Contracts and Grants	\$33,000,000	Wages	\$27,786,390
Financial Aid Programs	\$71,794,501	Benefits	\$61,225,711
HEAF	\$27,066,476	Scholarships and Financial Aid (net of discounts)	\$73,714,501
Gift Income	\$7,532,000	Maintenance and Operations	\$95,187,971
Net Sales and Services of Educational Activities	\$562,521	Utilities	\$6,765,156
Net Sales and Services of Medical Activities	\$0	Capital Outlay	\$16,578,682
Net Auxiliary Enterprises	\$62,502,219	Debt Service	\$28,811,916
Net Inter-collegiate Athletics	\$9,314,969	Total Expenditures	\$545,482,608
Net Investment/Interest Income	\$4,795,000		
Other Operating Income	\$16,500,000		
Reserves	\$13,059,185		
Transfers*	(\$52,491,878)		
Total Revenue	\$545,482,608	Net Operating Surplus (Deficit)	\$0

*Intrasystem Transfers to fund UNT System Central & Shared Services, Capital Projects and other areas.

Financial Adjustments:

In early 2014, The University of North Texas disclosed errors related to State benefit funding as well as other adjustments. This FY14 UNT Amended Budget makes adjustments from the authorized FY14 Budget in both revenues and expenditures.

Revenues are adjusted down for State Appropriations for benefit funding and Tuition & Fee revenue as reflected in the Budget to Actual for second quarter FY14 presentation on June 12, 2014 and recently on July 28, 2014 at the Finance Committee meeting. This combined adjustment is offset by increases in Other Operating Revenue due to the addition of estimated non-budgetary and discretionary funds, increased draw from Reserves, and a \$2.5m draw from the UNT Foundation. Further adjustments include a \$1.36m adjustment to Transfers for UNT's portion of the Financial Transformation and Audit Readiness expenses incurred in FY14.

Changes in Expenditures result from reallocating \$34m in FY14 Maintenance & Operations expenses to Staff Salaries (\$18m), Wages (\$7m), and Capital Outlay (\$9m) to align expenditures by category.

Bob Brown Digitally signed by Bob Brown
DN: cn=Bob Brown, o=University of North Texas, ou=VP for Finance and Administration, email=bob.brown@unt.edu, c=US
Date: 2014.08.19 12:25:13 -05'00'

UNT Chief Financial Officer

Janet Waldron Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice Chancellor for Finance, email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.19 13:09:32 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC, email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.19 12:56:06 -05'00'

Vice Chancellor/General Counsel

Schedule:

This budget amendment will be implemented immediately upon approval by the Board of Regents.

Recommendation:

Approval of an Amended UNT FY 2014 Operating Budget as submitted.

Recommended By:

Janet Waldron

Vice Chancellor for Finance

Lee Jackson Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of North Texas System, ou=Chancellor, email=lee.jackson@untsystem.edu, c=US
Date: 2014.08.19 16:26:56 -05'00'

Chancellor

Attachments Filed Electronically (List each item):

- **UNT FY 2014 Amended Operating Budget Proposal**



Board Order

Title: UNT FY 2014 Budget Amendment

Board of Regents Order 2014-60

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, on August 15, 2013, the UNT System Board of Regents passed Board Order 2013-63 authorizing UNT's FY 2014 Operating Budget,

Whereas, the University of North Texas and UNT System have disclosed errors regarding State benefit funding,

Whereas, UNT proposes to amend its FY2014 Operating Budget as summarized in the following table:

FY 2014 Proposed Amended Operating Budget

Revenues	FY 2014 Revised Budget	Expenditures	FY 2014 Revised Budget
State Appropriations -General Revenue	\$122,043,464	Faculty Salaries	\$110,573,994
Tuition and Fees	\$229,804,151	Staff Salaries	\$124,838,287
Contracts and Grants	\$33,000,000	Wages	\$27,786,390
Financial Aid Programs	\$71,794,501	Benefits	\$61,225,711
HEAF	\$27,066,476	Scholarships and Financial Aid (net of discounts)	\$73,714,501
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Other Operating Income	\$16,500,000		
Reserves	\$13,059,185		
Transfers*	(\$52,491,878)		
Total Revenue	\$545,482,608	Net Operating Surplus (Deficit)	\$0

**Intrasystem Transfers to fund UNT System Central & Shared Services, Capital Projects and other areas.*

Now, Therefore, The Board of Regents authorizes and approves the following:

1. UNT's FY 2014 operating budget is amended as presented.

VOTE: _____ ayes _____ nays_____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents

UNT[™]

FY14 Budget Amendment Proposal

SUMMARY
REVENUE ANALYSIS
EXPENDITURE ANALYSIS
EXPENDITURE BUDGET BY FUNCTIONAL AREA

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SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Revised Budget
REVENUE				
State Appropriations -General Revenue	\$136,206,422	\$123,769,550	\$118,928,750	\$122,043,464
Tuition and Fees	\$195,019,292	\$205,566,562	\$213,079,441	\$229,804,151
Contracts and Grants	\$40,129,808	\$44,224,581	\$43,661,269	\$33,000,000
Financial Aid Programs	\$75,091,291	\$64,050,894	\$72,439,478	\$71,794,501
HEAF	\$27,846,476	\$27,846,476	\$27,066,476	\$27,066,476
Gift Income	\$11,941,387	\$15,998,604	\$7,135,443	\$7,532,000
Net Sales and Services of Educational Activities	\$1,083,429	\$1,543,907	\$7,653,418	\$562,521
Net Sales and Services of Medical Activities	\$0	\$0	\$0	\$0
Net Auxiliary Enterprises	\$56,231,128	\$58,716,926	\$58,663,756	\$62,502,219
Net Inter-collegiate Athletics	\$4,461,821	\$7,867,626	\$8,042,528	\$9,314,969
Net Investment/Interest Income	\$1,385,331	\$940,369	\$6,805,922	\$4,795,000
Other Operating Income	\$2,770,351	\$126,459	\$12,632,592	\$16,500,000
Reserves	\$0	\$0	\$10,000,000	\$13,059,185
Transfers	(\$21,113,775)	(\$40,121,091)	(\$47,294,773)	(\$52,491,878)
Total Revenue	\$531,052,961	\$510,530,862	\$538,814,301	\$545,482,608
EXPENDITURES				
Faculty Salaries	\$115,527,366	\$115,842,688	\$111,507,556	\$110,573,994
Staff Salaries	\$111,483,489	\$112,722,364	\$124,875,102	\$124,838,287
Wages	\$24,236,793	\$26,616,917	\$27,575,484	\$27,786,390
Benefits	\$63,566,751	\$63,222,751	\$66,300,022	\$61,225,711
Scholarships and Financial Aid (net of discounts)	\$55,850,188	\$54,984,048	\$67,108,324	\$73,714,501
Maintenance and Operations	\$111,480,080	\$93,820,670	\$95,505,790	\$95,187,971
Utilities	\$10,906,987	\$11,004,189	\$6,196,760	\$6,765,156
Capital Outlay	\$15,418,037	\$17,318,157	\$16,800,727	\$16,578,682
Debt Service	\$21,586,029	\$28,642,983	\$27,975,679	\$28,811,916
Total Expenditures	\$530,055,720	\$524,174,767	\$543,845,445	\$545,482,608
Surplus (Deficit)	\$997,241	(\$13,643,905)	(\$5,031,144)	\$0
FTE's - Faculty and Staff				
Faculty	1,357.05	1,120.39	1,023.64	1,026.89
Administrative and Professional	293.84	318.29	303.12	235.60
Classified	2,022.35	2,020.49	1,898.20	2,027.00
Other				
Total Approved FTE's	3,673.24	3,459.17	3,224.96	3,289.49

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REVENUE ANALYSIS

Method of Financing	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Revised Budget
State Appropriations -General Revenue				
State Appropriations - Basic State Funding	\$101,701,953	\$95,956,315	\$95,317,804	\$102,347,161
State Appropriations - State Paid Benefits	\$34,504,469	\$27,813,235	\$23,610,946	\$19,696,303
State Appropriations - Reductions	\$0	\$0		\$0
Subtotal, State Appropriations -General Revenue	\$136,206,422	\$123,769,550	\$118,928,750	\$122,043,464
Tuition and Fees				
Tuition - Statutory	\$49,149,795	\$53,112,969	\$48,627,926	\$48,674,987
Tuition - Designated	\$122,926,198	\$134,904,509	\$145,527,906	\$156,650,245
Discounts and Allowances - Tuition	(\$39,534,759)	(\$43,689,349)	(\$51,520,747)	(\$48,918,087)
Fees	\$81,114,182	\$79,775,826	\$92,929,047	\$96,701,531
Discounts and Allowances - Fees	(\$18,636,124)	(\$18,537,393)	(\$22,484,691)	(\$23,304,525)
Subtotal, Tuition and Fees	\$195,019,292	\$205,566,562	\$213,079,441	\$229,804,151
Contracts and Grants				
Federal	\$28,206,373	\$29,124,867	\$30,922,498	\$23,000,000
State	\$6,633,140	\$7,166,924	\$4,451,690	\$2,000,000
Private	\$5,290,295	\$7,932,790	\$8,287,081	\$8,000,000
Subtotal, Contracts and Grants	\$40,129,808	\$44,224,581	\$43,661,269	\$33,000,000
Financial Aid Programs	\$75,091,291	\$64,050,894	\$72,439,478	\$71,794,501
HEAF	\$27,846,476	\$27,846,476	\$27,066,476	\$27,066,476
Gift Income	\$11,941,387	\$15,998,604	\$7,135,443	\$7,532,000
Net Sales and Services of Educational Activities	\$1,083,429	\$1,543,907	\$7,653,418	\$562,521
Net Sales and Services of Medical Activities				
Net Auxilliary Enterprises	\$56,231,128	\$58,716,926	\$58,663,756	\$62,502,219
Net Inter-collegiate Athletics	\$4,461,821	\$7,867,626	\$8,042,528	\$9,314,969
Net Investment/Interest Income	\$1,385,331	\$940,369	\$6,805,922	\$4,795,000
Other Operating Revenues	\$2,770,351	\$126,459	\$12,632,592	\$16,500,000
Reserves			\$10,000,000	\$13,059,185
Transfers				
Intrasystem Transfers In/(Out)	\$0	(\$19,007,316)	(\$26,180,998)	(\$31,378,103)
Transfer to Plant Funds for Capital Projects	(\$21,113,775)	(\$21,113,775)	(\$21,113,775)	(\$21,113,775)
Subtotal, Transfers	(\$21,113,775)	(\$40,121,091)	(\$47,294,773)	(\$52,491,878)
Total Revenue	\$531,052,961	\$510,530,862	\$538,814,301	\$545,482,608

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EXPENDITURE ANALYSIS

Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Revised Budget
Faculty Salaries	\$115,527,366	\$115,842,688	\$111,507,556	\$110,573,994
Staff Salaries	\$111,483,489	\$112,722,364	\$124,875,102	\$124,838,287
Wages	\$24,236,793	\$26,616,917	\$27,575,484	\$27,786,390
Benefits	\$63,566,751	\$63,222,751	\$66,300,022	\$61,225,711
Scholarships and Financial Aid (net of discounts)	\$55,850,188	\$54,984,048	\$67,108,324	\$73,714,501
Maintenance and Operations	\$111,480,080	\$93,820,670	\$95,505,790	\$95,187,971
Utilities	\$10,906,987	\$11,004,189	\$6,196,760	\$6,765,156
Capital Outlay	\$15,418,037	\$17,318,157	\$16,800,727	\$16,578,682
Debt Service	\$21,586,029	\$28,642,983	\$27,975,679	\$28,811,916
Total Expenditures	\$530,055,720	\$524,174,767	\$543,845,445	\$545,482,608



Expenditure Budget by Functional Area

Operating Expenditures	FY 2011 Actual	FY 2012 Actual	FY2013 Actual	FY 2014 Revised Budget
Office of the President	\$2,613,323	\$2,655,671	\$2,582,742	\$1,891,443
Athletics	15,032,669	16,510,542	18,570,481	22,415,318
VP Equity & Diversity	1,172,000	1,060,311	1,154,559	1,056,818
VP University Communications & Marketing	7,539,062	7,791,330	8,864,493	3,312,577
VP Finance & Administration	106,438,332	95,680,969	97,331,550	94,258,445
Provost & VP Academic Affairs	36,484,903	36,000,083	37,038,440	41,812,068
Honors College	536,859	585,063	611,023	682,529
Graduate School	1,585,752	1,750,898	1,419,314	1,533,904
College of Arts & Sciences	68,902,512	65,210,672	67,943,747	55,589,353
College of Visual Arts & Design	8,324,845	8,120,981	8,192,278	6,917,179
School of Journalism	3,289,622	3,234,558	3,406,300	3,364,322
College of Information	8,594,826	8,650,026	7,973,775	4,092,089
College of Business	21,376,094	21,240,116	21,055,477	18,544,610
College of Education	17,961,987	17,384,837	17,306,310	15,206,246
College of Merchandising, Hospitality, & Tourism	3,589,640	3,799,636	3,807,948	3,292,742
College of Music	16,393,811	15,894,774	15,712,449	13,274,102
College of Public Affairs & Communication	12,527,212	12,593,331	13,437,168	8,342,740
College of Engineering	13,405,890	15,298,811	18,116,369	13,463,462
VP Research & Economic Development	4,672,751	4,099,721	4,860,757	3,570,387
VP Development	4,240,728	4,564,164	4,553,225	4,401,069
VP Student Affairs	57,489,088	55,559,521	55,513,386	53,630,737
VP Info Tech/Chief Info Officer	11,441,253	11,563,958	7,907,489	3,787,583
FY2014 Raise Pool & Operating Budget Reserves				4,582,157
Reserve for FY2013 raises/FY2014 PS Upgrade				2,816,100
UNT System Support				30,017,852
Scholarships & Financial Aid	55,850,188	54,984,048	67,108,324	71,794,501
Federal, State & Private Grants & Contracts	29,006,343	31,297,765	31,402,160	33,000,000
Capital Projects				
Debt Service (not included above)	21,586,029	28,642,983	27,975,679	28,832,277
Other (incl Transfers & Cost Sharing not incl above)				
Total	\$530,055,720	\$524,174,767	\$543,845,445	\$545,482,608



Board Briefing

Committee: Finance

Date Filed: August 16, 2014

Title: FY2015 Consolidated Budget for UNT, UNTD, UNTHSC and UNTS

Background:

The UNT System is comprised of four component institutions – University of North Texas (UNT), UNT Health Science Center (UNTHSC), University of North Texas at Dallas (UNTD), and UNT System (UNTS).

The proposed FY 2015 consolidated operating revenue budget for the UNT System totals \$894,787,739 which reflects an increase of \$21,810,643 or 2.5% over FY 2014 amended budget. The consolidated revenue budget was principally impacted by tuition and fee estimates that were a result of the tuition and fee increases approved by the Board in March 2014.

The proposed FY 2015 consolidated operating expenditure budget for the UNT System totals \$884,143,758. When compared to the FY 2014 budget of \$872,713,332, this represents an increase of \$11,430,426 or 1.3%.

When comparing FY 2015 Revenues to Expenditures, a consolidated operating surplus of \$10,643,976 is projected for FY 2015.

A summary of the Proposed Revenue and Expenditure budgets is as follows:

Revenues:

Budgeted Revenues by Fund		Budgeted Revenues by Institution	
	FY 2015 Proposed Budget		FY 2015 Proposed Budget
<i>*Net of Transfers</i>		<i>*Net of Transfers</i>	
Educational and General Funds	\$333,562,838	UNT System Administration	\$61,016,503
Designated Funds	\$362,878,268	University of North Texas	\$548,518,861
Auxiliary Enterprises Funds	\$78,898,297	UNT Health Science Center	\$258,346,552
Restricted Current Funds	<u>\$119,448,336</u>	UNT at Dallas	<u>\$26,905,823</u>
Total	\$894,787,735	Total	\$894,787,735

Expenditures:

Budgeted Expenses by Fund		Budgeted Expenses by Institution	
	FY 2015 Proposed Budget		FY 2015 Proposed Budget
Educational and General Funds	\$374,020,509	UNT System Administration	\$59,484,031
Designated Funds	\$318,442,743	University of North Texas	\$539,407,354
Auxiliary Enterprises Funds	\$72,232,172	UNT Health Science Center	\$258,346,551
Restricted Current Funds	\$119,448,335	UNT at Dallas	\$26,905,822
Total	\$884,143,758	Total	\$884,143,758

Financial Analysis/History:

The UNT System Consolidated Operating Budget as presented provides detailed information on the proposed revenue and expenditure budgets for FY 2015.

Bob Brown
Digitally signed by Bob Brown
DN: cn=Bob Brown, o=University of North Texas, ou=VP for Finance and Administration, email=bob.brown@unt.edu, c=US
Date: 2014.08.19 12:25:58 -05'00'

UNT Chief Financial Officer

John A. Harman
Digitally signed by John A. Harman
DN: cn=John A. Harman, o=Senior Vice President and CFO, ou=UNTHSC, email=john.harman@unthsc.edu, c=US
Date: 2014.08.19 11:28:12 -05'00'

UNT HSC Chief Financial Officer

Dan Edelman
Digitally signed by Dan Edelman
DN: cn=Dan Edelman, o=UNT Dallas, ou, email=Daniel.Edelman@untdallas.edu, c=US
Date: 2014.08.19 11:22:54 -05'00'

UNTD Chief Financial Officer

Janet Waldron
Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice Chancellor for Finance, email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.19 13:08:16 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer
Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC, email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.19 13:00:08 -05'00'

Vice Chancellor/General Counsel

Schedule:

The budget will be implemented September 1, 2014.

Recommendation:

Approval of the FY 2015 Consolidated Budget for UNT, UNTD, UNTHSC and UNTS as submitted.

Recommended By:

Janet Waldron

Vice Chancellor for Finance

Lee
Jackson

Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of
North Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu,
c=US
Date: 2014.08.19 16:30:30 -05'00'

Chancellor

Attachments Filed Electronically (List each item):

- **UNT System FY2015 Consolidated Operating Budget**



UNT SYSTEM

Board Order

Title: FY2015 Consolidated Budget for UNT, UNTD, UNTHSC and UNTS

Board of Regents Order 2014-61

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 15, 2013, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, each institution of the UNT System has developed a budget for the 2015 Fiscal Year, and

Whereas, the total proposed revenue budgets of the UNT System is summarized in the following table,

Budgeted Revenues by Fund		Budgeted Revenues by Institution	
	FY 2015 Proposed Budget		FY 2015 Proposed Budget
<i>*Net of Transfers</i>		<i>*Net of Transfers</i>	
Educational and General Funds	\$333,562,838	UNT System Administration	\$61,016,503
Designated Funds	\$362,878,268	University of North Texas	\$548,518,861
Auxiliary Enterprises Funds	\$78,898,297	UNT Health Science Center	\$258,346,552
Restricted Current Funds	<u>\$119,448,336</u>	UNT at Dallas	<u>\$26,905,823</u>
Total	\$894,787,739	Total	\$894,787,739

Whereas, the total proposed expenditure budgets of the UNT System is summarized in the following table,

Budgeted Expenses by Fund		Budgeted Expenses by Institution	
	FY 2015 Proposed Budget		FY 2015 Proposed Budget
Educational and General Funds	\$374,020,509	UNT System Administration	\$59,484,031
Designated Funds	\$318,442,743	University of North Texas	\$539,407,354
Auxiliary Enterprises Funds	\$72,232,172	UNT Health Science Center	\$258,346,551
Restricted Current Funds	<u>\$119,448,335</u>	UNT at Dallas	<u>\$26,905,822</u>
Total	\$884,143,758	Total	\$884,143,758

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The FY 2015 operating budgets for UNT System Institutions (UNT, UNTHSC, UNTD, and UNTS) as presented
-

VOTE: _____ ayes _____ nays_____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents

FY2015 BUDGET

FY2015 CONSOLIDATED OPERATING BUDGET



UNT UNIVERSITY OF NORTH TEXAS

UNT | DALLAS
UNIVERSITY OF NORTH TEXAS AT DALLAS

UNT | HEALTH
SCIENCE CENTER

UNT | SYSTEM

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Consolidated UNT System FY15 Budget Proposal

SUMMARY CHARTS
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EXPENDITURE BUDGET BY FUNCTIONAL AREA
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FACULTY AND STAFF FTE ANALYSIS BY CLASSIFICATION

University of North Texas System

FY 2015 CONSOLIDATED OPERATING BUDGET SUMMARY

Budgeted Revenues by Fund	
	FY 2015 Proposed Budget
<i>*Net of Transfers</i>	
Educational and General Funds	\$333,562,838
Designated Funds	\$362,878,268
Auxiliary Enterprises Funds	\$78,898,297
Restricted Current Funds	<u>\$119,448,336</u>
Total	\$894,787,735

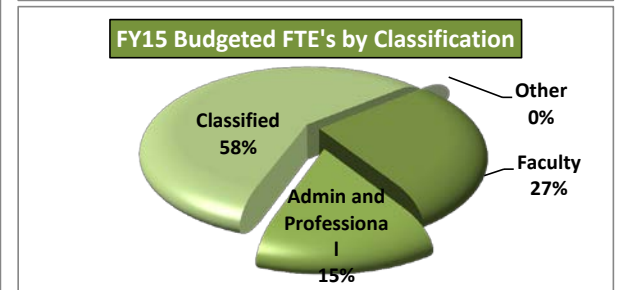
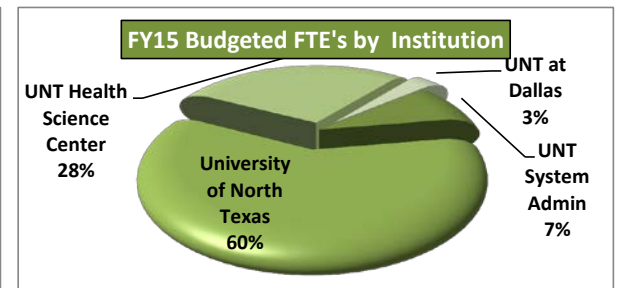
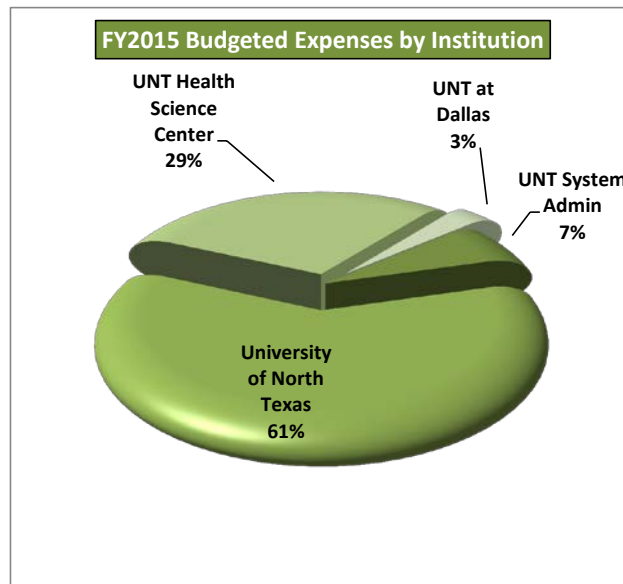
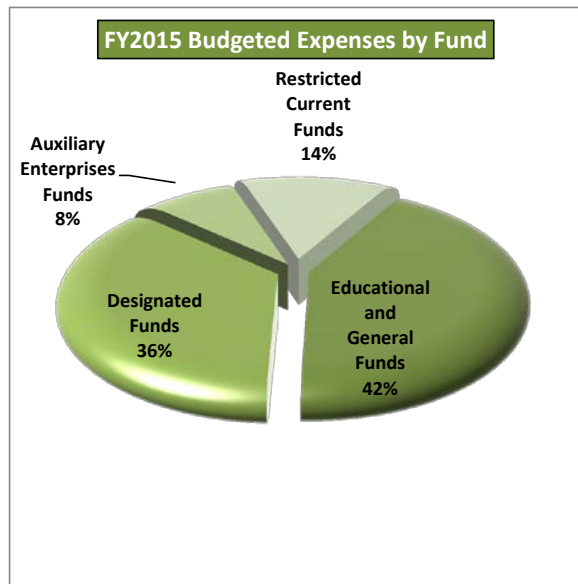
Budgeted Revenues by Institution	
	FY 2015 Proposed Budget
<i>*Net of Transfers</i>	
UNT System Administration	\$61,016,503
University of North Texas	\$548,518,861
UNT Health Science Center	\$258,346,552
UNT at Dallas	<u>\$26,905,823</u>
Total	\$894,787,735

Budgeted FTE's by Institution	
	FY 2015 Proposed FTE's
UNT System Administration	474.3
University of North Texas	3,382.9
UNT Health Science Center	1,581.5
UNT at Dallas	<u>172.2</u>
Total	5,610.8

Budgeted Expenses by Fund	
	FY 2015 Proposed Budget
Educational and General Funds	\$374,020,509
Designated Funds	\$318,442,743
Auxiliary Enterprises Funds	\$72,232,172
Restricted Current Funds	<u>\$119,448,335</u>
Total	\$884,143,758

Budgeted Expenses by Institution	
	FY 2015 Proposed Budget
UNT System Administration	\$59,484,031
University of North Texas	\$539,407,354
UNT Health Science Center	\$258,346,551
UNT at Dallas	<u>\$26,905,822</u>
Total	\$884,143,758

Budgeted FTE's by Classification	
	FY 2015 Proposed FTE's
Faculty	1,515.7
Administrative and Professional	819.8
Classified	3,274.1
Other	<u>1.3</u>
Total	5,610.8



University of North Texas System
FY 2015 CONSOLIDATED OPERATING BUDGET SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud - FY14 Bud)	% Change
REVENUE							
State Appropriations -General Revenue	\$230,429,755	\$215,089,619	\$206,054,263	\$229,191,415	\$230,727,440	\$1,536,025	0.7%
Tuition and Fees	\$220,115,898	\$235,908,745	\$247,079,623	\$265,771,382	\$288,493,382	\$22,722,000	9.2%
Contracts and Grants	\$105,320,063	\$112,047,668	\$117,201,673	\$96,264,085	\$96,553,246	\$289,161	0.2%
Financial Aid Programs	\$75,539,974	\$64,539,403	\$72,939,064	\$72,230,393	\$76,306,813	\$4,076,420	5.6%
HEAF	\$37,397,741	\$37,397,741	\$36,617,741	\$36,617,741	\$36,617,741	\$0	0.0%
Gift Income	\$12,809,635	\$16,740,467	\$8,041,888	\$8,225,068	\$10,911,239	\$2,686,171	33.4%
Net Sales and Services of Educational Activities	\$9,108,404	\$4,053,890	\$9,390,614	\$2,486,179	\$2,081,475	(\$404,704)	(4.3%)
Net Sales and Services of Medical Activities	\$55,123,833	\$52,608,052	\$50,317,832	\$57,643,866	\$61,003,501	\$3,359,635	6.7%
Net Auxiliary Enterprises	\$58,585,117	\$61,390,211	\$61,364,724	\$65,192,385	\$76,834,306	\$11,641,921	19.0%
Net Inter-collegiate Athletics	\$4,461,821	\$7,867,626	\$8,042,528	\$9,314,969	\$8,295,022	(\$1,019,947)	(12.7%)
Net Investment/Interest Income	\$4,245,043	\$3,909,942	\$10,745,693	\$9,588,941	\$6,229,026	(\$3,359,915)	(31.3%)
Other Operating Income	\$9,972,220	\$1,645,283	\$16,854,427	\$29,945,238	\$15,346,884	(\$14,598,354)	(86.6%)
Reserve Draw	\$1,000,000	\$8,300,229	\$19,472,698	\$17,059,056	\$11,416,229	(\$5,642,827)	(29.0%)
Transfers (net)	(\$24,787,230)	(\$27,265,767)	(\$25,960,366)	(\$26,553,626)	(\$26,028,569)	\$525,057	(2.0%)
Total Revenue	\$799,322,274	\$794,233,108	\$838,162,403	\$872,977,092	\$894,787,735	\$21,810,643	2.5%
EXPENDITURES							
Faculty Salaries	\$178,091,321	\$178,445,371	\$177,443,868	\$180,050,728	\$189,712,122	\$12,268,254	6.9%
Staff Salaries	\$172,322,105	\$187,800,726	\$205,435,528	\$213,327,023	\$206,430,344	\$994,815	0.5%
Wages	\$34,064,586	\$39,827,136	\$40,811,441	\$42,939,531	\$35,960,448	(\$4,850,993)	(11.9%)
Benefits	\$90,784,038	\$94,040,302	\$100,189,391	\$99,281,204	\$84,088,298	(\$16,101,093)	(16.1%)
Scholarships and Financial Aid (net of discounts)	\$59,972,019	\$58,847,695	\$72,127,793	\$79,742,023	\$81,788,448	\$9,660,655	13.4%
Maintenance and Operations	\$171,868,793	\$157,649,736	\$168,326,324	\$181,237,578	\$209,374,516	\$41,048,191	24.4%
Travel	\$0	\$0	\$0	\$0	\$262,847		
Utilities	\$14,509,439	\$13,718,090	\$9,139,279	\$9,426,798	\$9,532,409	\$393,130	4.3%
Capital Outlay	\$19,453,903	\$22,560,181	\$20,401,016	\$22,541,380	\$23,669,133	\$3,268,117	16.0%
Debt Service	\$33,717,705	\$40,790,433	\$42,215,104	\$44,167,067	\$43,325,194	\$1,110,090	2.6%
Total Expenditures	\$774,783,909	\$793,679,671	\$836,089,745	\$872,713,332	\$884,143,758	\$11,430,426	1.3%
Surplus (Deficit)	\$24,538,365	\$553,437	\$2,072,658	\$263,760	\$10,643,976	\$10,380,217	3935.5%
FTE's - Faculty and Staff							
Faculty	1,750.8	1,591.7	1,519.5	1,569.8	1,515.7	(3.8)	(0.2%)
Administrative and Professional	646.9	713.3	732.0	708.9	819.8	87.8	12.0%
Classified	2,943.2	3,117.6	3,163.8	3,347.4	3,274.1	110.3	3.5%
Other	2.0	2.0	2.0	0.3	1.3	(0.7)	(36.0%)
Total Approved FTE's	5,343.0	5,424.6	5,417.2	5,626.2	5,610.8	(15.4)	(0.3%)

University of North Texas System CONSOLIDATED REVENUE ANALYSIS

Method of Financing	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud - FY14 Bud)	% Change
State Appropriations - General Revenue							
State Appropriations - Basic State Funding	\$188,827,619	\$173,567,605	\$166,659,430	\$192,168,973	\$191,077,894	(\$1,091,079)	(0.6%)
State Appropriations - State Paid Benefits	\$46,617,857	\$41,522,014	\$39,394,833	\$37,022,442	\$39,649,546	\$2,627,104	7.1%
State Appropriations - Reductions	(\$5,015,720)	\$0	\$0	\$0	\$0	\$0	0.0%
Subtotal, State Appropriations - General Revenue	\$230,429,755	\$215,089,619	\$206,054,263	\$229,191,415	\$230,727,440	\$688,601	0.3%
Tuition and Fees							
Tuition - Statutory	\$59,527,077	\$64,839,560	\$61,478,968	\$61,588,832	\$63,828,560	\$2,239,728	3.6%
Tuition - Designated	\$134,649,761	\$148,444,944	\$162,072,968	\$175,211,381	\$191,330,071	\$16,118,690	9.2%
Discounts and Allowances - Tuition	(\$40,698,999)	(\$45,094,670)	(\$53,376,065)	(\$51,080,280)	(\$53,916,805)	(\$2,836,525)	5.6%
Fees	\$85,363,201	\$86,370,907	\$99,447,012	\$103,461,414	\$109,885,469	\$6,424,055	6.2%
Discounts and Allowances - Fees	(\$18,725,142)	(\$18,651,996)	(\$22,543,260)	(\$23,409,965)	(\$22,633,913)	\$776,052	(3.3%)
Subtotal, Tuition and Fees	\$220,115,898	\$235,908,745	\$247,079,623	\$265,771,382	\$288,493,382	\$1,664,245	0.6%
Contracts and Grants							
Federal	\$80,146,156	\$76,815,034	\$82,275,006	\$67,698,057	\$66,314,137	(\$1,383,920)	(2.0%)
State	\$8,987,700	\$10,226,983	\$7,206,386	\$5,451,365	\$4,499,764	(\$951,601)	(17.5%)
Private	\$16,186,207	\$25,005,651	\$27,720,281	\$23,114,663	\$25,739,345	\$2,624,682	11.4%
Subtotal, Contracts and Grants	\$105,320,063	\$112,047,668	\$117,201,673	\$96,264,085	\$96,553,246	\$289,161	0.3%
Financial Aid Programs	\$75,539,974	\$64,539,403	\$72,939,064	\$72,230,393	\$76,306,813	\$4,076,420	5.6%
HEAF	\$37,397,741	\$37,397,741	\$36,617,741	\$36,617,741	\$36,617,741	\$0	0.0%
Gift Income	\$12,809,635	\$16,740,467	\$8,041,888	\$8,225,068	\$10,911,239	\$2,686,171	32.7%
Net Sales and Services of Educational Activities	\$9,108,404	\$4,053,890	\$9,390,614	\$2,486,179	\$2,081,475	(\$404,704)	(16.3%)
Net Sales and Services of Medical Activities	\$55,123,833	\$52,608,052	\$50,317,832	\$57,643,866	\$61,003,501	\$3,359,635	5.8%
Net Auxiliary Enterprises	\$58,585,117	\$61,390,211	\$61,364,724	\$65,192,385	\$76,834,306	\$11,641,921	17.9%
Net Inter-collegiate Athletics	\$4,461,821	\$7,867,626	\$8,042,528	\$9,314,969	\$8,295,022	(\$1,019,947)	(10.9%)
Net Investment/Interest Income	\$4,245,043	\$3,909,942	\$10,745,693	\$9,588,941	\$6,229,026	(\$3,359,915)	(35.0%)
Other Operating Income	\$9,972,220	\$1,645,283	\$16,854,427	\$29,945,238	\$15,346,884	(\$14,598,354)	(48.8%)
Reserve Draw	\$1,000,000	\$8,300,229	\$19,472,698	\$17,059,056	\$11,416,229	(\$5,642,827)	(33.1%)
Transfers							
Intrasystem Transfers In/(Out)	\$0	\$0	\$0	(\$1,360,251)	(\$42,794)	\$1,317,457	(96.9%)
Transfer to Plant Funds for Capital Projects	(\$24,787,230)	(\$27,265,767)	(\$25,960,366)	(\$25,193,375)	(\$25,985,775)	(\$792,400)	3.1%
Subtotal, Transfers	(\$24,787,230)	(\$27,265,767)	(\$25,960,366)	(\$26,553,626)	(\$26,028,569)	\$525,057	(2.0%)
Total Revenue	\$799,322,275	\$794,233,108	\$838,162,403	\$872,977,092	\$894,787,735	\$21,810,643	2.5%

**University of North Texas System
CONSOLIDATED EXPENDITURE ANALYSIS**

Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud - FY14 Bud)	% Change
Faculty Salaries	\$178,091,321	\$178,445,371	\$177,443,868	\$180,050,728	\$189,712,122	\$9,661,394	5.4%
Staff Salaries	\$172,322,105	\$187,800,726	\$205,435,528	\$213,327,023	\$206,430,344	(\$6,896,679)	(3.2%)
Wages	\$34,064,586	\$39,827,136	\$40,811,441	\$42,939,531	\$35,960,448	(\$6,979,083)	(16.3%)
Benefits	\$90,784,038	\$94,040,302	\$100,189,391	\$99,281,204	\$84,088,298	(\$15,192,906)	(15.3%)
Scholarships & Financial Aid (net of discounts)	\$59,972,019	\$58,847,695	\$72,127,793	\$79,742,023	\$81,788,448	\$2,046,424	2.6%
Maintenance & Operations	\$171,868,793	\$157,649,736	\$168,326,324	\$181,237,578	\$209,374,516	\$28,136,937	15.5%
Travel	\$0	\$0	\$0	\$0	\$262,847	\$262,847	0.0%
Utilities	\$14,509,439	\$13,718,090	\$9,139,279	\$9,426,798	\$9,532,409	\$105,611	1.1%
Capital Outlay	\$19,453,903	\$22,560,181	\$20,401,016	\$22,541,380	\$23,669,133	\$1,127,753	5.0%
Debt Service	\$33,717,705	\$40,790,433	\$42,215,104	\$44,167,067	\$43,325,194	(\$841,873)	(1.9%)
Total Expenditures	\$774,783,909	\$793,679,671	\$836,089,745	\$872,713,332	\$884,143,758	\$11,430,426	1.3%

University of North Texas System
FY 2015 Proposed Budget by Funding Source

	Educational and General	Designated	Auxiliary Enterprises	Restricted	Total
Revenues - Estimated Income					
State Appropriations - General Revenue	\$230,727,440	\$0	\$0	\$0	\$230,727,440
Tuition and Fees	\$55,044,376	\$233,449,006	\$0	\$0	\$288,493,382
Contracts and Grants	\$1,097,064	\$30,625,100	\$0	\$64,831,082	\$96,553,246
Financial Aid Program	\$26,290,799	\$0	\$0	\$50,016,014	\$76,306,813
HEAF	\$36,617,741	\$0	\$0	\$0	\$36,617,741
Gift Income	\$0	\$6,560,000	\$0	\$4,351,239	\$10,911,239
Net Sales and Services of Educational Activities	\$436,176	\$1,645,299	\$0	\$0	\$2,081,475
Net Sales and Services of Medical Activities	\$0	\$61,003,501	\$0	\$0	\$61,003,501
Net Auxiliary Enterprises	\$0	\$0	\$76,834,306	\$0	\$76,834,306
Net Inter-collegiate Athletics	\$0	\$8,295,022	\$0	\$0	\$8,295,022
Net Investment/Interest Income	\$220,000	\$5,759,026	\$0	\$250,000	\$6,229,026
Other Operating Income	\$81,304	\$15,265,579	\$0	\$0	\$15,346,884
Reserve Draw	<u>\$1,000,000</u>	<u>\$10,416,229</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,416,229</u>
Total Revenue	<u>\$351,514,900</u>	<u>\$373,018,763</u>	<u>\$76,834,306</u>	<u>\$119,448,335</u>	<u>\$920,816,304</u>
Transfers					
Intrasystem Transfers In/(Out)	\$2,508,732	(\$2,551,526)	\$0	\$0	(\$42,794)
Interfund Transfers In/(Out)	\$0	(\$2,063,990)	\$2,063,990	\$0	\$0
Transfer to Plant Funds for Capital Projects	(\$20,460,795)	(\$5,524,980)	\$0	\$0	(\$25,985,775)
Total Transfers	(\$17,952,063)	(\$10,140,496)	\$2,063,990	\$0	(\$26,028,569)
Total Funding Available	<u>\$333,562,838</u>	<u>\$362,878,268</u>	<u>\$78,898,297</u>	<u>\$119,448,336</u>	<u>\$894,787,736</u>
Expenses					
Faculty Salaries	\$147,579,984	\$37,335,461	\$0	\$4,796,677	\$189,712,122
Staff Salaries	\$117,761,734	\$65,109,342	\$15,511,474	\$8,047,794	\$206,430,344
Wages	\$6,977,394	\$21,807,521	\$5,424,946	\$1,750,587	\$35,960,448
Benefits	\$61,796,288	\$18,920,865	\$66,670	\$3,304,476	\$84,088,298
Scholarships and Financial Aid (net of discounts)	\$20,616,108	\$10,078,094	\$0	\$51,094,246	\$81,788,448
Maintenance and Operations	(\$5,966,366)	\$132,342,298	\$32,887,166	\$50,111,417	\$209,374,516
Travel	\$0	\$262,847	\$0	\$0	\$262,847
Utilities	\$0	\$9,250,251	\$282,158	\$0	\$9,532,409
Capital Outlay	\$4,154,604	\$11,171,391	\$8,000,000	\$343,138	\$23,669,133
Debt Service	\$21,100,763	\$12,164,673	\$10,059,757	\$0	\$43,325,194
Total Expenses	<u>\$374,020,509</u>	<u>\$318,442,743</u>	<u>\$72,232,172</u>	<u>\$119,448,335</u>	<u>\$884,143,758</u>
Estimated Surplus/(Deficit)	<u>(\$40,457,671)</u>	<u>\$44,435,525</u>	<u>\$6,666,125</u>	<u>\$1</u>	<u>\$10,643,978</u>

University of North Texas System
FY 2015 Proposed Budget by Campus

	UNT System Admin.	UNT	UNT Dallas	UNT HSC	Total
Revenues - Estimated Income					
State Appropriations - General Revenue	\$9,197,868	\$121,159,973	\$15,793,452	\$84,576,147	\$230,727,440
Tuition and Fees	\$1,664,245	\$249,076,236	\$11,075,747	\$26,677,154	\$288,493,382
Contracts and Grants	\$0	\$33,000,000	\$655,267	\$62,897,979	\$96,553,246
Financial Aid Program	\$0	\$75,846,378	\$0	\$460,435	\$76,306,813
HEAF	\$0	\$27,066,476	\$780,000	\$8,771,265	\$36,617,741
Gift Income	\$0	\$7,441,000	\$10,000	\$3,460,239	\$10,911,239
Net Sales and Services of Educational Activities	\$0	\$436,176	\$16,000	\$1,629,299	\$2,081,475
Net Sales and Services of Medical Activities	\$0	\$0	\$0	\$61,003,501	\$61,003,501
Net Auxiliary Enterprises	\$2,405,074	\$73,845,695	\$123,300	\$460,236	\$76,834,306
Net Inter-collegiate Athletics	\$0	\$8,295,022	\$0	\$0	\$8,295,022
Net Investment/Interest Income	\$250,000	\$2,295,000	\$20,000	\$3,664,026	\$6,229,026
Other Operating Income	\$1,852,350	\$1,513,335	\$114,000	\$11,867,199	\$15,346,884
Reserve Draw	\$2,951,924	\$0	\$1,000,000	\$7,464,305	\$11,416,229
Total Revenue	<u>\$18,321,460</u>	<u>\$599,975,292</u>	<u>\$29,587,766</u>	<u>\$272,931,785</u>	<u>\$920,816,304</u>
Transfers					
Intrasystem Transfers In/(Out)	\$42,695,042	(\$32,092,658)	(\$2,681,944)	(\$7,963,234)	(\$42,794)
Interfund Transfers In/(Out)	\$0	\$0	\$0	\$0	\$0
Transfer to Plant Funds for Capital Projects	\$0	(\$19,363,775)	\$0	(\$6,622,000)	(\$25,985,775)
Total Tranfers	<u>\$42,695,042</u>	<u>(\$51,456,433)</u>	<u>(\$2,681,944)</u>	<u>(\$14,585,234)</u>	<u>(\$26,028,569)</u>
Total Funding Available	<u>\$61,016,503</u>	<u>\$548,518,861</u>	<u>\$26,905,823</u>	<u>\$258,346,552</u>	<u>\$894,787,736</u>
Expenses					
Faculty Salaries	\$757,833	\$112,929,134	\$5,798,323	\$70,226,832	\$189,712,122
Staff Salaries	\$32,341,746	\$109,595,766	\$6,263,742	\$58,229,090	\$206,430,344
Wages	\$1,066,303	\$21,919,384	\$412,005	\$12,562,756	\$35,960,448
Benefits	\$8,273,968	\$42,621,462	\$3,073,482	\$30,119,387	\$84,088,298
Scholarships and Financial Aid (net of discounts)	\$0	\$75,288,072	\$2,431,658	\$4,068,718	\$81,788,448
Maintenance and Operations	\$14,294,306	\$124,660,731	\$4,810,087	\$65,609,392	\$209,374,516
Travel	\$262,847	\$0	\$0	\$0	\$262,847
Utilities	\$325,691	\$6,635,156	\$375,000	\$2,196,562	\$9,532,409
Capital Outlay	\$450,000	\$17,328,682	\$0	\$5,890,451	\$23,669,133
Debt Service	\$1,711,338	\$28,428,968	\$3,741,525	\$9,443,363	\$43,325,194
Total Expenses	<u>\$59,484,031</u>	<u>\$539,407,354</u>	<u>\$26,905,822</u>	<u>\$258,346,551</u>	<u>\$884,143,758</u>
Estimated Surplus/(Deficit)	<u>\$1,532,472</u>	<u>\$9,111,507</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,643,979</u>

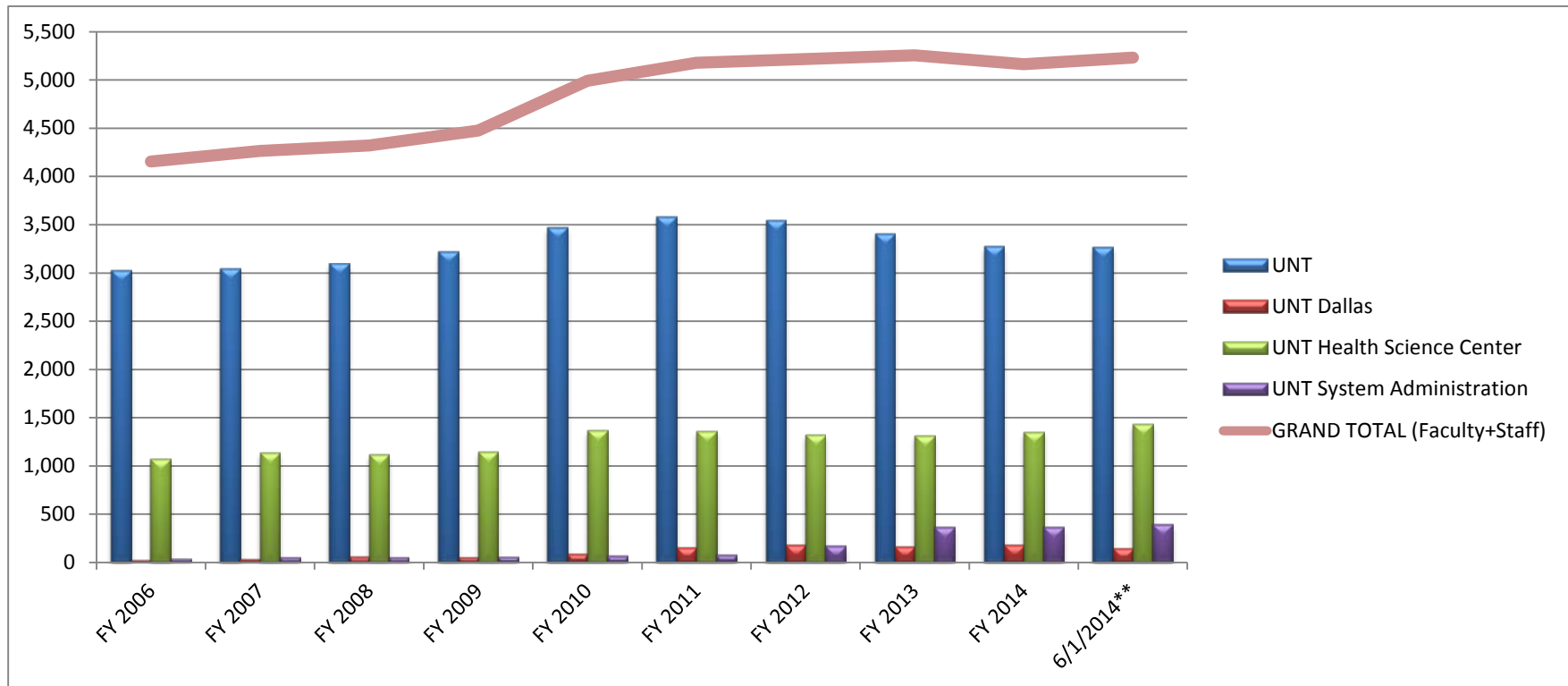
University of North Texas System

Consolidated Faculty and Staff FTE Analysis by Campus

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	6/1/2014**
UNT	3,021	3,044	3,097	3,220	3,473	3,586	3,546	3,408	3,272	3,265
UNT Dallas	22	30	57	53	85	154	176	166	178	145
UNT Health Science Center	1,074	1,139	1,113	1,142	1,365	1,363	1,324	1,315	1,348	1,432
UNT System Administration	37	53	53	61	68	77	172	366	367	390
GRAND TOTAL (Faculty+Staff)	4,154	4,266	4,321	4,475	4,992	5,180	5,218	5,255	5,164	5,232

*FTE data as of September 1st of each fiscal year.

**Faculty FTE data for 6/1/2014 does not include faculty on 9-month contracts.



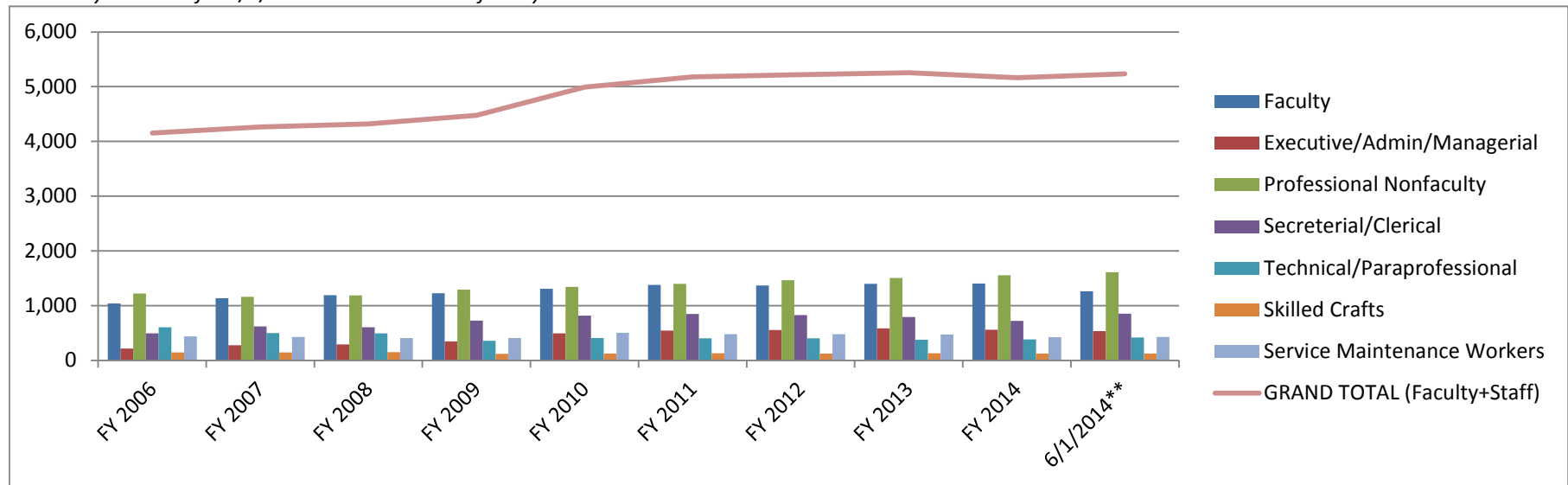
University of North Texas System

Consolidated Faculty and Staff FTE Analysis by Classification

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	6/1/2014**
Faculty	1,039	1,133	1,192	1,226	1,306	1,379	1,369	1,397	1,403	1,260
Executive/Admin/Managerial	216	278	289	349	493	545	554	584	557	536
Professional Nonfaculty	1,219	1,163	1,184	1,290	1,340	1,399	1,464	1,504	1,554	1,612
Secreterial/Clerical	494	617	603	727	818	849	825	792	723	851
Technical/Paraprofessional	606	500	495	358	405	402	400	375	382	420
Skilled Crafts	144	145	150	120	126	127	126	130	123	124
Service Maintenance Workers	436	429	409	407	504	479	480	473	423	430
GRAND TOTAL (Faculty+Staff)	4,154	4,266	4,321	4,475	4,992	5,180	5,218	5,255	5,164	5,232

*FTE data as of September 1st of each fiscal year.

**Faculty FTE data for 6/1/2014 does not include faculty on 9-month contracts.



UNT[™]

FY15 Budget Proposal

SUMMARY

NOTES - FY2015 VARIANCES

REVENUE ANALYSIS

EXPENDITURE ANALYSIS

FY2015 PROPOSED BUDGET BY FUNDING SOURCE

EXPENDITURE BUDGET BY FUNCTIONAL AREA

FACULTY AND STAFF FTE ANALYSIS

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SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Revised Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change	FY15 Variance Reference
REVENUE								
State Appropriations -General Revenue	\$136,206,422	\$123,769,550	\$118,928,750	\$122,043,464	\$121,159,973	(\$883,491)	(0.7%)	
Tuition and Fees	\$195,019,292	\$205,566,562	\$213,079,441	\$229,804,151	\$249,076,236	\$19,272,085	8.4%	
Contracts and Grants	\$40,129,808	\$44,224,581	\$43,661,269	\$33,000,000	\$33,000,000	\$0	0.0%	
Financial Aid Programs	\$75,091,291	\$64,050,894	\$72,439,478	\$71,794,501	\$75,846,378	\$4,051,877	5.6%	
HEAF	\$27,846,476	\$27,846,476	\$27,066,476	\$27,066,476	\$27,066,476	\$0	0.0%	
Gift Income	\$11,941,387	\$15,998,604	\$7,135,443	\$7,532,000	\$7,441,000	(\$91,000)	(1.2%)	
Net Sales and Services of Educational Activities	\$1,083,429	\$1,543,907	\$7,653,418	\$562,521	\$436,176	(\$126,345)	(22.5%)	1
Net Sales and Services of Medical Activities	\$0	\$0	\$0	\$0	\$0	\$0		
Net Auxiliary Enterprises	\$56,231,128	\$58,716,926	\$58,663,756	\$62,502,219	\$73,845,695	\$11,343,476	18.1%	2
Net Inter-collegiate Athletics	\$4,461,821	\$7,867,626	\$8,042,528	\$9,314,969	\$8,295,022	(\$1,019,947)	(10.9%)	3
Net Investment/Interest Income	\$1,385,331	\$940,369	\$6,805,922	\$4,795,000	\$2,295,000	(\$2,500,000)	(52.1%)	4
Other Operating Income	\$2,770,351	\$126,459	\$12,632,592	\$16,500,000	\$1,513,335	(\$14,986,665)	(90.8%)	5
Reserves	\$0	\$0	\$10,000,000	\$13,059,185	\$0	(\$13,059,185)	(100.0%)	6
Transfers	(\$21,113,775)	(\$40,121,091)	(\$47,294,773)	(\$52,491,878)	(\$51,456,433)	\$1,035,445	(2.0%)	
Total Revenue	\$531,052,961	\$510,530,862	\$538,814,301	\$545,482,608	\$548,518,860	\$3,036,252	0.6%	
EXPENDITURES								
Faculty Salaries	\$115,527,366	\$115,842,688	\$111,507,556	\$110,573,994	\$112,929,134	\$2,355,140	2.1%	
Staff Salaries	\$111,483,489	\$112,722,364	\$124,875,102	\$124,838,287	\$109,595,766	(\$15,242,521)	(12.2%)	7
Wages	\$24,236,793	\$26,616,917	\$27,575,484	\$27,786,390	\$21,919,384	(\$5,867,006)	(21.1%)	8
Benefits	\$63,566,751	\$63,222,751	\$66,300,022	\$61,225,711	\$42,621,462	(\$18,604,249)	(30.4%)	9
Scholarships and Financial Aid (net of discounts)	\$55,850,188	\$54,984,048	\$67,108,324	\$73,714,501	\$75,288,072	\$1,573,571	2.1%	
Maintenance and Operations	\$111,480,080	\$93,820,670	\$95,505,790	\$95,187,971	\$124,660,731	\$29,472,760	31.0%	10
Utilities	\$10,906,987	\$11,004,189	\$6,196,760	\$6,765,156	\$6,635,156	(\$130,000)	(1.9%)	
Capital Outlay	\$15,418,037	\$17,318,157	\$16,800,727	\$16,578,682	\$17,328,682	\$750,000	4.5%	
Debt Service	\$21,586,029	\$28,642,983	\$27,975,679	\$28,811,916	\$28,428,968	(\$382,948)	(1.3%)	
Total Expenditures	\$530,055,720	\$524,174,767	\$543,845,445	\$545,482,608	\$539,407,354	(\$6,075,254)	(1.1%)	
Surplus (Deficit)	\$997,241	(\$13,643,905)	(\$5,031,144)	\$0	\$9,111,505	\$9,111,505		
FTE's - Faculty and Staff								
Faculty	1,357.05	1,120.39	1,023.64	1,026.89	1,009.18			
Administrative and Professional	293.84	318.29	303.12	235.60	227.18			
Classified	2,022.35	2,020.49	1,898.20	2,027.00	2,146.53			
Other								
Total Approved FTE's	3,673.24	3,459.17	3,224.96	3,289.49	3,382.89			



NOTES - FY2014 Revised Budget to FY2015 Budget VARIANCES

Explanations of Variances		
#	Item	Notes
1-	Net Sales and Services of Educational Activities	Reduction in revenue estimate for copy center
2-	Net Auxiliary Enterprises	Additional revenue anticipated from increased union fee
3-	Net Inter-collegiate Athletics	One time expenditures not budgeted again in FY15
4-	Net Investment/Interest Income	One time draw from Foundation in FY14
5-	Other Operating Income	Increased revenue anticipated in academic and administrative services
6-	Reserves	No budgeted use of reserves for FY15
7-	Staff Salaries	Reallocation of 14 budgeted M&O to actual expense category
8-	Wages	Reallocation of 14 budgeted M&O to actual expense category
9-	Benefits	Reallocation of 14 budgeted M&O to actual expense category
10-	Maintenance and Operations	Reallocation of 14 budgeted M&O to actual expense category

UNT

REVENUE ANALYSIS

Method of Financing	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Revised Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
State Appropriations -General Revenue							
State Appropriations - Basic State Funding	\$101,701,953	\$95,956,315	\$95,317,804	\$102,347,161	\$101,159,973	(\$1,187,188)	(1.2%)
State Appropriations - State Paid Benefits	\$34,504,469	\$27,813,235	\$23,610,946	\$19,696,303	\$20,000,000	\$303,697	1.5%
State Appropriations - Reductions	\$0	\$0		\$0	\$0	\$0	
Subtotal, State Appropriations -General Revenue	\$136,206,422	\$123,769,550	\$118,928,750	\$122,043,464	\$121,159,973	(\$883,491)	(0.7%)
Tuition and Fees							
Tuition - Statutory	\$49,149,795	\$53,112,969	\$48,627,926	\$48,674,987	\$49,879,052	\$1,204,065	2.5%
Tuition - Designated	\$122,926,198	\$134,904,509	\$145,527,906	\$156,650,245	\$171,386,000	\$14,735,755	9.4%
Discounts and Allowances - Tuition	(\$39,534,759)	(\$43,689,349)	(\$51,520,747)	(\$48,918,087)	(\$51,520,747)	(\$2,602,660)	5.3%
Fees	\$81,114,182	\$79,775,826	\$92,929,047	\$96,701,531	\$101,816,622	\$5,115,091	5.3%
Discounts and Allowances - Fees	(\$18,636,124)	(\$18,537,393)	(\$22,484,691)	(\$23,304,525)	(\$22,484,691)	\$819,834	(3.5%)
Subtotal, Tuition and Fees	\$195,019,292	\$205,566,562	\$213,079,441	\$229,804,151	\$249,076,236	\$19,272,085	8.4%
Contracts and Grants							
Federal	\$28,206,373	\$29,124,867	\$30,922,498	\$23,000,000	\$23,000,000	\$0	0.0%
State	\$6,633,140	\$7,166,924	\$4,451,690	\$2,000,000	\$2,000,000	\$0	0.0%
Private	\$5,290,295	\$7,932,790	\$8,287,081	\$8,000,000	\$8,000,000	\$0	0.0%
Subtotal, Contracts and Grants	\$40,129,808	\$44,224,581	\$43,661,269	\$33,000,000	\$33,000,000	\$0	0.0%
Financial Aid Programs	\$75,091,291	\$64,050,894	\$72,439,478	\$71,794,501	\$75,846,378	\$4,051,877	5.6%
HEAF	\$27,846,476	\$27,846,476	\$27,066,476	\$27,066,476	\$27,066,476	\$0	0.0%
Gift Income	\$11,941,387	\$15,998,604	\$7,135,443	\$7,532,000	\$7,441,000	(\$91,000)	(1.2%)
Net Sales and Services of Educational Activities	\$1,083,429	\$1,543,907	\$7,653,418	\$562,521	\$436,176	(\$126,345)	(22.5%)
Net Sales and Services of Medical Activities							
Net Auxilliary Enterprises	\$56,231,128	\$58,716,926	\$58,663,756	\$62,502,219	\$73,845,695	\$11,343,476	18.1%
Net Inter-collegiate Athletics	\$4,461,821	\$7,867,626	\$8,042,528	\$9,314,969	\$8,295,022	(\$1,019,947)	(10.9%)
Net Investment/Interest Income	\$1,385,331	\$940,369	\$6,805,922	\$4,795,000	\$2,295,000	(\$2,500,000)	(52.1%)
Other Operating Revenues	\$2,770,351	\$126,459	\$12,632,592	\$16,500,000	\$1,513,335	(\$14,986,665)	(90.8%)
Reserves			\$10,000,000	\$13,059,185	\$0	(\$13,059,185)	(100.0%)
Transfers							
Intrasystem Transfers In/(Out)	\$0	(\$19,007,316)	(\$26,180,998)	(\$31,378,103)	(\$32,092,658)	(\$714,555)	2.3%
Transfer to Plant Funds for Capital Projects	(\$21,113,775)	(\$21,113,775)	(\$21,113,775)	(\$21,113,775)	(\$19,363,775)	\$1,750,000	(8.3%)
Subtotal, Transfers	(\$21,113,775)	(\$40,121,091)	(\$47,294,773)	(\$52,491,878)	(\$51,456,433)	\$1,035,445	(2.0%)
Total Revenue	\$531,052,961	\$510,530,862	\$538,814,301	\$545,482,608	\$548,518,860	\$3,036,252	0.6%

UNT

EXPENDITURE ANALYSIS

Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Revised Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
Faculty Salaries	\$115,527,366	\$115,842,688	\$111,507,556	\$110,573,994	\$112,929,134	\$2,355,140	2.1%
Staff Salaries	\$111,483,489	\$112,722,364	\$124,875,102	\$124,838,287	\$109,595,766	(\$15,242,521)	(12.2%)
Wages	\$24,236,793	\$26,616,917	\$27,575,484	\$27,786,390	\$21,919,384	(\$5,867,006)	(21.1%)
Benefits	\$63,566,751	\$63,222,751	\$66,300,022	\$61,225,711	\$42,621,462	(\$18,604,249)	(30.4%)
Scholarships and Financial Aid (net of discounts)	\$55,850,188	\$54,984,048	\$67,108,324	\$73,714,501	\$75,288,072	\$1,573,571	2.1%
Maintenance and Operations	\$111,480,080	\$93,820,670	\$95,505,790	\$95,187,971	\$124,660,731	\$29,472,760	31.0%
Utilities	\$10,906,987	\$11,004,189	\$6,196,760	\$6,765,156	\$6,635,156	(\$130,000)	(1.9%)
Capital Outlay	\$15,418,037	\$17,318,157	\$16,800,727	\$16,578,682	\$17,328,682	\$750,000	4.5%
Debt Service	\$21,586,029	\$28,642,983	\$27,975,679	\$28,811,916	\$28,428,968	(\$382,948)	(1.3%)
Total Expenditures	\$530,055,720	\$524,174,767	\$543,845,445	\$545,482,608	\$539,407,354	(\$6,075,254)	(1.1%)



FY 2015 Proposed Budget by Funding Source

Description	Educational and General	Designated	Auxiliary Enterprises	Restricted	Total
Revenues - Estimated Income					
State Appropriations - General Revenue	\$121,159,973				\$121,159,973
Tuition and Fees	\$43,029,147	\$206,047,089			\$249,076,236
Contracts and Grants				\$33,000,000	\$33,000,000
Financial Aid Programs	\$26,290,799			\$49,555,579	\$75,846,378
HEAF	\$27,066,476				\$27,066,476
Gift Income		\$6,550,000		\$891,000	\$7,441,000
Net Sales and Services of Educational Activities	\$436,176				\$436,176
Net Sales and Services of Medical Activities					\$0
Net Auxiliary Enterprises			\$73,845,695		\$73,845,695
Net Inter-collegiate Athletics		\$8,295,022			\$8,295,022
Net Investment/Interest Income	\$220,000	\$1,825,000		\$250,000	\$2,295,000
Other Operating Income	\$81,304	\$1,432,030			\$1,513,335
Reserve Draw					\$0
Total Revenue	\$218,283,876	\$224,149,142	\$73,845,695	\$83,696,579	\$599,975,292
Transfers					
Intrasystem Transfers In/(Out)	(\$12,440,000)	(\$19,652,658)			(\$32,092,658)
Interfund Transfers In/(Out)					\$0
Transfer to Plant Funds for Capital Projects	(\$19,363,775)				(\$19,363,775)
Total Transfers	(\$31,803,775)	(\$19,652,658)	\$0	\$0	(\$51,456,433)
Total Funding Available	\$186,480,101	\$204,496,484	\$73,845,695	\$83,696,579	\$548,518,860
Expenses					
Faculty Salaries	\$112,929,134				\$112,929,134
Staff Salaries	\$60,645,082	\$33,725,691	\$15,224,993		\$109,595,766
Wages	\$3,144,449	\$13,421,635	\$5,353,300		\$21,919,384
Benefits	\$40,800,000	\$1,821,462			\$42,621,462
Scholarships and Financial Aid (net of discounts)	\$20,100,079	\$5,632,414		\$49,555,579	\$75,288,072
Maintenance and Operations	(\$19,104,846)	\$79,371,717	\$30,252,859	\$34,141,000	\$124,660,731
Utilities		\$6,635,156			\$6,635,156
Capital Outlay		\$9,328,682	\$8,000,000		\$17,328,682
Debt Service	\$8,423,875	\$11,656,673	\$8,348,420		\$28,428,968
Total Expenses	\$226,937,773	\$161,593,431	\$67,179,572	\$83,696,579	\$539,407,354
Estimated Surplus/(Deficit)	(\$40,457,673)	\$42,903,054	\$6,666,124	\$0	\$9,111,505



Expenditure Budget by Functional Area

Operating Expenditures	FY 2011 Actual	FY 2012 Actual	FY2013 Actual	FY 2014 Revised Budget	FY 2015 Proposed Budget	% of Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
Office of the President	\$2,613,323	\$2,655,671	\$2,582,742	\$1,891,443	\$2,356,335	0.4%	464,892	24.6%
Athletics	15,032,669	16,510,542	18,570,481	22,415,318	18,499,131	3.4%	(3,916,187)	(17.5%)
VP Equity & Diversity	1,172,000	1,060,311	1,154,559	1,056,818	1,063,629	0.2%	6,812	0.6%
VP University Communications & Marketing	7,539,062	7,791,330	8,864,493	3,312,577	8,957,831	1.7%	5,645,254	170.4%
VP Finance & Administration	106,438,332	95,680,969	97,331,550	94,258,445	78,818,307	14.6%	(15,440,137)	(16.4%)
Provost & VP Academic Affairs	36,484,903	36,000,083	37,038,440	41,812,068	37,803,257	7.0%	(4,008,811)	(9.6%)
Honors College	536,859	585,063	611,023	682,529	641,647	0.1%	(40,882)	(6.0%)
Graduate School	1,585,752	1,750,898	1,419,314	1,533,904	1,536,951	0.3%	3,047	0.2%
College of Arts & Sciences	68,902,512	65,210,672	67,943,747	55,589,353	56,513,582	10.5%	924,229	1.7%
College of Visual Arts & Design	8,324,845	8,120,981	8,192,278	6,917,179	7,096,107	1.3%	178,928	2.6%
School of Journalism	3,289,622	3,234,558	3,406,300	3,364,322	3,306,987	0.6%	(57,335)	(1.7%)
College of Information	8,594,826	8,650,026	7,973,775	4,092,089	4,473,104	0.8%	381,015	9.3%
College of Business	21,376,094	21,240,116	21,055,477	18,544,610	18,735,681	3.5%	191,071	1.0%
College of Education	17,961,987	17,384,837	17,306,310	15,206,246	15,332,773	2.8%	126,527	0.8%
College of Merchandising, Hospitality, & Tourism	3,589,640	3,799,636	3,807,948	3,292,742	3,369,832	0.6%	77,089	2.3%
College of Music	16,393,811	15,894,774	15,712,449	13,274,102	13,108,472	2.4%	(165,630)	(1.2%)
College of Public Affairs & Communication	12,527,212	12,593,331	13,437,168	8,342,740	9,645,945	1.8%	1,303,206	15.6%
College of Engineering	13,405,890	15,298,811	18,116,369	13,463,462	13,565,088	2.5%	101,626	0.8%
VP Research & Economic Development	4,672,751	4,099,721	4,860,757	3,570,387	3,660,286	0.7%	89,899	2.5%
VP Development	4,240,728	4,564,164	4,553,225	4,401,069	4,914,949	0.9%	513,880	11.7%
VP Student Affairs	57,489,088	55,559,521	55,513,386	53,630,737	62,031,984	11.5%	8,401,248	15.7%
VP Info Tech/Chief Info Officer	11,441,253	11,563,958	7,907,489	3,787,583	5,125,814	1.0%	1,338,232	35.3%
FY2014 Raise Pool & Operating Budget Reserves				4,582,157	2,000,000	0.4%	(2,582,157)	(56.4%)
Reserve for FY2013 raises/FY2014 PS Upgrade				2,816,100	-	0.0%	(2,816,100)	(100.0%)
UNT System Support				30,017,852	30,132,622	5.6%	114,770	0.4%
Scholarships & Financial Aid	55,850,188	54,984,048	67,108,324	71,794,501	75,288,072	14.0%	3,493,571	4.9%
Federal, State & Private Grants & Contracts	29,006,343	31,297,765	31,402,160	33,000,000	33,000,000	6.1%	0	0.0%
Debt Service (not included above)	21,586,029	28,642,983	27,975,679	28,832,277	28,428,968	5.3%	(403,309)	(1.4%)
Total	\$530,055,720	\$524,174,767	\$543,845,445	\$545,482,608	\$539,407,354	100.0%	(6,075,254)	(1.1%)

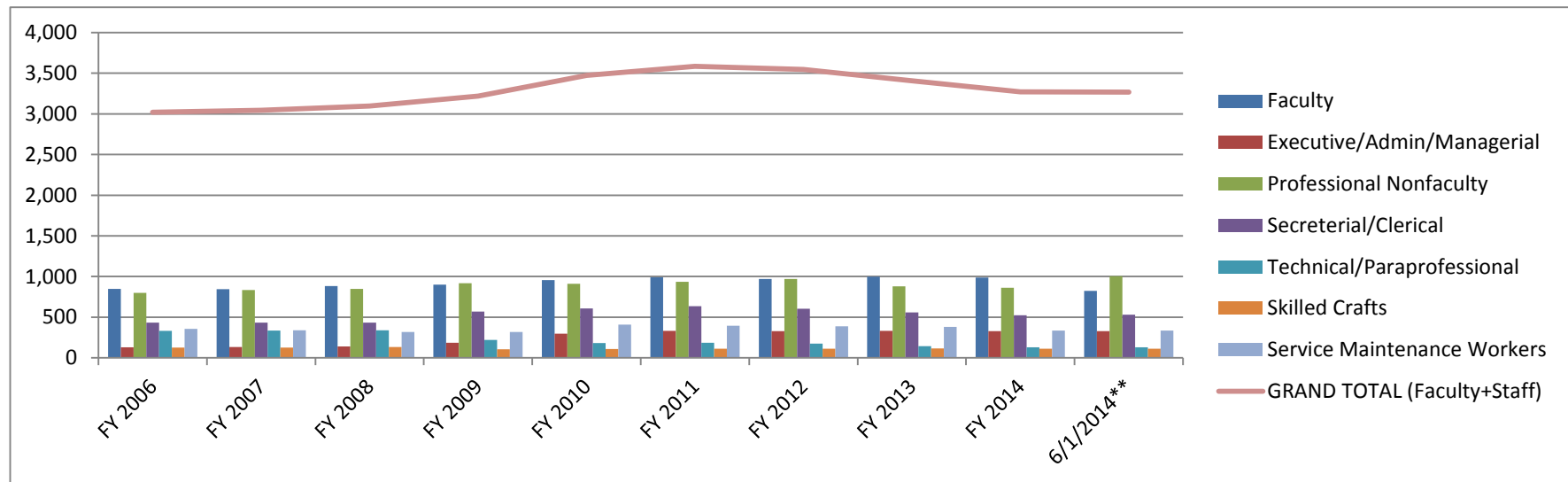


Faculty and Staff FTE Analysis (Actuals)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	6/1/2014**
Faculty	847	844	884	901	956	991	969	997	986	825
Executive/Admin/Managerial	128	135	139	186	297	333	327	332	329	329
Professional Nonfaculty	798	835	848	916	912	935	968	881	861	1,006
Secretarial/Clerical	433	432	434	571	609	637	605	558	522	530
Technical/Paraprofessional	332	334	341	222	182	185	175	142	129	129
Skilled Crafts	127	127	133	106	110	111	112	117	111	113
Service Maintenance Workers	356	337	318	318	408	395	389	382	335	334
GRAND TOTAL (Faculty+Staff)	3,021	3,044	3,097	3,220	3,473	3,586	3,546	3,408	3,272	3,266

*FTE data as of September 1st of each fiscal year.

**Faculty FTE data for 6/1/2014 does not include faculty on 9-month contracts.





FY15 Budget Proposal

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SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud vs. FY14 Bud)	% Change	FY15 Variance Reference
REVENUE								
State Appropriations - General Revenue	\$18,863,274	\$16,676,077	\$15,774,554	\$15,392,925	\$15,793,452	\$400,527	2.6%	
Tuition and Fees	\$8,256,207	\$8,956,837	\$10,576,061	\$11,773,811	\$11,075,747	(\$698,064)	(5.9%)	1
Contracts and Grants	\$293,214	\$1,239,435	\$1,191,140	\$563,420	\$655,267	\$91,847	16.3%	
Financial Aid Programs	\$0	\$0	\$0	\$0	\$0	\$0		
HEAF	\$780,000	\$780,000	\$780,000	\$780,000	\$780,000	\$0	0.0%	
Gift Income	\$563,246	\$533,996	\$0	\$250,000	\$10,000	(\$240,000)	(96.0%)	2
Net Sales and Services of Educational Activities	\$7,000	\$81,430	\$61,502	\$120,655	\$16,000	(\$104,655)	(86.7%)	3
Net Sales and Services of Medical Activities	\$0	\$0	\$0	\$0	\$0	\$0		
Net Auxiliary Enterprises	\$57,662	\$97,213	\$112,038	\$194,030	\$123,300	(\$70,730)	(36.5%)	
Net Inter-collegiate Athletics	\$0	\$0	\$0	\$0	\$0	\$0		
Net Investment/Interest Income	\$42,469	\$8,086	\$9,940	\$20,000	\$20,000	\$0	0.0%	
Other Operating Income	\$172,271	\$125,097	\$126,349	\$90,000	\$114,000	\$24,000	26.7%	
Reserve Draw	\$0	\$0	\$0	\$165,375	\$1,000,000	\$834,625	504.7%	4
Transfers	(\$2,670,471)	(\$2,641,665)	(\$3,000,381)	(\$3,214,544)	(\$2,681,944)	\$532,600	(16.6%)	5
Total Revenue	\$26,364,872	\$25,856,506	\$25,631,203	\$26,135,672	\$26,905,822	\$770,150	2.9%	
EXPENDITURES								
Faculty Salaries	\$4,547,109	\$4,706,819	\$5,026,466	\$5,136,003	\$5,798,323	(\$662,320)	(12.9%)	6
Staff Salaries	\$5,690,978	\$5,792,325	\$6,267,430	\$6,439,440	\$6,263,742	\$175,698	2.7%	
Wages	\$515,030	\$549,226	\$380,970	\$425,655	\$412,005	\$13,650	3.2%	
Benefits	\$2,224,871	\$2,218,732	\$2,311,483	\$2,753,291	\$3,073,482	(\$320,191)	(11.6%)	7
Scholarships & Financial Aid (net of discounts)	\$1,794,788	\$1,659,930	\$2,062,479	\$3,245,983	\$2,431,658	\$814,325	25.1%	8
Maintenance & Operations	\$6,935,023	\$7,203,429	\$5,635,139	\$4,019,000	\$4,810,087	(\$791,087)	(19.7%)	9
Utilities	\$481,572	\$395,234	\$456,204	\$375,000	\$375,000	\$0	0.0%	
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0		
Debt Service	\$3,742,260	\$3,742,050	\$3,741,300	\$3,741,300	\$3,741,525	(\$225)	(0.0%)	
Total Expenditures	\$25,931,631	\$26,267,745	\$25,881,471	\$26,135,672	\$26,905,822	(\$770,150)	(2.9%)	
Surplus (Deficit)	\$433,241	(\$411,239)	(\$250,268)	\$0	\$0	\$0		
FTE's - Faculty and Staff								
Faculty	54.00	53.00	54.00	61.00	64.0			
Administrative and Professional	10.00	9.00	9.00	10.00	15.00			
Classified	87.50	81.75	92.25	101.95	93.20			
Other								
Total Approved FTE's	151.50	143.75	155.25	172.95	172.20			

NOTES - FY2015 VARIANCES

Explanations of FY2015 Variances		
#	Item	Notes
1	Tuition and Fees	Overestimation in tuition revenue for FY14- Approx 10% increase. FY2015 potential increase of approx. 5%.
2	Gift Income	Overestimation of gift revenues based on history.
3	Net Sales of Educational Activities	Overestimation of fees relating to testing, returned checks and UCD Admin.
4	Reserves	\$1M of HEAF being used to fund new projects.
5	Transfers	Reduction in FY15 Interagency payments.
6	Faculty Salaries	Increase in faculty lines / program offerings.
7	Benefits	Increase due to salary increases.
8	Scholarships/Financial Aid	Reduction in expense due to the elimination of "stacking."
9	Maintenance & Operations	Increase is supported by \$1M use of HEAF reserves.

REVENUE ANALYSIS

Method of Financing	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
State Appropriations - General Revenue							
State Appropriations - Basic State Funding	\$17,542,328	\$15,009,801	\$14,089,057	\$13,435,560	\$13,435,318	(\$242)	(0.0%)
State Appropriations - State Paid Benefits	\$1,320,946	\$1,666,276	\$1,685,497	\$1,957,365	\$2,358,134	\$400,769	20.5%
State Appropriations - Reductions	\$0	\$0	\$0	\$0	\$0	\$0	-
Subtotal, State Appropriations - General Revenue	\$18,863,274	\$16,676,077	\$15,774,554	\$15,392,925	\$15,793,452	\$400,527	2.6%
Tuition and Fees							
Tuition - Statutory	\$1,800,581	\$2,177,731	\$2,195,826	\$2,564,093	\$2,299,200	(\$264,893)	(10.3%)
Tuition - Designated	\$6,079,751	\$6,389,635	\$7,959,058	\$8,798,695	\$8,361,447	(\$437,248)	(5.0%)
Discounts and Allowances - Tuition	\$0	\$0	\$0	\$0	\$0	\$0	-
Fees	\$375,875	\$389,471	\$421,177	\$411,023	\$415,100	\$4,077	1.0%
Discounts and Allowances - Fees	\$0	\$0	\$0	\$0	\$0	\$0	-
Subtotal, Tuition and Fees	\$8,256,207	\$8,956,837	\$10,576,061	\$11,773,811	\$11,075,747	(\$698,064)	(5.9%)
Contracts and Grants							
Federal	\$42,240	\$467,837	\$472,206	\$506,065	\$552,137	\$46,072	9.1%
State	\$204,594	\$332,598	\$265,042	\$0	\$0	\$0	-
Private	\$46,380	\$439,000	\$453,892	\$57,355	\$103,130	\$45,775	79.8%
Subtotal, Contracts and Grants	\$293,214	\$1,239,435	\$1,191,140	\$563,420	\$655,267	\$91,847	16.3%
Financial Aid Programs	\$0	\$0	\$0	\$0	\$0	\$0	
HEAF	\$780,000	\$780,000	\$780,000	\$780,000	\$780,000	\$0	0.0%
Gift Income	\$563,246	\$533,996	\$0	\$250,000	\$10,000	(\$240,000)	(96.0%)
Net Sales and Services of Educational Activities	\$7,000	\$81,430	\$61,502	\$120,655	\$16,000	(\$104,655)	(86.7%)
Net Sales and Services of Medical Activities	\$0	\$0	\$0	\$0	\$0	\$0	
Net Auxiliary Enterprises	\$57,662	\$97,213	\$112,038	\$194,030	\$123,300	(\$70,730)	(36.5%)
Net Inter-collegiate Athletics	\$0	\$0	\$0	\$0	\$0	\$0	
Net Investment/Interest Income	\$42,469	\$8,086	\$9,940	\$20,000	\$20,000	\$0	0.0%
Other Operating Income	\$172,271	\$125,097	\$126,349	\$90,000	\$114,000	\$24,000	26.7%
Reserves	\$0	\$0	\$0	\$165,375	\$1,000,000	\$834,625	504.7%
Transfers							
Intrasystem Transfers In/(Out)	(\$2,670,471)	(\$2,641,665)	(\$3,000,381)	(\$3,214,544)	(\$2,681,944)	\$532,600	(16.6%)
Transfer to Plant Funds for Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0	-
Subtotal, Transfers	(\$2,670,471)	(\$2,641,665)	(\$3,000,381)	(\$3,214,544)	(\$2,681,944)	\$532,600	(16.6%)
Total Revenue	\$26,364,872	\$25,856,506	\$25,631,203	\$26,135,672	\$26,905,822	\$770,150	2.9%

EXPENDITURE ANALYSIS

Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
Faculty Salaries	\$4,547,109	\$4,706,819	\$5,026,466	\$5,136,003	\$5,798,323	\$662,320	12.9%
Staff Salaries	\$5,690,978	\$5,792,325	\$6,267,430	\$6,439,440	\$6,263,742	(\$175,698)	(2.7%)
Wages	\$515,030	\$549,226	\$380,970	\$425,655	\$412,005	(\$13,650)	(3.2%)
Benefits	\$2,224,871	\$2,218,732	\$2,311,483	\$2,753,291	\$3,073,482	\$320,191	11.6%
Scholarships & Financial Aid (net of discounts)	\$1,794,788	\$1,659,930	\$2,062,479	\$3,245,983	\$2,431,658	(\$814,325)	(25.1%)
Maintenance & Operations	\$6,935,023	\$7,203,429	\$5,635,139	\$4,019,000	\$4,810,087	\$791,087	19.7%
Utilities	\$481,572	\$395,234	\$456,204	\$375,000	\$375,000	\$0	0.0%
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	
Debt Service	\$3,742,260	\$3,742,050	\$3,741,300	\$3,741,300	\$3,741,525	\$225	0.0%
Total Expenditures	\$25,931,631	\$26,267,745	\$25,881,471	\$26,135,672	\$26,905,822	\$770,150	2.9%



FY 2015 Proposed Budget by Funding Source

Description	Educational and General	Designated	Auxiliary Enterprises	Restricted	Total
Revenues - Estimated Income					
State Appropriations - General Revenue	\$15,793,452				\$15,793,452
Tuition and Fees	\$2,299,200	\$8,776,547			\$11,075,747
Contracts and Grants				\$655,267	\$655,267
Financial Aid Programs					\$0
HEAF	\$780,000				\$780,000
Gift Income		\$10,000			\$10,000
Net Sales and Services of Educational Activities		\$16,000			\$16,000
Net Sales and Services of Medical Activities		\$0	\$0		\$0
Net Auxiliary Enterprises			\$123,300		\$123,300
Net Inter-collegiate Athletics		\$0	\$0		\$0
Net Investment/Interest Income		\$20,000			\$20,000
Other Operating Income		\$114,000			\$114,000
Reserve Draw	<u>\$1,000,000</u>	<u>\$0</u>		<u>\$0</u>	<u>\$1,000,000</u>
Total Revenue	<u>\$19,872,652</u>	<u>\$8,936,547</u>	<u>\$123,300</u>	<u>\$655,267</u>	<u>\$29,587,766</u>
Transfers					
Intrasystem Transfers In/(Out)	(\$1,283,822)	(\$1,398,122)			(\$2,681,944)
Interfund Transfers In/(Out)					\$0
Transfer to Plant Funds for Capital Projects					\$0
Total Transfers	(\$1,283,822)	(\$1,398,122)	\$0	\$0	(\$2,681,944)
Total Funding Available	<u>\$18,588,830</u>	<u>\$7,538,425</u>	<u>\$123,300</u>	<u>\$655,267</u>	<u>\$26,905,822</u>
Expenses					
Faculty Salaries	\$5,798,323	\$0	\$0	\$0	\$5,798,323
Staff Salaries	\$5,914,301	\$96,383	\$21,611	\$231,447	\$6,263,742
Wages	\$0	\$310,340	\$20,000	\$81,665	\$412,005
Benefits	\$2,562,681	\$453,339	\$6,242	\$51,220	\$3,073,482
Scholarships and Financial Aid (net of discounts)	\$0	\$2,220,358	\$0	\$211,300	\$2,431,658
Maintenance and Operations	\$1,080,000	\$3,575,005	\$75,447	\$79,635	\$4,810,087
Utilities	\$0	\$375,000	\$0	\$0	\$375,000
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Debt Service	<u>\$3,233,525</u>	<u>\$508,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,741,525</u>
Total Expenses	<u>\$18,588,830</u>	<u>\$7,538,425</u>	<u>\$123,300</u>	<u>\$655,267</u>	<u>\$26,905,822</u>
Estimated Surplus/(Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



Expenditure Budget by Functional Area

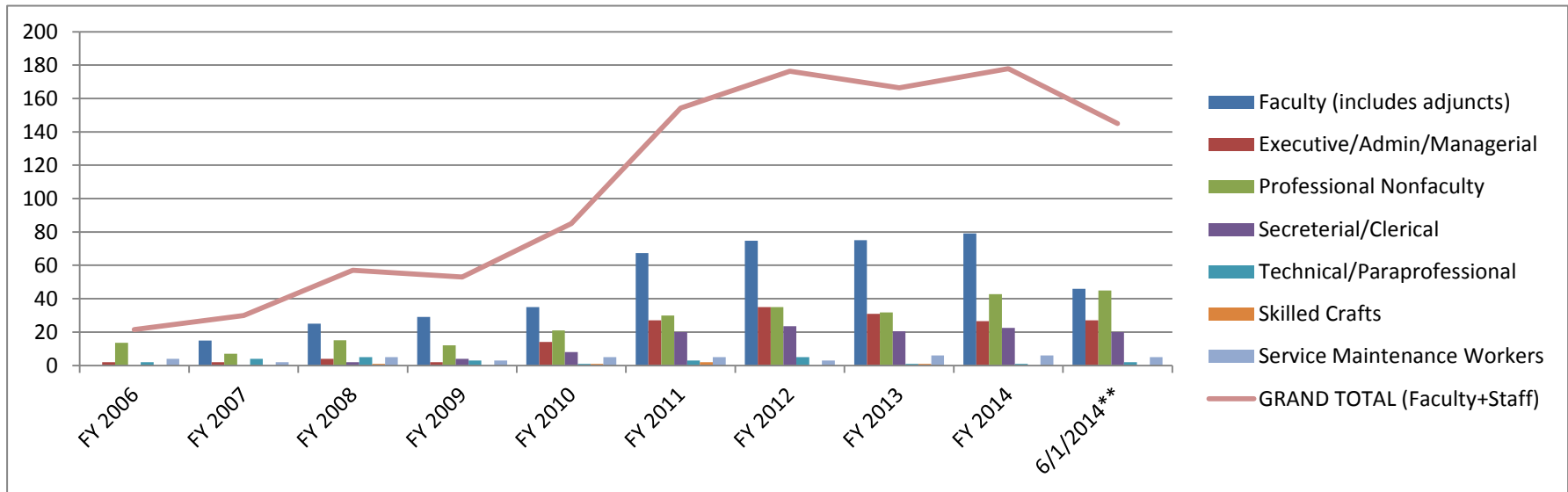
Operating Expenditures	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	% of Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
President	\$558,680	\$627,280	\$733,094	\$878,013	3.3%	\$144,919	19.8%
VP University Advancement	\$935,293	\$736,777	\$794,491	\$932,418	3.5%	\$137,927	17.4%
VP Academic Excellence & Student Success and Provost (Academics)	\$1,338,355	\$1,332,458	\$1,750,824	\$1,736,070	6.5%	(\$14,754)	(0.8%)
VP Academic Excellence & Student Success and Provost (Student Success)	\$3,267,003	\$2,230,513	\$2,502,404	\$3,076,600	11.4%	\$574,196	22.9%
Business & Public Leadership	\$1,269,896	\$1,492,105	\$1,828,578	\$1,736,236	6.5%	(\$92,342)	(5.0%)
Education & Human Services	\$1,637,333	\$2,133,141	\$2,181,227	\$2,071,825	7.7%	(\$109,402)	(5.0%)
Liberal Arts & Life Sciences	\$1,530,256	\$2,033,243	\$2,167,839	\$1,918,571	7.1%	(\$249,268)	(11.5%)
Assoc Provost for Institutional Effectiveness	\$270,371	\$232,895	\$231,329	\$303,182	1.1%	\$71,853	31.1%
VP Finance & Administration/CFO	\$7,469,716	\$3,540,195	\$4,170,781	\$4,350,975	16.2%	\$180,194	4.3%
Scholarships & Financial Aid	\$584,098	\$2,062,479	\$3,016,633	\$2,431,658	9.0%	(\$584,975)	(19.4%)
Benefits	\$2,218,732	\$2,300,135	\$2,407,137	\$3,073,482	11.4%	\$666,345	27.7%
Debt Service	\$3,742,050	\$3,741,300	\$3,741,300	\$3,741,525	13.9%	\$225	0.0%
Federal, State & Private Grants & Contracts	\$1,445,962	\$1,242,866	\$610,035	\$655,267	2.4%	\$45,232	7.4%
Total	\$26,267,745	\$23,705,387	\$26,135,672	\$26,905,822	100.0%	\$770,150	2.9%

Faculty and Staff FTE Analysis (Actuals)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	6/1/2014**
Faculty (includes adjuncts)	0	15	25	29	35	67	75	75	79	46
Executive/Admin/Managerial	2	2	4	2	14	27	35	31	27	27
Professional Nonfaculty	14	7	15	12	21	30	35	32	43	45
Secreterial/Clerical	0	0	2	4	8	20	24	21	23	20
Technical/Paraprofessional	2	4	5	3	1	3	5	1	1	2
Skilled Crafts	0	0	1	0	1	2	0	1	0	0
Service Maintenance Workers	4	2	5	3	5	5	3	6	6	5
GRAND TOTAL (Faculty+Staff)	22	30	57	53	85	154	176	166	178	145

*FTE data as of September 1st of each fiscal year.

**Faculty FTE data for 6/1/2014 does not include faculty on 9-month contracts.





FY15 Budget Proposal

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UNT HEALTH
SCIENCE CENTER
SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change	FY15 Variance Reference
REVENUE								
State Appropriations - General Revenue	\$72,194,783	\$68,640,290	\$63,674,794	\$83,245,759	\$84,576,147	\$1,330,388	1.6%	
Tuition and Fees	\$16,538,694	\$21,385,346	\$23,424,121	\$24,193,420	\$26,677,154	\$2,483,734	10.3%	1
Contracts and Grants	\$61,536,250	\$66,583,653	\$72,349,264	\$62,700,665	\$62,897,979	\$197,314	0.3%	
Financial Aid Programs	\$448,683	\$488,509	\$499,586	\$435,892	\$460,435	\$24,543	5.6%	
HEAF	\$8,771,265	\$8,771,265	\$8,771,265	\$8,771,265	\$8,771,265	\$0	0.0%	
Gift Income	\$305,002	\$207,867	\$906,445	\$443,068	\$3,460,239	\$3,017,171	681.0%	2
Net Sales and Services of Educational Activities	\$8,017,975	\$2,428,553	\$1,675,694	\$1,803,003	\$1,629,299	(\$173,704)	(9.6%)	
Net Sales and Services of Medical Activities	\$55,123,833	\$52,608,052	\$50,317,832	\$57,643,866	\$61,003,501	\$3,359,635	5.8%	
Net Auxiliary Enterprises	\$407,145	\$443,260	\$427,710	\$376,184	\$460,236	\$84,052	22.3%	
Net Inter-collegiate Athletics	\$0	\$0	\$0	\$0	\$0	\$0		
Net Investment/Interest Income	\$2,812,966	\$2,875,060	\$3,544,892	\$4,523,941	\$3,664,026	(\$859,915)	(19.0%)	3
Other Operating Income	\$608,637	\$540,936	\$2,396,118	\$10,919,929	\$11,867,199	\$947,270	8.7%	
Reserves	\$1,000,000	\$8,300,229	\$8,815,672	\$1,418,715	\$7,464,305	\$6,045,590	426.1%	4
Transfers	(\$5,181,574)	(\$11,545,163)	(\$11,245,890)	(\$12,018,322)	(\$14,585,234)	(\$2,566,912)	21.4%	
Total Revenue	\$222,583,659	\$221,727,857	\$225,557,503	\$244,457,385	\$258,346,551	\$13,889,166	5.7%	
EXPENDITURES								
Faculty Salaries	\$58,016,846	\$57,895,864	\$60,909,846	\$64,258,231	\$70,226,832	\$5,968,601	9.3%	
Staff Salaries	\$48,566,004	\$48,223,485	\$50,121,193	\$52,968,371	\$58,229,090	\$5,260,719	9.9%	
Wages	\$9,151,178	\$11,693,946	\$11,683,800	\$13,710,281	\$12,562,756	(\$1,147,525)	(8.4%)	
Benefits	\$23,608,898	\$23,937,659	\$25,592,267	\$27,416,784	\$30,119,387	\$2,702,603	9.9%	
Scholarships & Financial Aid (net of discounts)	\$2,327,043	\$2,203,717	\$2,956,990	\$2,781,539	\$4,068,718	\$1,287,179	46.3%	5
Maintenance & Operations	\$49,682,043	\$52,703,139	\$54,467,817	\$66,539,326	\$65,609,392	(\$929,934)	(1.4%)	
Utilities	\$2,874,152	\$2,106,439	\$2,222,046	\$2,026,042	\$2,196,562	\$170,520	8.4%	
Capital Outlay	\$4,035,866	\$5,242,024	\$3,600,290	\$5,362,698	\$5,890,451	\$527,753	9.8%	
Debt Service	\$7,288,078	\$7,302,663	\$9,394,587	\$9,394,113	\$9,443,363	\$49,250	0.5%	
Total Expenditures	\$205,550,108	\$211,308,936	\$220,948,833	\$244,457,385	\$258,346,551	\$13,889,166	5.7%	
Surplus (Deficit)	\$17,033,551	\$10,418,921	\$4,608,670	\$0	\$0	\$0	0.0%	
FTE's - Faculty and Staff								
Faculty	339.75	418.35	441.81	480.05	434.48			
Administrative and Professional	326.09	355.00	369.89	405.34	508.61			
Classified	782.37	833.73	782.08	826.25	637.10			
Other	2.00	2.00	2.00	0.25	1.28			
Total Approved Budgeted FTE's	1,450.21	1,609.08	1,595.78	1,711.89	1,581.47			

UNT | HEALTH
SCIENCE CENTER
NOTES - FY2015 VARIANCES

Explanations of FY2015 Variances		
#	Item	Notes
1-	Tuition and Fees	This variance is due to increased enrollment, which includes the newly-approved pharmacy program.
2-	Gift Income	Gifts to the Foundaiton are expected to increase at HSC while the Foundation is awaiting its Letter of Determination, specifying it is a tax-exempt organization. This is a result of the recent, external audit which recommended HSC Foundation seek its own tax ID number and corresponding tax-exempt status.
3-	Net Investment/Interest Income	The distributions from the Long Term Pool have been lower than was budgeted in FY 2014. As a result, HSC has had to reassess the FY 2015 distributions.
4-	Reserves	As a result of the HSC's position in obtaining debt financing, the institution has gone through a Strategic Planning process and will repurpose current operating funds to renovate facilites needed to gain Pharmacy accreditation, support Research and expand clinical operations, to meet increasing system-wide costs, and to fund the institution's own strategic initiatives.
5-	Scholarships & Financial Aid (net of discounts)	The distribution of student financial support is expected to increase due to new and continued growth of academic programs.

UNT HEALTH
SCIENCE CENTER
REVENUE ANALYSIS

Method of Financing	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
State Appropriations - General Revenue							
State Appropriations - Basic State Funding	\$67,564,129	\$59,235,376	\$53,886,456	\$73,020,139	\$73,116,490	\$96,351	0.1%
State Appropriations - State Paid Benefits	\$9,588,242	\$9,404,914	\$9,788,338	\$10,225,620	\$11,459,657	\$1,234,037	12.1%
State Appropriations - Reductions	<u>(\$4,957,588)</u>	\$0			\$0	\$0	-
Subtotal, State Appropriations - General Revenue	\$72,194,783	\$68,640,290	\$63,674,794	\$83,245,759	\$84,576,147	\$1,330,388	1.6%
Tuition and Fees							
Tuition - Statutory	\$8,576,701	\$9,548,860	\$10,655,216	\$10,349,752	\$11,297,708	\$947,956	9.2%
Tuition - Designated	\$5,643,812	\$7,150,800	\$8,586,004	\$9,762,441	\$10,314,379	\$551,938	5.7%
Discounts and Allowances - Tuition	<u>(\$1,164,240)</u>	<u>(\$1,405,321)</u>	<u>(\$1,855,318)</u>	<u>(\$2,162,193)</u>	<u>(\$2,396,058)</u>	<u>(\$233,865)</u>	10.8%
Fees	\$3,571,439	\$6,205,610	\$6,096,788	\$6,348,860	\$7,610,347	\$1,261,487	19.9%
Discounts and Allowances - Fees	<u>(\$89,018)</u>	<u>(\$114,603)</u>	<u>(\$58,569)</u>	<u>(\$105,440)</u>	<u>(\$149,222)</u>	<u>(\$43,782)</u>	41.5%
Subtotal, Tuition and Fees	\$16,538,694	\$21,385,346	\$23,424,121	\$24,193,420	\$26,677,154	\$2,483,734	10.3%
Contracts and Grants							
Federal	\$48,478,551	\$47,222,331	\$50,880,302	\$44,191,992	\$42,762,000	<u>(\$1,429,992)</u>	<u>(3.2%)</u>
State	\$2,208,167	\$2,727,461	\$2,489,654	\$3,451,365	\$2,499,764	<u>(\$951,601)</u>	<u>(27.6%)</u>
Private	<u>\$10,849,532</u>	<u>\$16,633,861</u>	<u>\$18,979,308</u>	<u>\$15,057,308</u>	<u>\$17,636,215</u>	<u>\$2,578,907</u>	<u>17.1%</u>
Subtotal, Contracts and Grants	\$61,536,250	\$66,583,653	\$72,349,264	\$62,700,665	\$62,897,979	\$197,314	0.3%
Financial Aid Programs	\$448,683	\$488,509	\$499,586	\$435,892	\$460,435	\$24,543	5.6%
HEAF	\$8,771,265	\$8,771,265	\$8,771,265	\$8,771,265	\$8,771,265	\$0	0.0%
Gift Income	\$305,002	\$207,867	\$906,445	\$443,068	\$3,460,239	\$3,017,171	681.0%
Net Sales and Services of Educational Activities	\$8,017,975	\$2,428,553	\$1,675,694	\$1,803,003	\$1,629,299	<u>(\$173,704)</u>	<u>(9.6%)</u>
Net Sales and Services of Medical Activities	\$55,123,833	\$52,608,052	\$50,317,832	\$57,643,866	\$61,003,501	\$3,359,635	5.8%
Net Auxiliary Enterprises	\$407,145	\$443,260	\$427,710	\$376,184	\$460,236	\$84,052	22.3%
Net Inter-collegiate Athletics					\$0	\$0	
Net Investment/Interest Income	\$2,812,966	\$2,875,060	\$3,544,892	\$4,523,941	\$3,664,026	<u>(\$859,915)</u>	<u>(19.0%)</u>
Other Operating Income	\$608,637	\$540,936	\$2,396,118	\$10,919,929	\$11,867,199	\$947,270	8.7%
Reserves	\$1,000,000	\$8,300,229	\$8,815,672	\$1,418,715	\$7,464,305	\$6,045,590	426.1%
Transfers							
Intrasystem Transfers In/Out	<u>(\$1,508,155)</u>	<u>(\$5,393,171)</u>	<u>(\$7,743,848)</u>	<u>(\$7,938,722)</u>	<u>(\$7,963,234)</u>	<u>(\$24,512)</u>	0.3%
Transfer to Plant Funds for Capital Projects	<u>(\$3,673,419)</u>	<u>(\$6,151,992)</u>	<u>(\$3,502,042)</u>	<u>(\$4,079,600)</u>	<u>(\$6,622,000)</u>	<u>(\$2,542,400)</u>	62.3%
Subtotal, Transfers	<u>(\$5,181,574)</u>	<u>(\$11,545,163)</u>	<u>(\$11,245,890)</u>	<u>(\$12,018,322)</u>	<u>(\$14,585,234)</u>	<u>(\$2,566,912)</u>	21.4%
Total Revenue	\$222,583,659	\$221,727,857	\$225,557,503	\$244,457,385	\$258,346,551	\$13,889,166	5.7%

UNT HEALTH
SCIENCE CENTER
EXPENDITURE ANALYSIS

Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
Faculty Salaries	\$58,016,846	\$57,895,864	\$60,909,846	\$64,258,231	\$70,226,832	\$5,968,601	9.3%
Staff Salaries	\$48,566,004	\$48,223,485	\$50,121,193	\$52,968,371	\$58,229,090	\$5,260,719	9.9%
Wages	\$9,151,178	\$11,693,946	\$11,683,800	\$13,710,281	\$12,562,756	(\$1,147,525)	(8.4%)
Benefits	\$23,608,898	\$23,937,659	\$25,592,267	\$27,416,784	\$30,119,387	\$2,702,603	9.9%
Scholarships & Financial Aid (net of discounts)	\$2,327,043	\$2,203,717	\$2,956,990	\$2,781,539	\$4,068,718	\$1,287,179	46.3%
Maintenance & Operations	\$49,682,043	\$52,703,139	\$54,467,817	\$66,539,326	\$65,609,392	(\$929,934)	(1.4%)
Utilities	\$2,874,152	\$2,106,439	\$2,222,046	\$2,026,042	\$2,196,562	\$170,520	8.4%
Capital Outlay	\$4,035,866	\$5,242,024	\$3,600,290	\$5,362,698	\$5,890,451	\$527,753	9.8%
Debt Service	\$7,288,078	\$7,302,663	\$9,394,587	\$9,394,113	\$9,443,363	\$49,250	0.5%
Total Expenditures	\$205,550,108	\$211,308,936	\$220,948,833	\$244,457,385	\$258,346,551	\$13,889,166	5.7%



FY 2015 Proposed Budget by Funding Source

	Educational and General	Designated	Auxiliary Enterprises	Restricted	Total
Revenues - Estimated Income					
State Appropriations - General Revenue	\$84,576,147				\$84,576,147
Tuition and Fees	\$9,716,029	\$16,961,125			\$26,677,154
Contracts and Grants	\$1,097,064	\$30,625,100		\$31,175,815	\$62,897,979
Financial Aid Programs				\$460,435	\$460,435
HEAF	\$8,771,265				\$8,771,265
Gift Income				\$3,460,239	\$3,460,239
Net Sales and Services of Educational Activities		\$1,629,299			\$1,629,299
Net Sales and Services of Medical Activities		\$61,003,501			\$61,003,501
Net Auxiliary Enterprises			\$460,236		\$460,236
Net Inter-collegiate Athletics			\$0		\$0
Net Investment/Interest Income		\$3,664,026			\$3,664,026
Other Operating Income		\$11,867,199			\$11,867,199
Reserves		\$7,464,305			\$7,464,305
Total Revenue	<u>\$104,160,505</u>	<u>\$133,214,555</u>	<u>\$460,236</u>	<u>\$35,096,489</u>	<u>\$272,931,785</u>
Transfers					
Intrasystem Transfers In/(Out)	(\$2,700,000)	(\$5,263,234)			(\$7,963,234)
Interfund Transfers In/(Out)					\$0
Transfer to Plant Funds for Capital Projects	(\$1,097,020)	(\$5,524,980)			(\$6,622,000)
Total Transfers	<u>(\$3,797,020)</u>	<u>(\$10,788,214)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$14,585,234)</u>
Total Funding All Sources	<u>\$100,363,485</u>	<u>\$122,426,341</u>	<u>\$460,236</u>	<u>\$35,096,489</u>	<u>\$258,346,551</u>
Expenses					
Faculty Salaries	\$28,094,694	\$37,335,461		\$4,796,677	\$70,226,832
Staff Salaries	\$29,808,096	\$20,436,665	\$167,982	\$7,816,347	\$58,229,090
Wages	\$3,379,025	\$7,464,843	\$49,966	\$1,668,922	\$12,562,756
Benefits	\$12,909,194	\$13,896,509	\$60,428	\$3,253,256	\$30,119,387
Scholarships and Financial Aid (net of discounts)	\$516,029	\$2,225,322		\$1,327,367	\$4,068,718
Maintenance and Operations	\$12,058,480	\$37,478,270	\$181,860	\$15,890,782	\$65,609,392
Utilities		\$2,196,562			\$2,196,562
Capital Outlay	\$4,154,604	\$1,392,709		\$343,138	\$5,890,451
Debt Service	\$9,443,363				\$9,443,363
Total Expenses	<u>\$100,363,485</u>	<u>\$122,426,341</u>	<u>\$460,236</u>	<u>\$35,096,489</u>	<u>\$258,346,551</u>
Estimated Surplus/(Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

UNT HEALTH
SCIENCE CENTER
Expenditure Budget by Functional Area

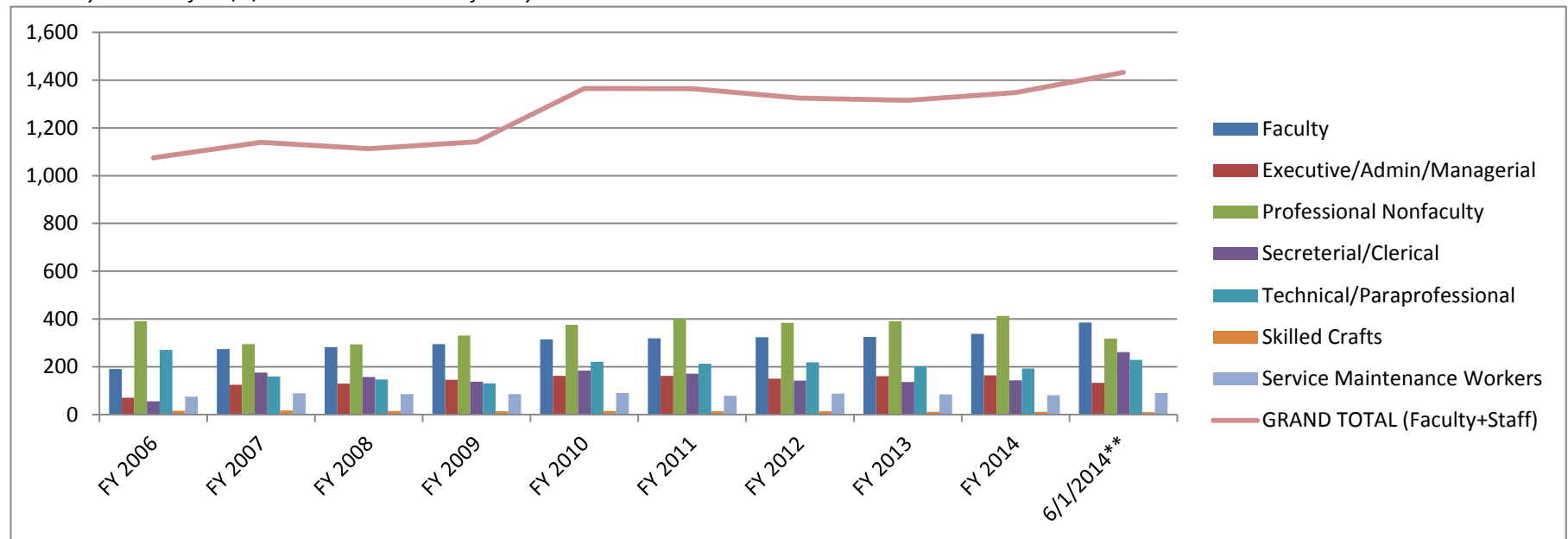
Operating Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY2015 Proposed Budget	% of Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
Texas College of Osteopathic Medicine	\$22,556,726	\$25,008,552	\$25,897,744	\$31,860,278	\$29,412,410	11.4%	(\$2,447,868)	(7.7%)
Graduate School of Biomedical Sciences	\$32,250,708	\$33,471,914	\$31,946,184	\$34,251,921	\$33,825,728	13.1%	(\$426,193)	(1.2%)
School of Public Health	\$6,805,704	\$7,982,119	\$10,752,456	\$10,973,274	\$13,222,910	5.1%	\$2,249,636	20.5%
School of Health Professions	\$2,190,628	\$3,100,788	\$3,076,416	\$3,344,222	\$3,592,852	1.4%	\$248,630	7.4%
College of Pharmacy	\$0	\$673,629	\$2,638,471	\$6,791,750	\$7,642,558	3.0%	\$850,808	12.5%
EVP Academic Affairs & Provost	\$20,224,225	\$22,842,303	\$21,728,581	\$22,721,846	\$15,055,318	5.8%	(\$7,666,528)	(33.7%)
Chief Operating Officer	\$20,224,225	\$0	\$0	\$0	\$2,759,893	1.1%	\$2,759,893	
VP for Administration	\$2,946,399	\$2,733,214	\$1,875,451	\$2,026,209	\$3,954,258	1.5%	\$1,928,049	95.2%
VP for Finance, CFO	\$5,959,415	\$2,570,041	\$2,602,121	\$2,784,613	\$2,523,710	1.0%	(\$260,903)	(9.4%)
VP for Operations	\$5,206,030	\$5,694,976	\$6,879,555	\$6,527,404	\$6,912,603	2.7%	\$385,199	5.9%
EVP for Clinical Affairs, CEO UNT Health	\$78,115,615	\$77,847,958	\$78,817,211	\$82,693,229	\$90,933,542	35.2%	\$8,240,313	10.0%
VP for Research & Biotechnology	\$2,374,458	\$2,801,502	\$2,998,748	\$3,321,645	\$3,614,140	1.4%	\$292,495	8.8%
SVP for Community Engagement	\$3,054,617	\$2,726,754	\$3,296,485	\$3,774,612	\$7,534,067	2.9%	\$3,759,455	99.6%
VP for Strategy & Measurement	\$811,366	\$801,306	\$852,676	\$855,456	\$962,903	0.4%	\$107,447	12.6%
Financial Planning & Budget	\$22,424,661	\$22,273,083	\$26,045,761	\$31,632,685	\$36,085,209	14.0%	\$4,452,524	14.1%
UNTS Shared Services/AVC Government Relations	\$629,556	\$780,797	\$1,540,975	\$898,241	\$314,449	0.1%	(\$583,792)	(65.0%)
Total	\$225,774,333	\$211,308,936	\$220,948,833	\$244,457,385	\$258,346,551	100.0%	\$13,889,166	5.7%

UNT HEALTH
SCIENCE CENTER
Faculty and Staff FTE Analysis (Actuals)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	6/1/2014**
Faculty	192	274	282	295	315	320	325	325	338	386
Executive/Admin/Managerial	71	125	130	146	163	163	151	161	165	133
Professional Nonfaculty	391	295	294	331	376	402	385	392	413	319
Secreterial/Clerical	56	177	158	138	184	172	143	137	144	262
Technical/Paraprofessional	271	160	147	131	221	214	219	203	193	230
Skilled Crafts	17	18	16	14	15	14	14	12	12	11
Service Maintenance Workers	76	90	86	86	91	80	88	85	82	91
GRAND TOTAL (Faculty+Staff)	1,074	1,139	1,113	1,142	1,365	1,363	1,324	1,315	1,348	1,432

*FTE data as of September 1st of each fiscal year.

**Faculty FTE data for 6/1/2014 does not include faculty on 9-month contracts.





FY15 Budget Proposal

SYSTEM SUMMARY COMPARISON - CENTRAL SERVICES & SHARED SERVICES

SUMMARY

NOTES - FY2015 VARIANCES

REVENUE ANALYSIS

EXPENDITURE ANALYSIS

FY2015 PROPOSED BUDGET BY FUNDING SOURCE

EXPENDITURE BUDGET BY FUNCTIONAL AREA

FACULTY AND STAFF FTE ANALYSIS

UNT SYSTEM
COMPARISON OF FY 2014 AND 2015 BUDGET

	UNT System Central Services				UNT System Shared Services				UNT System Administration Total			
	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
REVENUE												
State Appropriations - General Revenue	\$4,910,328	\$5,490,961	\$580,633	11.8%	\$3,598,939	\$3,706,907	\$107,968	3.0%	\$8,509,267	\$9,197,868	\$688,601	8.1%
Tuition and Fees	\$0	\$1,664,245	\$1,664,245		\$0	\$0	\$0		\$0	\$1,664,245	\$1,664,245	
Contracts and Grants	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
Financial Aid Programs	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
HEAF	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
Gift Income	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
Net Sales and Services of Educational Activities	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
Net Sales and Services of Medical Activities	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
Net Auxiliary Enterprises	\$2,119,952	\$2,405,074	\$285,122	13.4%	\$0	\$0	\$0		\$2,119,952	\$2,405,074	\$285,122	13.4%
Net Inter-collegiate Athletics	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
Net Investment/Interest Income	\$250,000	\$250,000	\$0	0.0%	\$0	\$0	\$0		\$250,000	\$250,000	\$0	0.0%
Other Operating Income	\$2,435,309	\$1,852,350	(\$582,959)	(23.9%)	\$0	\$0	\$0		\$2,435,309	\$1,852,350	(\$582,959)	(23.9%)
Reserve Draw	\$1,956,724	\$2,951,924	\$995,200	50.9%	\$459,057	\$0	(\$459,057)	(100.0%)	\$2,415,781	\$2,951,924	\$536,143	22.2%
Transfers	\$6,698,798	\$9,406,873	\$2,708,075	40.4%	\$34,472,320	\$33,288,169	(\$1,184,151)	(3.4%)	\$41,171,118	\$42,695,042	\$1,523,924	3.7%
Total Revenue	\$18,371,111	\$24,021,426	\$5,650,315	30.8%	\$38,530,316	\$36,995,076	(\$1,535,240)	(4.0%)	\$56,901,427	\$61,016,502	\$4,115,075	7.2%
EXPENDITURES												
Faculty Salaries	\$82,500	\$757,833	\$675,333	818.6%	\$0	\$0	\$0		\$82,500	\$757,833	\$675,333	818.6%
Staff Salaries	\$8,422,666	\$10,226,379	\$1,803,713	21.4%	\$20,658,258	\$22,115,367	\$1,457,108	7.1%	\$29,080,925	\$32,341,746	\$3,260,821	11.2%
Wages	\$134,193	\$234,843	\$100,650	75.0%	\$883,012	\$831,460	(\$51,552)	(5.8%)	\$1,017,205	\$1,066,303	\$49,098	4.8%
Benefits	\$2,046,865	\$2,137,291	\$90,426	4.4%	\$5,838,553	\$6,136,677	\$298,124	5.1%	\$7,885,418	\$8,273,968	\$388,550	4.9%
Scholarships & Financial Aid (net of discounts)	\$0	\$0	\$0		\$0	\$0	\$0		\$0	\$0	\$0	
Maintenance & Operations	\$4,457,136	\$8,111,307	\$3,654,171	82.0%	\$11,034,145	\$6,182,999	(\$4,851,147)	(44.0%)	\$15,491,281	\$14,294,306	(\$1,196,975)	(7.7%)
Travel	\$0	\$192,847	\$192,847		\$0	\$70,000	\$70,000		\$0	\$262,847	\$262,847	
Utilities	\$255,000	\$282,158	\$27,158	10.7%	\$5,600	\$43,532	\$37,932	677.4%	\$260,600	\$325,691	\$65,091	25.0%
Capital Outlay	\$600,000	\$450,000	(\$150,000)	(25.0%)	\$0	\$0	\$0		\$600,000	\$450,000	(\$150,000)	(25.0%)
Debt Service	\$2,219,738	\$1,711,338	(\$508,400)	(22.9%)	\$0	\$0	\$0		\$2,219,738	\$1,711,338	(\$508,400)	(22.9%)
Total Expenditures	\$18,218,098	\$24,103,996	\$5,885,898	32.3%	\$38,419,569	\$35,380,035	(\$3,039,534)	(7.9%)	\$56,637,667	\$59,484,031	\$2,846,364	5.0%
Surplus (Deficit)	\$153,013	(\$82,570)	(\$235,583)	(154.0%)	\$110,747	\$1,615,041	\$1,504,294	1358.3%	\$263,760	\$1,532,471	\$1,268,711	481.0%

UNT SYSTEM SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change	FY15 Variance Reference
REVENUE								
State Appropriations - General Revenue	\$3,165,276	\$6,003,702	\$7,676,165	\$8,509,267	\$9,197,868	\$688,601	8.1%	
Tuition and Fees	\$301,705	\$0	\$0	\$0	\$1,664,245	\$1,664,245		
Contracts and Grants	\$3,360,791	\$0	\$0	\$0	\$0	\$0		
Financial Aid Programs	\$0	\$0	\$0	\$0	\$0	\$0		
HEAF	\$0	\$0	\$0	\$0	\$0	\$0		
Gift Income	\$0	\$0	\$0	\$0	\$0	\$0		
Net Sales and Services of Educational Activities	\$0	\$0	\$0	\$0	\$0	\$0		
Net Sales and Services of Medical Activities	\$0	\$0	\$0	\$0	\$0	\$0		
Net Auxiliary Enterprises	\$1,889,182	\$2,132,812	\$2,161,220	\$2,119,952	\$2,405,074	\$285,122	13.4%	1
Net Inter-collegiate Athletics	\$0	\$0	\$0	\$0	\$0	\$0		
Net Investment/Interest Income	\$4,277	\$86,426	\$384,939	\$250,000	\$250,000	\$0	0.0%	
Other Operating Income	\$6,420,961	\$852,791	\$1,699,368	\$2,435,309	\$1,852,350	(\$582,959)	(23.9%)	2
Reserve Draw	\$0	\$0	\$657,026	\$2,415,781	\$2,951,924	\$536,143	22.2%	3
Transfers	\$4,178,590	\$27,042,152	\$35,580,678	\$41,171,118	\$42,695,042	\$1,523,924	3.7%	
Total Revenue	\$19,320,782	\$36,117,883	\$48,159,396	\$56,901,427	\$61,016,502	\$4,115,075	7.2%	
EXPENDITURES								
Faculty Salaries	\$0	\$0	\$0	\$82,500	\$757,833	\$675,333	818.6%	4
Staff Salaries	\$6,581,634	\$21,062,552	\$24,171,803	\$29,080,925	\$32,341,746	\$3,260,821	11.2%	5
Wages	\$161,584	\$967,047	\$1,171,187	\$1,017,205	\$1,066,303	\$49,098	4.8%	
Benefits	\$1,383,518	\$4,661,160	\$5,985,620	\$7,885,418	\$8,273,968	\$388,550	4.9%	
Scholarships & Financial Aid (net of discounts)	\$0	\$0	\$0	\$0	\$0	\$0		
Maintenance & Operations	\$3,771,647	\$3,922,498	\$12,717,578	\$15,491,281	\$14,294,306	(\$1,196,975)	(7.7%)	
Travel		\$0	\$0	\$0	\$262,847	\$262,847		
Utilities	\$246,728	\$212,228	\$264,270	\$260,600	\$325,691	\$65,091	25.0%	
Capital Outlay	\$0	\$0	\$0	\$600,000	\$450,000	(\$150,000)	(25.0%)	6
Debt Service	\$1,101,338	\$1,102,738	\$1,103,538	\$2,219,738	\$1,711,338	(\$508,400)	(22.9%)	7
Total Expenditures	\$13,246,449	\$31,928,223	\$45,413,996	\$56,637,667	\$59,484,031	\$2,846,364	5.0%	
Surplus (Deficit)	\$6,074,333	\$4,189,660	\$2,745,400	\$263,760	\$1,532,471	\$1,268,711	481.0%	
FTE's - Faculty and Staff								
Faculty				1.83	8.00			
Administrative and Professional	17.00	31.00	50.00	57.92	69.00			
Classified	51.00	181.60	391.23	392.15	397.25			
Other								
Total Approved FTE's	68.00	212.60	441.23	451.90	474.25			

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NOTES - FY2015 VARIANCES

Explanations of FY2015 Variances		
#	Item	Notes
1	Net Auxiliary Enterprises	Rental income for 1900 Elm Lofts is expected to increase on newly signed Lease Agreements as well as Oven & Cellar Restaurant due to start paying rent.
2	Other Operating Income	Construction Management Fees are reduced for FY15 due to lower construction planning activity.
3	Reserve Draw	Reserve draws are increasing to fund operations for Law School and Facilities, as well as debt service for the System Building.
4	Faculty Salaries	Faculty salaries are increasing over FY14 due to the opening of the Law School. Faculty salaries may increase for the next couple of budget cycles due to the need for added full-time and part-time/adjunct faculty as the student body reaches full capacity in FY17.
5	Staff Salaries	Majority of the increased staff salary expense is associated with the opening of the Law School. Staff salaries have also increased over FY14 due to various executive hirings, as well as promotions/increases in various departments. Additional FTE are expected to staff the new Controller department but should reflect close to a net zero with employees transferred from the campuses.
6	Capital Outlay	Capital Outlay is expected to decrease as a result of lower than originally anticipated Law School Library acquisition costs.
7	Debt Service	Debt Service was budgeted in FY14 with the assumption that we would be in long-term bonds for both the System Building and 1900 Elm Lofts acquisition as well as the System Building construction. For FY15, the budget includes six months of Commercial Paper interest and the assumption that long-term bonds will be issued in March 2015.

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REVENUE ANALYSIS

Method of Financing	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
State Appropriations - General Revenue							
State Appropriations - Basic State Funding	\$2,019,209	\$3,366,113	\$3,366,113	\$3,366,113	\$3,366,113	\$0	0.0%
State Appropriations - State Paid Benefits	\$1,204,199	\$2,637,589	\$4,310,052	\$5,143,154	\$5,831,755	\$688,601	13.4%
State Appropriations - Reductions	(\$58,132)	\$0	\$0	\$0	\$0	\$0	-
Subtotal, State Appropriations - General Revenue	\$3,165,276	\$6,003,702	\$7,676,165	\$8,509,267	\$9,197,868	\$688,601	8.1%
Tuition and Fees							
Tuition - Statutory	\$0	\$0	\$0	\$0	\$352,600	\$352,600	
Tuition - Designated	\$0	\$0	\$0	\$0	\$1,268,245	\$1,268,245	
Discounts and Allowances - Tuition	\$0	\$0	\$0	\$0	\$0	\$0	
Fees	\$301,705	\$0	\$0	\$0	\$43,400	\$43,400	
Discounts and Allowances - Fees		\$0	\$0	\$0	\$0	\$0	-
Subtotal, Tuition and Fees	\$301,705	\$0	\$0	\$0	\$1,664,245	\$1,664,245	
Contracts and Grants							
Federal	\$3,418,992	\$0	\$0	\$0	\$0	\$0	
State	(\$58,202)	\$0	\$0	\$0	\$0	\$0	
Private	\$0	\$0	\$0	\$0	\$0	\$0	-
Subtotal, Contracts and Grants	\$3,360,791	\$0	\$0	\$0	\$0	\$0	
Financial Aid Programs	\$0	\$0	\$0	\$0	\$0	\$0	
HEAF	\$0	\$0	\$0	\$0	\$0	\$0	
Gift Income	\$0	\$0	\$0	\$0	\$0	\$0	
Net Sales and Services of Educational Activities	\$0	\$0	\$0	\$0	\$0	\$0	
Net Sales and Services of Medical Activities	\$0	\$0	\$0	\$0	\$0	\$0	
Net Auxiliary Enterprises	\$1,889,182	\$2,132,812	\$2,161,220	\$2,119,952	\$2,405,074	\$285,122	13.4%
Net Inter-collegiate Athletics	\$0	\$0	\$0	\$0	\$0	\$0	
Net Investment/Interest Income	\$4,277	\$86,426	\$384,939	\$250,000	\$250,000	\$0	0.0%
Other Operating Income	\$6,420,961	\$852,791	\$1,699,368	\$2,435,309	\$1,852,350	(\$582,959)	(23.9%)
Reserve Draw	\$0	\$0	\$657,026	\$2,415,781	\$2,951,924	\$536,143	22.2%
Transfers							
Intrasystem Transfers In/(Out)	\$4,178,626	\$27,042,152	\$36,925,227	\$41,171,118	\$42,695,042	\$1,523,924	3.7%
Transfer to Plant Funds for Capital Projects	(\$36)		(\$1,344,549)	\$0	\$0	\$0	
Subtotal, Transfers	\$4,178,590	\$27,042,152	\$35,580,678	\$41,171,118	\$42,695,042	\$1,523,924	3.7%
Total Revenue	\$19,320,782	\$36,117,883	\$48,159,396	\$56,901,427	\$61,016,502	\$4,115,075	7.2%

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EXPENDITURE ANALYSIS

Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
Faculty Salaries	\$0	\$0	\$0	\$82,500	757,833	\$675,333	818.6%
Staff Salaries	\$6,581,634	\$21,062,552	\$24,171,803	\$29,080,925	32,341,746	\$3,260,821	11.2%
Wages	\$161,584	\$967,047	\$1,171,187	\$1,017,205	1,066,303	\$49,098	4.8%
Benefits	\$1,383,518	\$4,661,160	\$5,985,620	\$7,885,418	8,273,968	\$388,550	4.9%
Scholarships & Financial Aid (net of discounts)	\$0	\$0	\$0	\$0	\$0	\$0	
Maintenance & Operations	\$3,771,647	\$3,922,498	\$12,717,578	\$15,491,281	14,294,306	(\$1,196,975)	(7.7%)
Travel		\$0	\$0	\$0	262,847	\$262,847	
Utilities	\$246,728	\$212,228	\$264,270	\$260,600	325,691	\$65,091	25.0%
Capital Outlay	\$0	\$0	\$0	\$600,000	450,000	(\$150,000)	(25.0%)
Debt Service	\$1,101,338	\$1,102,738	\$1,103,538	\$2,219,738	1,711,338	(\$508,400)	(22.9%)
Total Expenditures	\$13,246,449	\$31,928,223	\$45,413,996	\$56,637,667	59,484,031	\$2,846,364	5.0%

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FY 2015 Proposed Budget by Funding Source

	Educational and General	Designated	Auxiliary Enterprises	Restricted	Total
Revenues - Estimated Income					
State Appropriations - General Revenue	\$9,197,868				\$9,197,868
Tuition and Fees		\$1,664,245			\$1,664,245
Contracts and Grants					\$0
Financial Aid Program					\$0
HEAF					\$0
Gift Income					\$0
Net Sales and Services of Educational Activities					\$0
Net Sales and Services of Medical Activities					\$0
Net Auxiliary Enterprises			\$2,405,074		\$2,405,074
Net Inter-collegiate Athletics					\$0
Net Investment/Interest Income		\$250,000			\$250,000
Other Operating Income		\$1,852,350			\$1,852,350
Reserve Draw		\$2,951,924			\$2,951,924
Total Revenue	<u>\$9,197,868</u>	<u>\$6,718,519</u>	<u>\$2,405,074</u>	<u>\$0</u>	<u>\$18,321,460</u>
Transfers					
Intrasystem Transfers In/(Out)	\$18,932,554	\$23,762,488			\$42,695,042
Interfund Transfers In/(Out)		(\$2,063,990)	\$2,063,990		\$0
Transfer to Plant Funds for Capital Projects					\$0
Total Tranfers	<u>\$18,932,554</u>	<u>\$21,698,498</u>	<u>\$2,063,990</u>	<u>\$0</u>	<u>\$42,695,042</u>
Total Funding Available	<u>\$28,130,421</u>	<u>\$28,417,017</u>	<u>\$4,469,064</u>	<u>\$0</u>	<u>\$61,016,502</u>
Expenses					
Faculty Salaries	757,833.30				\$757,833
Staff Salaries	21,394,254.50	\$10,850,604	\$96,888		\$32,341,746
Wages	\$453,920	\$610,703	\$1,680		\$1,066,303
Benefits	\$5,524,413	\$2,749,555			\$8,273,968
Scholarships and Financial Aid (net of discounts)					\$0
Maintenance and Operations		\$11,917,306	\$2,377,000		\$14,294,306
Travel		\$262,847			\$262,847
Utilities		\$43,532	\$282,158		\$325,691
Capital Outlay		\$450,000			\$450,000
Debt Service			\$1,711,338		\$1,711,338
Total Expenses	<u>\$28,130,421</u>	<u>\$26,884,546</u>	<u>\$4,469,064</u>	<u>\$0</u>	<u>\$59,484,031</u>
Estimated Surplus/(Deficit)	<u>\$0</u>	<u>\$1,532,470</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,532,471</u>

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Expenditure Budget by Functional Area

Operating Expenditures	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2015 Proposed Budget	% of Budget	\$ Change (FY15 Bud-FY14 Bud)	% Change
Board of Regents	\$185,402	\$120,512	\$127,854	\$138,600	\$140,522	0.2%	\$1,922	1.4%
Chancellor	\$1,369,943	\$1,195,728	\$1,443,087	\$1,536,529	\$1,522,066	2.6%	(\$14,463)	(0.9%)
Vice Chancellor for Administration/Chief of Staff	\$0	\$0	\$306,013	\$449,532	\$0	0.0%	(\$449,532)	(100.0%)
Vice Chancellor for Academic Affairs	\$486,580	\$492,114	\$349,008	\$351,386	\$354,009	0.6%	\$2,623	0.7%
Vice Chancellor and General Counsel	\$1,383,498	\$1,697,923	\$1,880,701	\$1,575,722	\$1,768,114	3.0%	\$192,392	12.2%
Vice Chancellor for Governmental Relations	\$622,006	\$626,155	\$662,857	\$735,928	\$773,469	1.3%	\$37,541	5.1%
Vice Chancellor for Finance	\$540,357	\$492,279	\$394,179	\$577,691	\$1,629,627	2.7%	\$1,051,936	182.1%
Vice Chancellor for Facilities Planning & Construction	\$1,698,156	\$1,762,550	\$1,574,130	\$2,282,296	\$2,300,595	3.9%	\$18,299	0.8%
Vice Chancellor for Strategic Partnerships		\$234,025	\$0	\$0		0.0%	\$0	
Internal Audit	\$1,189,940	\$1,128,058	\$1,088,773	\$1,312,429	\$2,566,546	4.3%	\$1,254,117	95.6%
UNTD College of Law	\$3,682	\$7,011	\$413,248	\$2,326,964	\$4,136,772	7.0%	\$1,809,808	77.8%
UNT System Operations	\$108,652	\$90,591	\$37,780	\$99,521	\$99,521	0.2%	\$0	0.0%
Building Operations - 1901 Main St.	\$373,710	\$400,936	\$490,829	\$855,190	\$1,007,921	1.7%	\$152,731	17.9%
Building Operations - Majestic Lofts	\$1,141,867	\$1,342,924	\$1,326,624	\$1,350,000	\$1,785,000	3.0%	\$435,000	32.2%
Capital/1901 Main St. Acquisition (Debt Service)	\$1,101,338	\$1,102,738	\$1,103,538	\$1,103,738	\$1,103,338	1.9%	(\$400)	(0.0%)
Capital/1901 Main St. Construction (Debt Service)	\$0	\$0	\$0	\$1,116,000	\$608,000	1.0%	(\$508,000)	(45.5%)
Benefits Expense - Non-State	\$279,737	\$2,173,532	\$369,065	\$178,939	\$165,987	0.3%	(\$12,952)	(7.2%)
Benefits Expense - State Paid	\$1,204,199	\$2,637,589	\$4,310,052	\$5,143,154	\$5,524,413	9.3%	\$381,259	7.4%
Reserve for Compensation Adjustment	\$0		\$0	\$152,105	\$178,099	0.3%	\$25,994	17.1%
Information Technology Shared Services	\$0	\$9,211,295	\$20,750,457	\$24,674,680	\$20,510,405	34.5%	(\$4,164,275)	(16.9%)
Business Service Center Shared Services	\$116,997	\$6,866,384	\$5,957,049	\$5,963,680	\$6,548,583	11.0%	\$584,903	9.8%
Human Resources Shared Services	\$0	\$345,877	\$2,592,675	\$4,182,270	\$5,261,044	8.8%	\$1,078,774	25.8%
Strategic Initiatives	\$0	\$0	\$0	\$531,313	\$0	0.0%	(\$531,313)	(100.0%)
Financial Transformation Project					\$1,500,000	2.5%	\$1,500,000	
UNTD and HSC Presidential Search	\$0	\$0	\$236,077	\$0	\$0	0.0%	\$0	
Universities Center Dallas/Federation	\$1,110,106	\$0	\$0	\$0	\$0	0.0%	\$0	
Total	\$13,246,449	\$31,928,223	\$45,413,996	\$56,637,667	\$59,484,031	100.0%	\$2,846,364	5.0%

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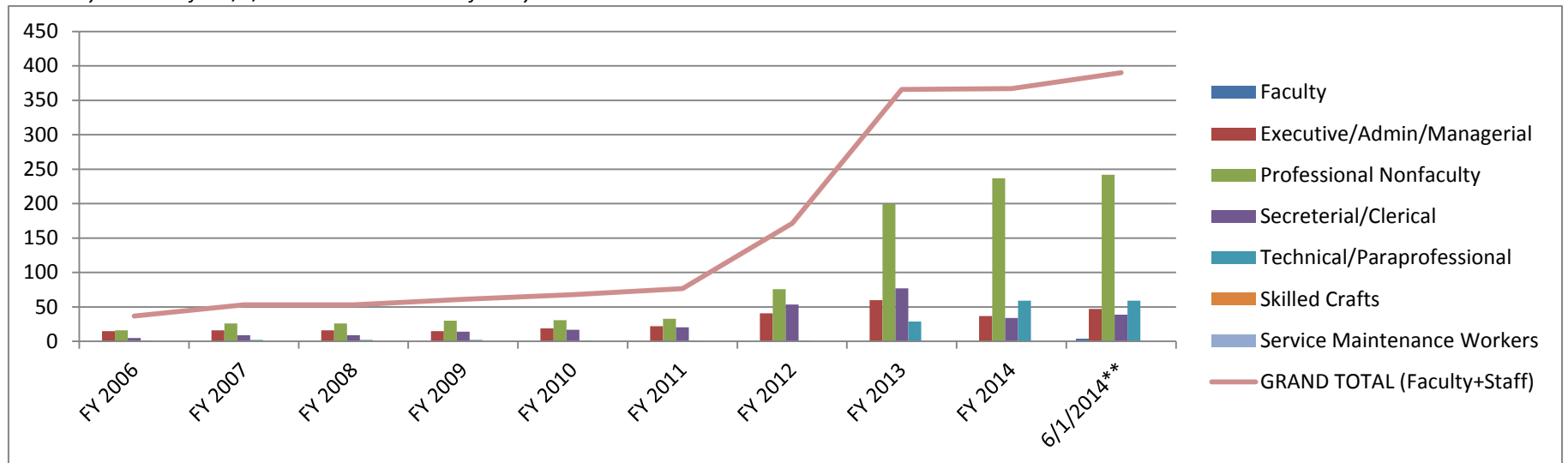
Faculty and Staff FTE Analysis (Actuals)

Central and Shared Services

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	6/1/2014**
Faculty	0	0	0	0	0	0	0	0	0	3
Executive/Admin/Managerial	15	16	16	15	19	22	41	60	37	47
Professional Nonfaculty	16	26	26	30	31	33	76	200	237	242
Secreterial/Clerical	5	9	9	14	17	21	54	77	34	39
Technical/Paraprofessional	1	2	2	2	1	1	1	29	59	59
Skilled Crafts	0	0	0	0	0	0	0	0	0	0
Service Maintenance Workers	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL (Faculty+Staff)	37	53	53	61	68	77	172	366	367	390

*FTE data as of September 1st of each fiscal year.

**Faculty FTE data for 6/1/2014 does not include faculty on 9-month contracts.





Board Briefing

Committee: Finance

Date Filed: July 29, 2014

Title: Approval of Amended UNT System Regulation 08.2000, Investment of System Funds, Approval of UNT System Component Institutions' Endowment Policies, and Approval of Amended UNT System Administration Endowment Policy

Background:

State law and Regent's rules require that each year the Board of Regents review and approve the investment and endowment policies of the UNT System Component Institutions (University of North Texas, University of North Texas Health Science Center, the University of North Texas Dallas) and the University of North Texas System Administration.

It is recommended that one amendment to the UNT System Regulation 08.2000, Investment of System Funds, be approved and adopted – a revision to 08.2005(2)(b) to clarify that all funds held in the Short Term Pool are available to meet self-liquidity coverage.

It is recommended that the Component Institutions' Endowment Policies as currently approved be re-approved.

It is recommended that one amendment to the UNT System Endowment Policy be approved and adopted – a revision to align the unitization of endowments language with the other Endowment Policies.

Purpose of Proposed Revisions:

The amendment to the Investment Regulation broadens the definition of funds that can be used for calculating self-liquidity coverage.

The amendment to the UNT System Endowment Policy aligns the unitization of endowments language with the Component Institutions' Endowment Policies.

Financial Analysis/History:

UNT System Regulation 08.2000, Investment of System Funds, is reviewed and approved annually by the UNT System Board of Regents and governs the investment strategy of UNT System. UNT, UNTHSC, UNT Dallas, and UNT System Administration Endowment Policies are reviewed and approved annually by the UNT System Board of Regents and govern the investment of endowed funds.

Janet Waldron

Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System,
ou=Vice Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 16:07:40 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System,
ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 16:59:46 -05'00'

Vice Chancellor/General Counsel

Schedule:

Effective upon Board approval.

Recommendation:

It is recommended that the Board of Regents approve the amended University of North Texas System Regulation 08.2000, Investment of System Funds, approve the UNT, UNTHSC, and UNT Dallas Endowment Policies, and approve the amended UNT System Administration Endowment Policy.

Recommended By:

Janet Waldron

Vice Chancellor for Finance

Lee
Jackson

Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of
North Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu,
c=US
Date: 2014.08.19 10:48:10 -05'00'

Chancellor

Attachments Filed Electronically (List each item):

- **UNT System Investment Regulation**
- **UNT, UNTHSC, UNTD and UNT System Endowment Policies**



Board Order

Title: Approval of Amended UNT System Regulation 08.2000, Investment of System Funds, Approval of UNT System Component Institutions' Endowment Policies, and Approval of Amended UNT System Administration Endowment Policy

Board of Regents Order 2014-62

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent , the Board approved the motion presented below:

Whereas, State law and Regents Rules require that UNT System Regulation 08.2000, Investment of System Funds, be reviewed and approved annually by the UNT System Board of Regents, and

Whereas, State law, Regents Rules, and System Regulations also require that UNT System endowment policies be reviewed and approved annually by the UNT System Board of Regents.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. UNT System Regulation 08.2000, Investment of System Funds, as amended,
2. UNT, UNTHSC, and UNT Dallas Endowment Policies, and
3. UNT System Administration Endowment Policy, as amended.

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents

Regulations of the University of North Texas System	Chapter 08 Fiscal Management
08.2000 Investment of System Funds	

08.2001 **Regulation Statement.** This Regulation sets forth the rules for the investment of all System funds and funds held by the System in trust for others. All investments by the System will be made in accordance with Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System and this System Regulation.

08.2002 **Application of Regulation.** This Regulation applies to the UNT System Administration and to all UNT Institutions.

08.2003 **Definitions.**

1. **Authorized Broker/Dealers.** “Authorized Broker/Dealers” means those entities that have been approved as provided herein.
2. **Funds Subject to Board of Regents Control.** “Funds Subject to Board of Regents Control” is defined by Texas Education Code § 51.002 and means:
 - a. student fees of all kinds;
 - b. charges for use of rooms and dormitories;
 - c. receipts from meals, cafes, and cafeterias;
 - d. fees on deposit refundable to students under certain conditions;
 - e. receipts from school athletic activities;
 - f. income from student publications and other student activities;
 - g. receipts from the sale of publication products and miscellaneous supplies and equipment;
 - h. students’ voluntary deposits of money for safekeeping;
 - i. all other fees and local or institutional funds arising out of and by virtue of the educational activities, research, or demonstrations carried on by the institution; and
 - j. donations and gifts to the institution.

3. Managing Entity. “Managing Entity” means the entity holding and managing the investment of funds, and may include UNT System Administration, a UNT Institution, the University of North Texas Foundation, Inc. (“UNT Foundation”), the University of North Texas Health Science Center at Fort Worth, Texas College of Osteopathic Medicine Foundation, Inc. (“UNTHSC Foundation”), the University of North Texas at Dallas Foundation (“UNT at Dallas Foundation”), or Authorized Broker/Dealers.
4. Prudent Person Standard. “Prudent Person Standard” is defined by Texas Education Code § 51.0031(d) and described in Article VII, Section 11b of the Texas Constitution, and means that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.
5. System. “System” means, collectively, the University of North Texas System, University of North Texas System Administration, and UNT Institutions.
6. UNT Institutions. “UNT Institutions” means University of North Texas, University of North Texas Health Science Center at Fort Worth, and University of North Texas at Dallas.

08.2004

Authority and Governing Statutes. The System’s authority to invest funds is established in the Public Funds Investment Act (Texas Government Code, Chapter 2256), Section 51.0031 of the Texas Education Code, and Rule 10.100 of the Rules of the Board of Regents of the University of North Texas System. This Regulation is promulgated in accordance with the Public Funds Investment Act, Section 51.0032 of the Texas Education Code, the Uniform Prudent Investor Act (Texas Property Code, Chapter 117), the Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163), and the Public Funds Collateral Act (Texas Government Code, Chapter 2257). Texas Education Code, Section 51.0032 requires a governing board to adopt a written investment policy, and the Public Funds Investment Act requires a governing board to adopt a written investment policy and strategy, review the policy and strategy not less than annually, appoint an investment officer, and adopt internal controls to safeguard the System’s funds. The Public Funds Collateral Act sets the standards for collateralization of public funds in Texas.

Investment of System Funds.

1. **Investment Strategy.** The cash management objective for the System is to retain appropriate liquidity to meet daily operating demands while seeking higher yield on cash reserves through an appropriately diversified long term investment portfolio. All System Funds Subject to Board of Regents Control shall be invested pursuant to a Prudent Person Standard. All System endowment funds shall be invested pursuant to a Prudent Person Standard. All UNTHSC medical professional liability self-insurance plan funds shall be invested pursuant to a Prudent Person Standard. All other System funds shall be deposited in an approved depository bank, invested pursuant to the Public Funds Investment Act in Short Term Pool Authorized Investments (as defined below), or deposited in the State Treasury as prescribed by Texas Education Code § 51.008.

2. **Short Term Working Capital Funds.** Short term working capital funds (“Short Term Pool”) shall be at least 55% but not more than 75% of available cash on hand and shall be adjusted monthly as necessary to remain within this range.¹
 - a. **Authorized Investments.** Funds needed to meet daily or short term operating requirements will be held in the following authorized investments:
 - i. fully collateralized money market funds deposited with an approved depository institution
 - ii. approved Local Government Investment Pool
 - iii. certificates of deposit guaranteed by the FDIC or collateralized by letter(s) of credit

 - b. **Self-Liquidity.** In accordance with System self-liquidity coverage, UNT Institutions shall maintain a balance in the ~~local government investment pool~~**Short Term Pool** (net of bond proceeds held in the account), of at least 1.2x the amount of outstanding debt issued through the System commercial paper program.

 - c. **Investment Objectives.**
 - i. Liquidity
 - ii. Current Income
 - iii. Appreciation

3. **Long Term Cash Reserves.** Long term cash reserves (“Long Term Pool”) shall constitute at least 25% but not more than 45% of current cash balances and shall be adjusted monthly as necessary to remain within this range.²

- a. Authorized Investments. The investment vehicle for Long Term Pool cash reserves shall be the UNT System Long Term Pool (“UNTS-LTP”). The UNTS-LTP shall be held and invested pursuant to a Prudent Person Standard.
- b. Portfolio Asset Allocation. The UNTS-LTP portfolio asset allocation shall be monitored on an ongoing basis, maintained within the tactical range shown below, and reviewed no less than quarterly in connection with the required quarterly report to the Board of Regents.

	Strategic Target Policy Allocation	Tactical Range
Growth Assets	53%	43 – 63%
Risk Reduction Assets	37%	30 – 44%
Inflation Protection Assets	10%	5 – 15%

The Managing Entity, by and through its investment manager, will be responsible for monitoring the UNTS-LTP’s strategic target policy allocation and tactical range. The Managing Entity and its investment manager may make allocation changes within the tactical ranges shown above as warranted under a Prudent Person Standard. Any allocation changes that would exceed the tactical ranges must be pre-approved by the System Investment Advisory Committee.

- c. Portfolio Asset Selection. Selection of the underlying assets within each portfolio shall remain the discretion of the Managing Entity, within the guidelines established in the portfolio asset allocation set forth above and the investment management contract.
- d. UNT System Investment Advisory Committee. Members of the UNT System Investment Advisory Committee shall be the Vice Chancellor for Finance and the chief financial officers from each UNT Institution. The UNT System Investment Advisory Committee shall have oversight of UNTS-LTP investments and maintain an active role in advising Managing Entities. The Vice Chancellor for Finance shall represent the System Investment Advisory Committee for all approvals that may be necessary or advisable in connection with the UNTS-LTP to provide to a Managing Entity.
- e. Investment Objectives.
 - i. Current Income
 - ii. Appreciation
 - iii. Liquidity

4. Bond Proceeds. Bond proceeds and reserves may be invested in a manner consistent with the requirements and restrictions stated in the applicable Bond Covenants.
 - a. Investment Objectives.
 - i. Liquidity
 - ii. Current Income
 - iii. Appreciation

5. Endowed Funds. The endowment corpus shall be invested in a diversified portfolio using reasonable care to ensure earnings are sufficient to provide on-going payout while mitigating the impact of inflation.
 - a. Authorized Investments. The System has identified four options for investing endowed funds:
 - i. The UNTS-LTP
 - ii. The UNT Foundation Endowment
 - iii. The UNTHSC Foundation Endowment
 - iv. The UNT at Dallas Foundation Endowment

 - b. Endowment Policies. Each UNT Institution and the UNT System Administration shall adopt an Endowment Policy, consistent with this Regulation and subject to Board approval, that governs the type of endowments, acceptance of gifts, purpose and use of endowments, and distribution requirements of endowed funds.

 - c. Asset Allocation. Each UNT Institution and the UNT System Administration shall select the investment portfolio option. The asset allocation and selection of the underlying assets within each portfolio shall be at the discretion of the Managing Entity; provided, however, that investment of any endowment funds must be pursuant to the Prudent Person Standard and within the guidelines established in this Regulation, the applicable UNT Institution Endowment Policy, and the Investment Management Agreement.

 - d. Investment Objectives.
 - i. Appreciation
 - ii. Current Income
 - iii. Preservation of Capital
 - iv. Liquidity

6. Medical Professional Liability Self-Insurance Funds. The total amount of reserve funds required for medical professional liability self-insurance shall be actuarially determined annually. These funds shall be invested in any

combination of the UNT System Long Term Pool or the UNT System Short Term Pool at the discretion of the UNT Health Science Center. In the event all or a portion of the self-insurance fund is converted to a quasi-endowment – subject to liquidation resulting from claims – the quasi-endowment may be invested in accordance with section V – Endowed Funds. A separate accounting of the fund balance and transactions must be maintained and provided to the UNT System Board of Regents at least annually.

- a. Investment Objectives.
 - i. Preservation of Capital
 - ii. Appreciation
 - iii. Liquidity

7. Investment Management.

a. Managing Entity. All System investments shall be held, invested, and managed by a Managing Entity pursuant to a Prudent Person Standard. Only those entities named or otherwise approved as a Managing Entity under this Regulation may provide investment management services for and on behalf of the System.

b. Investment Management Agreement. Investment management services provided by a Managing Entity (other than UNT System Administration or a UNT Institution) shall be administered only through a contractual agreement (“Investment Management Agreement”) with the System or an Institution. Authority to approve and sign Investment Management Agreements is delegated as follows: (i) on behalf of the Board, to the Chancellor; (ii) on behalf of the System, to the Chancellor or his designee; (iii) on behalf of a UNT Institution, to the UNT Institution’s President or his/her designee.

c. Investment Liaison. Each Investment Management Agreement shall designate an Investment Liaison to serve as the liaison between the Managing Entity and the Board of Regents, and may also designate the Investment Liaison to serve as either a voting or ex-officio member of the Managing Entity’s board of directors.

8. Insurance or Collateral. All bank deposits of System funds shall be secured by pledged collateral with a market value equal to no less than 100% of the deposits plus accrued interest less an amount insured by the FDIC. Evidence of the pledged collateral shall be maintained by the Vice Chancellor for Finance. Repurchase agreements shall be documented by the Master Repurchase Agreement approved by The Bond Market (TBMA), or any other entity approved by the Finance Committee of the Board of Regents, noting

the collateral pledged in each agreement. The use of a letter of credit issued to the System by the Federal Home Loan Bank may be considered by the System to meet the required bank depository collateral requirements. Collateral shall be reviewed monthly to assure the market value of the securities pledged equals or exceeds the related bank balances.

9. Safekeeping and Custody. Assets shall be secured through independent third-party custody and safekeeping procedures. Safekeeping procedures shall be reviewed annually by the Internal Auditor. Periodic surprise audits of safekeeping and custodial systems shall be conducted annually by the Internal Auditor.

10. Authorized Broker/Dealers. The Board of Regents must annually review and adopt a list of financial institutions and broker/dealers qualified and authorized to engage in investment transactions with and for the System. All Authorized Broker/Dealers must supply a certification of having read and understood the investment rules, regulations, and policies applicable to the System and agree to comply with those rules, regulations, and policies.

11. Investment Responsibilities. The System Investment Advisory Committee shall be responsible for investing System funds and must comply with the following:
 - a. Prudent Person Standard. The Investment Officers shall exercise a Prudent Person Standard at all times with regard to all funds.

 - b. Personal Business Relationship. Should any Investment Officer have a personal business relationship with a business organization offering to engage in an investment transaction with the System, a statement shall be filed disclosing that personal business interest. This statement must be filed with the Texas Ethics Commission and the Board of Regents. A “personal business relationship” is defined in Chapter 2256.005(i) of the Public Funds Investment Act.

 - c. Training. Each member of the Board of Regents and the System Investment Advisory Committee shall attend at least one training session within six months after taking office or assuming duties. The Texas Higher Education Coordinating Board will provide training for the Regents. The members of the System Investment Advisory Committee must attend training not less than once in a two-year period, and may receive training from any independent source approved by the Board of Regents. The Texas Higher Education Coordinating Board is an approved source for training. The Investment Officers must report the status of

their training to the Board of Regents no later than the 180th day after the last day of each regular session of the legislature.

12. Reporting.

- a. Audit. The System's Internal Audit department shall perform an annual compliance audit of management controls and adherence to this policy. The results will be reported to the Board of Regents and the State Auditor's Office.
- b. Quarterly Reports. The Vice Chancellor for Finance shall prepare a quarterly investment report which includes endowments and submit it to the Board of Regents through the Chancellor. The report will be prepared in compliance with generally accepted accounting principles and will detail, by asset and fund type, changes in book and market values, dates of maturity, and accrued interest. The quarterly reports are to be formally reviewed at least annually by the System's Internal Audit department in conjunction with the annual compliance audit, and the result of the review shall be reported to the Board of Regents.
- c. Annual Report. At the end of each fiscal year, the System will prepare a report of investment performance for the year and submit it to the Board of Regents at its first regularly scheduled board meeting following the end of the fiscal year.

References and Cross-references:

Public Funds Investment Act (Texas Government Code, Chapter 2256)

Texas Education Code, Chapter 51, Subchapter A (Section 51.001, et. seq.)

University of North Texas System Board of Regents Rule 10.100

Uniform Prudent Investor Act (Texas Property Code, Chapter 117)

Uniform Prudent Management of Institutional Funds Act (Texas Property Code, Chapter 163)

Public Funds Collateral Act (Texas Government Code, Chapter 2257)

Approved: August 16, 2012

Effective: August 16, 2012

Revised: May 16, 2013, August 15, 2013, December 5, 2013

¹ System Institutions with less than \$10M cash on hand may retain 100% of cash balances in its Short Term Pool.

² System Institutions with less than \$10M cash on hand may retain 100% of cash balances in its Short Term Pool.

Policies of the University of North Texas	Chapter 7
7.6 Endowment Funds	Fiscal Management

Policy Statement. Endowment funds will be managed in a fiscally responsible manner to ensure compliance with legal, ethical, and contractual obligations. This policy establishes rules and guidance for the acceptance, establishment, investment, and distribution of endowment funds.

Application of Policy. Total University, including all University employees with financial, administrative, or reporting responsibilities related to endowment funds.

Definitions.

“Endowments” are investment funds established with a gift or other University funds designed to keep the core endowment principal intact to produce future income or capital gain to fund a specified purpose, including a special project, need, or ongoing operations. Endowments include the following three categories:

“Permanent endowments,” as true or pure endowments, are established and designated by a donor to be held in perpetuity. The corpus of these endowments may never be spent; however, the corpus may decline during unfavorable market conditions. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor.

“Term endowments” are established and designated by a donor to be held for a period of time and to terminate following a particular date or event. The corpus of these endowments may be expended in accordance with the terms and conditions specified by the donor. Until the designated date passes or event occurs, term endowments operate essentially like permanent endowments with expenditures made in accordance with the conditions established by the donor.

“Quasi-endowments” are established and designated by the University to be held and managed as endowments. The University administration will specify the use of the corpus and income, and set other terms and conditions relating to the fund. The University administration may change the terms and conditions of the endowment or terminate the endowment.

Procedures and Responsibilities.

Preface

Gifts are critical to UNT's mission to develop and maintain quality in faculty, students, and facilities. The UNT System Board of Regents recognizes the importance of establishing policies and procedures to meet the development needs of UNT and to promote and support efforts to attract private fund support. This policy establishes rules and guidelines to accept and administer endowment funds in compliance with legal, ethical, and contractual obligations to meet fiduciary and fiscal responsibilities. When this policy does not indicate the appropriate course of action, or is incomplete to cover all aspects of a specific situation, the Vice President for Finance and Administration shall work with the Board of Regents Finance Committee to establish the recommended course of action.

Review and Approval

This policy shall be reviewed and approved by the Board of Regents annually.

Fiduciary Responsibility

All endowments shall be managed in a manner that supports the Board of Regents' fiduciary responsibility to comply with restrictions imposed by donors of endowment funds. All endowments shall be managed in compliance with Regents Rules 09.300 and 10.100, UNT System Regulation 08.2000, Texas Education Code, Chapter 51, Subchapter A, Sections 51.001 – 009, and, to the extent applicable, Texas Property Code, Chapter 163 (Uniform Prudent Management of Institutional Funds Act) and Chapter 117 (Uniform Prudent Investor Act).

The primary and constant standard for making investment decisions for endowment is the "Prudent Person Standard" which states that the investment manager may manage investments with "that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment."

Written Instruments to Establish Endowments

A written donative instrument should be provided for establishing new endowment funds. This instrument should provide:

A statement that additions to the endowment from any other person or entity, unless prohibited, will be made subject to the provisions of the donative instrument; and

A statement that if, in the opinion of the Board of Regents, future circumstances change so that the purpose of the endowment becomes illegal, impractical, or no longer meets the needs of UNT, the Board of Regents may designate an alternative use for the endowment payout to further the objectives and purposes of UNT, giving consideration to the donor's special interest as evidenced by the original purpose of the endowment.

In cases where an endowment is established pursuant to a solicitation or campaign, the solicitation letter or document sent to the donor or donors may be used as the donative instrument to evidence the donative intent and purposes.

Minimum Contributions

Gifts to establish new, separate endowments must equal or exceed minimum contribution amounts and time periods set by the Board of Regents in Regents Rule 09.300.

Gifts to establish endowments for academic positions (i.e. chairs, professorships, lectureships, and fellowships) must meet the requirements of Regents Rule 09.200. In no case will an endowment for an academic position be established without prior approval of the President.

Investment Control

No endowment shall be accepted in which the donor directs the investment transactions or holdings or approves investment policy or strategy. The endowment fund shall be under the sole control of the UNT System Board of Regents.

It is the specific and strong preference of the Board of Regents that all endowment gifts be eligible for commingling for investment purposes with other endowment funds. This commingling permits enhancement of long-term investment programs, affords appropriate risk control through diversification, and provides for optimization of asset mix through time.

The financial goal for management of endowment funds is to preserve the real (i.e. inflation-adjusted) purchasing power of principal and income after accounting for endowment spending, inflation, and costs of investment management. Performance of the endowment fund against this objective is to be measured over rolling 5-year periods.

Unitization of Endowments

Commingled endowment funds, excluding endowments not permitted to be invested in equities, shall be unitized and each new endowment gift added to the fund shall receive units in the fund based upon the market value of the gift and the next-determined unit value of the fund following the gift. The unit value of the endowment fund shall be determined at least quarterly. Income determined under the "Spending Policy for Unitized Endowments" section below should be calculated on a unit basis for distribution purposes.

Spending Policy for Unitized Endowments

UNT recognizes the need for spendable income by the beneficiaries of endowment funds. The following spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined herein while protecting the real value of the endowment principal.

An endowment should be excluded from the target distribution until the endowment has been established for one complete quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3 to 6 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the Board of Regents Finance Committee, the target annual distribution rate shall be 4 percent of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May, and August. This distribution amount shall be recalculated each quarter based on a 12 quarter rolling average. If the endowment fund is placed with a managing entity for investment under UNT System Regulation 08.2000, the calculation for distribution will mirror the managing entity's model unless required otherwise to meet the terms of an endowment gift agreement.

Investment of Endowment Funds

Investment management of endowment funds shall be delegated by written investment management agreement to the University of North Texas Foundation, Inc. The investment management agreement shall require the UNT Foundation to invest and manage the endowment funds in accordance with the prudent person standard, and the investment of endowment funds shall mirror the UNT Foundation policy for investment of UNT Foundation endowments within the asset allocation set forth below.

Asset Allocation for Unitized Endowments

In investing unitized endowments, UNT shall require any managing entity to monitor the asset allocation on an ongoing basis, maintain the asset allocation within the tactical range shown below, review the allocation with UNT no less than annually, and provide a quarterly report in sufficient form to allow UNT to include the information in its quarterly investment report to the Board of Regents.

	<u>Strategic Target Policy Allocation</u>	<u>Tactical Range</u>
Growth Assets	53%	43 – 63%
Risk Reduction Assets	37%	30 – 44%
Inflation Protection Assets	<u>10%</u>	5 – 15%
Total	100%	

Endowments Not Unitized

Endowments that do not provide for investments in equities will not be unitized and they will receive interest and dividends on investments in fixed income securities.

Management Fees

Management fees for investment management services of endowments must be reasonable and established by written agreement.

Reporting

The performance of endowment investments will be included in and reported with the investment reports submitted each quarter to the Board of Regents. The report shall contain a summary of:

- Book value, by asset class;
- Market value, by asset class;
- Performance measures;
- Benchmarks against which to measure performance; and
- Beginning and ending market values for the quarter, with changes in market values.

References and Cross-references.

Approved: 4/9/2013

Effective: 4/9/2013

Revised: 8/2010; 4/2013; 8/2013

Policies of the UNT Health Science Center	Chapter 10
10.108 Endowment Funds	Fiscal Management

Policy Statement. Endowment funds will be managed in a fiscally responsible manner to ensure compliance with legal, ethical, and contractual obligations. This policy establishes rules and guidance for the acceptance, establishment, investment, and distribution of endowment funds.

Application of Policy. Total University, including all University employees with financial, administrative, or reporting responsibilities related to endowment funds.

Definitions.

“Endowments” are investment funds established with a gift or other University funds designed to keep the core endowment principal intact to produce future income or capital gain to fund a specified purpose, including a special project, need, or ongoing operations. Endowments include the following three categories:

“Permanent endowments,” as true or pure endowments, are established and designated by a donor to be held in perpetuity. The corpus of these endowments may never be spent; however, the corpus may decline during unfavorable market conditions. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor.

“Term endowments” are established and designated by a donor to be held for a period of time and to terminate following a particular date or event. The corpus of these endowments may be expended in accordance with the terms and conditions specified by the donor. Until the designated date passes or event occurs, term endowments operate essentially like permanent endowments with expenditures made in accordance with the conditions established by the donor.

“Quasi-endowments” are established and designated by the University to be held and managed as endowments. The University administration will specify the use of the corpus and income, and set other terms and conditions relating to the fund. The University administration may change the terms and conditions of the endowment or terminate the endowment.

Procedures and Responsibilities.

Preface

Gifts are critical to UNTHSC's mission to develop and maintain quality in faculty, students, and facilities. The UNT System Board of Regents recognizes the importance of establishing policies and procedures to meet the development needs of UNTHSC and to promote and support efforts to attract private fund support. This policy establishes rules and guidelines to accept and administer endowment funds in compliance with legal, ethical, and contractual obligations to meet fiduciary and fiscal responsibilities. When this policy does not indicate the appropriate course of action, or is incomplete to cover all aspects of a specific situation, the Senior Vice President for Finance and CFO shall work with the Board of Regents Finance Committee to establish the recommended course of action.

Review and Approval

This policy shall be reviewed and approved by the Board of Regents annually.

Fiduciary Responsibility

All endowments shall be managed in a manner that supports the Board of Regents' fiduciary responsibility to comply with restrictions imposed by donors of endowment funds. All endowments shall be managed in compliance with Regents Rules 09.300 and 10.100, UNT System Regulation 08.2000, Texas Education Code, Chapter 51, Subchapter A, Sections 51.001 – 009, and, to the extent applicable, Texas Property Code, Chapter 163 (Uniform Prudent Management of Institutional Funds Act) and Chapter 117 (Uniform Prudent Investor Act).

The primary and constant standard for making investment decisions for endowment is the "Prudent Person Standard" which states that the investment manager may manage investments with "that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment."

Written Instruments to Establish Endowments

A written donative instrument should be provided for establishing new endowment funds. This instrument should provide:

A statement that additions to the endowment from any other person or entity, unless prohibited, will be made subject to the provisions of the donative instrument; and

A statement that if, in the opinion of the Board of Regents, future circumstances change so that the purpose of the endowment becomes illegal, impractical, or no longer meets the needs of UNTHSC, the Board of Regents may designate an alternative use for the

endowment payout to further the objectives and purposes of UNTHSC, giving consideration to the donor's special interest as evidenced by the original purpose of the endowment.

In cases where an endowment is established pursuant to a solicitation or campaign, the solicitation letter or document sent to the donor or donors may be used as the donative instrument to evidence the donative intent and purposes.

Minimum Contributions

Gifts to establish new, separate endowments must equal or exceed minimum contribution amounts and time periods set by the Board of Regents in Regents Rule 09.300.

Gifts to establish endowments for academic positions (i.e. chairs, professorships, lectureships, and fellowships) must meet the requirements of Regents Rule 09.200. In no case will an endowment for an academic position be established without prior approval of the President.

Investment Control

No endowment shall be accepted in which the donor directs the investment transactions or holdings or approves investment policy or strategy. The endowment fund shall be under the sole control of the UNT System Board of Regents.

It is the specific and strong preference of the Board of Regents that all endowment gifts be eligible for commingling for investment purposes with other endowment funds. This commingling permits enhancement of long-term investment programs, affords appropriate risk control through diversification, and provides for optimization of asset mix through time.

The financial goal for management of endowment funds is to preserve the real (i.e. inflation-adjusted) purchasing power of principal and income after accounting for endowment spending, inflation, and costs of investment management. Performance of the endowment fund against this objective is to be measured over rolling 5-year periods.

Unitization of Endowments

Commingled endowment funds, excluding endowments not permitted to be invested in equities, shall be unitized and each new endowment gift added to the fund shall receive units in the fund based upon the market value of the gift and the next-determined unit value of the fund following the gift. The unit value of the endowment fund shall be determined at least quarterly. Income determined under the "Spending Policy for Unitized Endowments" section below should be calculated on a unit basis for distribution purposes.

Spending Policy for Unitized Endowments

UNTHSC recognizes the need for spendable income by the beneficiaries of endowment funds.

The following spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined herein while protecting the real value of the endowment principal.

An endowment should be excluded from the target distribution until the endowment has been established for one complete quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3 to 6 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the Board of Regents Finance Committee, the target annual distribution rate shall be 4 percent of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May, and August. This distribution amount shall be recalculated each quarter based on a 12 quarter rolling average. If the endowment fund is placed with a managing entity for investment under UNT System Regulation 08.2000, the calculation for distribution will mirror the managing entity's model unless required otherwise to meet the terms of an endowment gift agreement.

Investment of Endowment Funds

Investment management of endowment funds shall be delegated by written investment management agreement to the University of North Texas Health Science Center at Fort Worth, Texas College of Osteopathic Medicine Foundation, Inc. The investment management agreement shall require the UNTHSC Foundation to invest and manage the endowment funds in accordance with the prudent person standard, and the investment of endowment funds shall mirror the UNTHSC Foundation policy for investment of UNTHSC Foundation endowments within the asset allocation set forth below.

Asset Allocation for Unitized Endowments

In investing unitized endowments, UNTHSC shall require any managing entity to monitor the asset allocation on an ongoing basis, maintain the asset allocation within the tactical range shown below, review the allocation with UNTHSC no less than annually, and provide a quarterly report in sufficient form to allow UNTHSC to include the information in its quarterly investment report to the Board of Regents.

	<u>Strategic Target Policy Allocation</u>	<u>Tactical Range</u>
Growth Assets	55%	45 - 65%
Risk Reduction Assets	45%	35 - 55%
Inflation Protection Assets	0%	0%
Total	100%	

Endowments Not Unitized

Endowments that do not provide for investments in equities will not be unitized and they will receive interest and dividends on investments in fixed income securities.

Management Fees

Management fees for investment management services of endowments must be reasonable and established by written agreement.

Reporting

The performance of endowment investments will be included in and reported with the investment reports submitted each quarter to the Board of Regents. The report shall contain a summary of:

- Book value, by asset class;
- Market value, by asset class;
- Performance measures;
- Benchmarks against which to measure performance; and
- Beginning and ending market values for the quarter, with changes in market values.

References and Cross-references.

Approved: August 2013

Effective: August 2013

Revised:

The University of North Texas at Dallas Policy Manual	Chapter 10.000 Fiscal Management
10.006 Endowment Funds	

Policy Statement. Endowment funds will be managed in a fiscally responsible manner to ensure compliance with legal, ethical, and contractual obligations. This policy establishes rules and guidance for the acceptance, establishment, investment, and distribution of endowment funds.

Application of Policy. Total University, including all University employees with financial, administrative, or reporting responsibilities related to endowment funds.

Definitions.

“Endowments” are investment funds established with a gift or other University funds designed to keep the core endowment principal intact to produce future income or capital gain to fund a specified purpose, including a special project, need, or ongoing operations. Endowments include the following three categories:

“Permanent endowments,” as true or pure endowments, are established and designated by a donor to be held in perpetuity. The corpus of these endowments may never be spent; however, the corpus may decline during unfavorable market conditions. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor.

“Term endowments” are established and designated by a donor to be held for a period of time and to terminate following a particular date or event. The corpus of these endowments may be expended in accordance with the terms and conditions specified by the donor. Until the designated date passes or event occurs, term endowments operate essentially like permanent endowments with expenditures made in accordance with the conditions established by the donor.

“Quasi-endowments” are established and designated by the University to be held and managed as endowments. The University administration will specify the use of the corpus and income, and set other terms and conditions relating to the fund. The University administration may change the terms and conditions of the endowment or terminate the endowment.

Procedures and Responsibilities.

Preface

Gifts are critical to UNT Dallas' mission to develop and maintain quality in faculty, students, and facilities. The UNT System Board of Regents recognizes the importance of establishing policies and procedures to meet the development needs of UNT Dallas and to promote and support efforts to attract private fund support. This policy establishes rules and guidelines to accept and administer endowment funds in compliance with legal, ethical, and contractual obligations to meet fiduciary and fiscal responsibilities. When this policy does not indicate the appropriate course of action, or is incomplete to cover all aspects of a specific situation, the Vice President for Finance and Administration shall work with the Board of Regents Finance Committee to establish the recommended course of action.

Review and Approval

This policy shall be reviewed and approved by the Board of Regents annually.

Fiduciary Responsibility

All endowments shall be managed in a manner that supports the Board of Regents' fiduciary responsibility to comply with restrictions imposed by donors of endowment funds. All endowments shall be managed in compliance with Regents Rules 09.300 and 10.100, UNT System Regulation 08.2000, Texas Education Code, Chapter 51, Subchapter A, Sections 51.001 – 009, and, to the extent applicable, Texas Property Code, Chapter 163 (Uniform Prudent Management of Institutional Funds Act) and Chapter 117 (Uniform Prudent Investor Act).

The primary and constant standard for making investment decisions for endowment is the "Prudent Person Standard" which states that the investment manager may manage investments with "that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment."

Written Instruments to Establish Endowments

A written donative instrument should be provided for establishing new endowment funds. This instrument should provide:

A statement that additions to the endowment from any other person or entity, unless prohibited, will be made subject to the provisions of the donative instrument; and

A statement that if, in the opinion of the Board of Regents, future circumstances change so that the purpose of the endowment becomes illegal, impractical, or no longer meets the needs of UNT Dallas, the Board of Regents may designate an alternative use for the endowment payout to further the objectives and purposes of UNT Dallas, giving consideration to the donor's special interest as evidenced by the original purpose of the endowment.

In cases where an endowment is established pursuant to a solicitation or campaign, the solicitation letter or document sent to the donor or donors may be used as the donative instrument to evidence the donative intent and purposes.

Minimum Contributions

Gifts to establish new, separate endowments must equal or exceed minimum contribution amounts and time periods set by the Board of Regents in Regents Rule 09.300.

Gifts to establish endowments for academic positions (i.e. chairs, professorships, lectureships, and fellowships) must meet the requirements of Regents Rule 09.200. In no case will an endowment for an academic position be established without prior approval of the President.

Investment Control

No endowment shall be accepted in which the donor directs the investment transactions or holdings or approves investment policy or strategy. The endowment fund shall be under the sole control of the UNT System Board of Regents.

It is the specific and strong preference of the Board of Regents that all endowment gifts be eligible for commingling for investment purposes with other endowment funds. This commingling permits enhancement of long-term investment programs, affords appropriate risk control through diversification, and provides for optimization of asset mix through time.

The financial goal for management of endowment funds is to preserve the real (i.e. inflation-adjusted) purchasing power of principal and income after accounting for endowment spending, inflation, and costs of investment management. Performance of the endowment fund against this objective is to be measured over rolling 5-year periods.

Unitization of Endowments

Commingled endowment funds, excluding endowments not permitted to be invested in equities, shall be unitized and each new endowment gift added to the fund shall receive units in the fund based upon the market value of the gift and the next-determined unit value of the fund following the gift. The unit value of the endowment fund shall be determined at least quarterly. Income determined under the "Spending Policy for Unitized Endowments" section below should be calculated on a unit basis for distribution purposes.

Spending Policy for Unitized Endowments

UNT Dallas recognizes the need for spendable income by the beneficiaries of endowment funds. The following spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined herein while protecting the real value of the endowment principal.

An endowment should be excluded from the target distribution until the endowment has been established for one complete quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3 to 6 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the Board of Regents Finance Committee, the target annual distribution rate shall be 4 percent of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May, and August. This distribution amount shall be recalculated each quarter based on a 12 quarter rolling average. If the endowment fund is placed with a managing entity for investment under UNT System Regulation 08.2000, the calculation for distribution will mirror the managing entity's model unless required otherwise to meet the terms of an endowment gift agreement.

Investment of Endowment Funds

Investment management of endowment funds shall be delegated by written investment management agreement to either University of North Texas at Dallas Foundation or the University of North Texas Foundation, Inc. The investment management agreement shall require the managing entity to invest and manage the endowment funds in accordance with the prudent person standard, and the investment of endowment funds shall mirror the managing entity's policy for investment of that managing entity's endowments within the asset allocation set forth below.

Asset Allocation for Unitized Endowments

In investing unitized endowments, UNT Dallas shall require any managing entity to monitor the asset allocation on an ongoing basis, maintain the asset allocation within the tactical range shown below, review the allocation with UNT Dallas no less than annually, and provide a quarterly report in sufficient form to allow UNT Dallas to include the information in its quarterly investment report to the Board of Regents.

	<u>Strategic Target Policy Allocation</u>	<u>Tactical Range</u>
Growth Assets	53%	43 – 63%
Risk Reduction Assets	37%	30 – 44%
Inflation Protection Assets	<u>10%</u>	5 – 15%
Total	100%	

Endowments Not Unitized

Endowments that do not provide for investments in equities will not be unitized and they will receive interest and dividends on investments in fixed income securities.

Management Fees

Management fees for investment management services of endowments must be reasonable and established by written agreement.

Reporting

The performance of endowment investments will be included in and reported with the investment reports submitted each quarter to the Board of Regents. The report shall contain a summary of:

- Book value, by asset class;
- Market value, by asset class;
- Performance measures;
- Benchmarks against which to measure performance; and
- Beginning and ending market values for the quarter, with changes in market values.

References and Cross-references.

Approved: 4/9/2013

Effective: 4/9/2013

Revised: 8/2010; 4/2013; 8/2013

University of North Texas System System Administration Policies	Chapter 4
05.300 Endowment Funds	Fiscal Management

Policy Statement. Endowment funds will be managed in a fiscally responsible manner to ensure compliance with legal, ethical, and contractual obligations. This policy establishes rules and guidance for the acceptance, establishment, investment, and distribution of endowment funds.

Application of Policy. Total UNT System Administration, including all UNT System Administration employees with financial, administrative, or reporting responsibilities related to endowment funds.

Definitions.

“Endowments” are investment funds established with a gift or other UNT System funds designed to keep the core endowment principal intact to produce future income or capital gain to fund a specified purpose, including a special project, need, or ongoing operations. Endowments include the following three categories:

“Permanent endowments,” as true or pure endowments, are established and designated by a donor to be held in perpetuity. The corpus of these endowments may never be spent; however, the corpus may decline during unfavorable market conditions. Earnings and capital gains must be expended in accordance with the terms and conditions established by the donor.

“Term endowments” are established and designated by a donor to be held for a period of time and to terminate following a particular date or event. The corpus of these endowments may be expended in accordance with the terms and conditions specified by the donor. Until the designated date passes or event occurs, term endowments operate essentially like permanent endowments with expenditures made in accordance with the conditions established by the donor.

“Quasi-endowments” are established and designated by the UNT System Administration to be held and managed as endowments. The UNT System Administration will specify the use of the corpus and income, and set other terms and conditions relating to the fund. The UNT System Administration may change the terms and conditions of the endowment or terminate the endowment.

Procedures and Responsibilities.

Preface

Gifts are critical to UNT System's mission to develop and maintain quality in faculty, students, and facilities. The UNT System Board of Regents recognizes the importance of establishing policies and procedures to meet the development needs of UNT System and to promote and support efforts to attract private fund support. This policy establishes rules and guidelines to accept and administer endowment funds in compliance with legal, ethical, and contractual obligations to meet fiduciary and fiscal responsibilities. When this policy does not indicate the appropriate course of action, or is incomplete to cover all aspects of a specific situation, the Vice Chancellor for Finance shall work with the Board of Regents Finance Committee to establish the recommended course of action.

Review and Approval

This policy shall be reviewed and approved by the Board of Regents annually.

Fiduciary Responsibility

All endowments shall be managed in a manner that supports the Board of Regents' fiduciary responsibility to comply with restrictions imposed by donors of endowment funds. All endowments shall be managed in compliance with Regents Rules 09.300 and 10.100, UNT System Regulation 08.2000, Texas Education Code, Chapter 51, Subchapter A, Sections 51.001 – 009, and, to the extent applicable, Texas Property Code, Chapter 163 (Uniform Prudent Management of Institutional Funds Act) and Chapter 117 (Uniform Prudent Investor Act).

The primary and constant standard for making investment decisions for endowment is the "Prudent Person Standard" which states that the investment manager may manage investments with "that standard of judgment and care that prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment."

Written Instruments to Establish Endowments

A written donative instrument should be provided for establishing new endowment funds. This instrument should provide:

A statement that additions to the endowment from any other person or entity, unless prohibited, will be made subject to the provisions of the donative instrument; and

A statement that if, in the opinion of the Board of Regents, future circumstances change so that the purpose of the endowment becomes illegal, impractical, or no longer meets the needs of UNT System, the Board of Regents may designate an alternative use for the endowment payout to further the objectives and purposes of UNT System, giving consideration to the donor's special interest as evidenced by the original purpose of the endowment.

In cases where an endowment is established pursuant to a solicitation or campaign, the solicitation letter or document sent to the donor or donors may be used as the donative instrument to evidence the donative intent and purposes.

Minimum Contributions

Gifts to establish new, separate endowments must equal or exceed minimum contribution amounts and time periods set by the Board of Regents in Regents Rule 09.300.

Gifts to establish endowments for academic positions (i.e. chairs, professorships, lectureships, and fellowships) must meet the requirements of Regents Rule 09.200. In no case will an endowment for an academic position be established without prior approval of the Chancellor.

Investment Control

No endowment shall be accepted in which the donor directs the investment transactions or holdings or approves investment policy or strategy. The endowment fund shall be under the sole control of the UNT System Board of Regents.

It is the specific and strong preference of the Board of Regents that all endowment gifts be eligible for commingling for investment purposes with other endowment funds. This commingling permits enhancement of long-term investment programs, affords appropriate risk control through diversification, and provides for optimization of asset mix through time.

The financial goal for management of endowment funds is to preserve the real (i.e. inflation-adjusted) purchasing power of principal and income after accounting for endowment spending, inflation, and costs of investment management. Performance of the endowment fund against this objective is to be measured over rolling 5-year periods.

Unitization of Endowments

Commingled endowment funds, excluding endowments not permitted to be invested in equities, shall be unitized and each new endowment gift added to the fund shall receive units in the fund based upon the market value of the gift and the next-determined unit value of the fund ~~for the preceding quarter~~ following the gift. The unit value of the endowment fund shall be determined at least quarterly. Income determined under the "Spending Policy for

Unitized Endowments” section below should be calculated on a unit basis for distribution purposes.

Spending Policy for Unitized Endowments

UNT System Administration recognizes the need for spendable income by the beneficiaries of endowment funds. The following spending policy reflects an objective to distribute as much total return as is consistent with overall investment objectives defined herein while protecting the real value of the endowment principal.

An endowment should be excluded from the target distribution until the endowment has been established for one complete quarter.

The target distribution of spendable income to each unit of the endowment fund will be between 3 to 6 percent of the average market value of a unit of the endowment fund for the preceding 12 quarters. Unless otherwise determined by the Board of Regents Finance Committee, the target annual distribution rate shall be 4 percent of the average unit market value. Distribution shall be made quarterly, as soon as practicable, after the last calendar day of November, February, May, and August. This distribution amount shall be recalculated each quarter based on a 12 quarter rolling average. If the endowment fund is placed with a managing entity for investment under UNT System Regulation 08.2000, the calculation for distribution will mirror the managing entity’s model unless required otherwise to meet the terms of an endowment gift agreement.

Investment of Endowment Funds

Investment management of endowment funds shall be delegated by written investment management agreement to the University of North Texas Foundation, Inc. The investment management agreement shall require the UNT Foundation to invest and manage the endowment funds in accordance with the prudent person standard, and the investment of endowment funds shall mirror the UNT Foundation policy for investment of UNT Foundation endowments within the asset allocation set forth below.

Asset Allocation for Unitized Endowments

In investing unitized endowments, UNT System Administration shall require any managing entity to monitor the asset allocation on an ongoing basis, maintain the asset allocation within the tactical range shown below, review the allocation with UNT System Administration no less than annually, and provide a quarterly report in sufficient form to allow UNT System Administration to include the information in its quarterly investment report to the Board of Regents.

	Strategic Target Policy Allocation	Tactical Range
Growth Assets	53%	43 – 63%
Risk Reduction Assets	37%	30 – 44%
Inflation Protection Assets	10%	5 – 15%

Endowments Not Unitized

Endowments that do not provide for investments in equities will not be unitized and they will receive interest and dividends on investments in fixed income securities.

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Reporting

The performance of endowment investments will be included in and reported with the investment reports submitted each quarter to the Board of Regents. The report shall contain a summary of:

- Book value, by asset class;
- Market value, by asset class;
- Performance measures;
- Benchmarks against which to measure performance; and
- Beginning and ending market values for the quarter, with changes in market values.

References and Cross-references.

Texas Education Code, Chapter 51, Subchapter A, §§ 51.001 – 009

Texas Property Code, Chapter 163 (Uniform Prudent Management of Institutional Funds Act)

Texas Property Code, Chapter 117 (Uniform Prudent Investor Act)

Regents Rule 09.300

Regents Rule 10.100

UNT System Regulation 08.2000

Approved: August 15, 2013

Effective: August 15, 2013

Revised:



Board Briefing

Committee: Finance

Date Filed: July 16, 2014

Title: Delegation of Authority to the Chancellor for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds for FY 2015 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver), and Update of Estimated IGT Amounts through FY 2015

Background:

At the November 2012 quarterly meeting, the UNT System Board of Regents approved UNT Health Science Center (UNTHSC) as a participant in the Texas Healthcare Transformation and Quality Improvement Program ("1115 Transformation Waiver"). This initiative allows the state to expand Medicaid managed care while preserving hospital and provider funding, provides incentive payments for health care delivery system improvements, and directs more funding to hospitals and providers that serve large numbers of uninsured patients. The 1115 Transformation Waiver replaces funding that was historically provided through Upper Payment Limit (UPL) payments – which were supplemental payments to make up the difference between what Medicaid pays for a service and what Medicare would pay for the same service. Replacing the UPL payment methodology are two funding pools, one for Uncompensated Care (UC), and the other for Delivery System Reform Incentive Payments (DSRIP).

1. UC Pool Payments are designed to help offset the costs of otherwise uncompensated care provided to patients by hospitals or other providers.
2. DSRIP Pool Payments are incentive payments to hospitals and other providers that develop programs or strategies to enhance access to health care, increase the quality of care, and improve cost-effectiveness of care provided and the health of the patients and families served.

Under the 1115 Transformation Waiver, eligibility to receive UC or DSRIP payments requires participation in a regional healthcare partnership (RHP). UNTHSC is a participant in RHP 10 that includes Tarrant, Ellis, Erath, Hood, Johnson, Navarro, Parker, Somervell, and Wise Counties. Tarrant County Hospital District (d/b/a JPS Health Network) is the anchor for RHP 10.

Under the 1115 Transformation Waiver, certain governmental entities may make Intergovernmental Transfers (IGT) of eligible state and local funds, which then receive a federal match to fund UC or DSRIP payments to the governmental entity.

At the August 15 2013 meeting, the UNT System Board of Regents approved the delegation of authority for the Chancellor to approve UNTHSC IGTs for FY 2014 totaling an estimated \$17.7 million in order to receive an estimated \$24.3 million in federal matching funds.

Financial Analysis/History:

In October 2013 for Demonstration Year (DY) 2 of the 1115 Transformation Waiver Program, UNTHSC sent an IGT of \$1.2 million related to DSRIP and received a federal match of \$1.7 million. In January 2014, UNTHSC sent an additional IGT of \$5.5 million related to DSRIP and received a federal match of \$7.8 million. In June UNTHSC sent an IGT of \$413,535 related to UC and received a federal match of \$602,522. Finally, in July UNTHSC sent an IGT of \$34,342 to fund its share of Waiver Program monitoring and audit fees.

During FY 2015, UNTHSC expects to IGT as much as \$9.3 million to receive federal matching funds totaling as much as \$12.1 million related to DSRIP projects for DY-3. The timing and amounts of these IGTs will be directed by HHSC and could vary slightly depending on subsequent project valuation modifications by the federal Centers for Medicare and Medicaid Services and project performance by UNTHSC.

For UC, UNTHSC expects to IGT as much as \$1.4 million for DY-3 to receive a federal match totaling as much as \$1.9 million during FY 2015. (See attached Estimated FY 2015 IGT Schedule for DY-3.)

John A. Harman

Digitally signed by John A. Harman
DN: cn=John A. Harman, o=Senior Vice President
and CFO, ou=UNTHSC,
email=john.harman@unthsc.edu, c=US
Date: 2014.08.06 13:15:28 -0500

Institution Chief Financial Officer

Janet Waldron

Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice Chancellor
for Finance, email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:29:07 -0500

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

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DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 17:00:28 -0500

Vice Chancellor/General Counsel

Schedule:


In accordance with subsequent direction and timing from the Texas Health and Human Services Commission and the federal Centers for Medicare and Medicaid Services

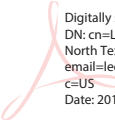
Recommendation:

It is recommended that the UNT System Board of Regents delegate authority to the Chancellor to approve UNTHSC to IGT the appropriate funds (as much as \$10.7 million) related to DY- 3 during FY 2015, as outlined above, in order to receive as much as \$14.0 million in federal matching funds under the DSRIP and UC payment pools of the 1115 Transformation Waiver.

Recommended By:

John A. Harman  John A. Harman
Institution Chief Financial Officer

Michael R. Williams  Michael R. Williams
President

Lee Jackson  Lee Jackson
Chancellor

Attachments Filed Electronically:

- **UNTHSC FY 2015 Estimated 1115 Waiver IGT Schedule**



Title: Delegation of Authority to the Chancellor for Approval of UNTHSC Intergovernmental Transfers (IGT) of Funds in FY 2015 in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver), and Update of Estimated IGT Amounts through FY 2015

Board of Regents Order 2014-63

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the UNT System Board of Regents previously approved UNTHSC's participation in the Texas Healthcare Transformation and Quality Improvement Program (1115 Transformation Waiver), and

Whereas, under the 1115 Transformation Waiver, certain governmental entities may make intergovernmental transfers (IGT) of eligible state and local funds related to Uncompensated Care or Delivery System Reform Incentive Payments to receive federal matching funds as described in the background section, and

Whereas, the UNT System Board of Regents previously approved the delegation of authority to the Chancellor for approval of UNTHSC IGTs related to Demonstration Years (DYs) 1 and 2 of the 1115 Transformation Waiver,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Delegation of authority to the Chancellor for approval of UNTHSC to make one or more intergovernmental transfers of eligible public funds to Texas HHSC during FY 2015 in order to receive federal matching funds under the DSRIP and UC payment pools for 1115 Transformation Waiver DY-3.
 2. Combined IGT submissions for DSRIP and UC in FY 2015 for DY-3 not to exceed \$10.7 million, without additional approval of the Board.
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Jack Wall, Chairman
Board of Regents

**University of North Texas Health Science Center
Estimated FY2015 IGT Schedule for DY-3**

DSRIP (1115 Waiver Projects)	DY-3 Estimated IGT
Project #1: Community-Based Primary Care for the Elderly (TCOM)	\$ 2,228,160
Project #2: Training Primary Care Workforce in Evolving Healthcare Models (TCOM)	714,375
Project #3: Expansion of Plaza Residency (TCOM)	1,350,612
Project #4: Interventional Telehealth (SPH)	1,518,385
Project #5: Discharge Planning for ME Elders (TCOM)	991,265
Project #6: Health Navigation Incentives (SPH)	1,151,427
Project #7: Medication Therapy Management (Pharmacy)	<u>1,310,231</u>
DSRIP Total Estimated IGT	\$9,264,455
UC Estimated IGT	1,376,186
Estimated Grand Total IGT	<u>\$10,640,641</u>



Board Briefing

Committee: Finance

Date Filed: July 16, 2014

Title: UNTHSC Plan for Professional Medical Malpractice Self-Insurance Annual Report and Approval of FY 2015 Premium Rates

Background:

UNTHSC established a Plan for Professional Medical Malpractice Self-Insurance ("Plan") in 2002 which now provides occurrence-based coverage for the UNT Health physicians' clinical practice. Each year, an independent actuary evaluates the adequacy of the Plan and its reserves, considers asserted claims, and analyzes perceived risk. The actuary considers the liability environment in Texas and makes recommendations regarding the premium structure for the forthcoming year. In recent years, the Plan has benefitted from the preservation of state tort reform legislation and the resulting favorable claims history. As a result, the balance in the Plan has grown consistently and has a projected balance of \$13.6M by August 31, 2014.

In his April 14, 2014, report for FY 2014, the actuary (Fred White) indicates the reserve balance in the Plan is sufficient to cover liabilities and projected contingencies. The actuarial report, based on historical Plan performance and goals, projects the funding requirement for FY 2015 will be between \$590,813 (25% confidence level) and \$892,799 (75% confidence level). The fixed common cost within these projections is an administrative cost estimated to be \$378,000. The recommended funding requirement for FY 2015 remains unchanged from FY 2014 with a premium structure that will cover the actuarial forecasted expenses and losses to the 60% confidence level. The UNT Health Business and Finance Committee has reviewed the actuarial report and recommends that the Plan funding and premium rates remain unchanged and maintained at a 60% confidence level for a projected cumulative premium contribution of approximately \$775,852 in FY 2015. In the unlikely event that losses above the 60% confidence level occurred, unallocated surplus and investment income would be available to provide coverage.

The Plan's reserve fund appears adequate to cover all anticipated costs at the point in time the actuarial study was completed. The Plan has benefitted from Texas tort reform and law that limits liability of state entities and employees, and there is no indication of immediate change to this legislation. Actual claim activity and associated costs will determine if premium payment increases are required in subsequent years. The diversified investment of reserve funds was initiated in FY 13 and offers the opportunity to offset the expenses of the Self Insurance Plan, if investment earnings are realized.

Financial Analysis/History:

Projected Plan Funding Status

The actuarial report was completed half-way through the Plan's fiscal year, providing a projection rather than a financial statement. Figure 4.1 shows the projection of the Plan funding and solvency status as of August 31, 2014. The Plan should be financially solvent with sufficient reserves to retire the typical contingencies of a plan of this type and an unallocated surplus.

Figure 4.1		
Projected OCCURRENCE Plan Status at 8/31/2014 as of 2/28/2014		
Projected Plan Assets at 8/31/2014		
Assets at 2/28/2014		\$ 13,000,457
+ Expected Additional Premiums (Mar-Aug)		320,298
- Expected Additional Payments		
Expected Additional Loss Payments	(51,228)	
Expected Additional Operating Expenses	(188,861)	(240,089)
+ Additional Interest Income		582,828
Projected Total Plan Assets at 8/31/2014		<u>\$ 13,663,494</u>
Projected Plan Liabilities at 8/31/2014		
Reserves for Claims		
Reserves for known and unknown claims	453,267	
Reserves for adverse development of claims ("95%CL" under Ch.108)	1,162,558	
Additional reserve for contingency of law change	<u>295,580</u>	
Total Claim Reserves		1,911,405
Non-claim Contingencies		
Continuing expenses in case of shutdown		1,792,560
Projected Unallocated Surplus at 8/31/2014		9,959,529
Projected Liabilities & Contingency Fund		<u>\$ 13,663,494</u>

John A. Harman 
Digitally signed by John A. Harman
DN: cn=John A. Harman, o=Senior Vice
President and CFO, ou=UNTHSC,
email=john.harman@unthsc.edu, c=US
Date: 2014.08.06 13:13:50 -05'00'

Institution Chief Financial Officer

Janet Waldron 
Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice
Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:41:02 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untssystem.edu, c=US
Date: 2014.08.12 17:01:17 -05'00'

Vice Chancellor/General Counsel

Schedule:

September 1, 2014 – August 31, 2015 (fiscal year 2015)

Recommendation:

The President recommends that the Board of Regents approve the Plan premium rates for FY 2015 as shown on the attachments hereto.

Recommended By:

John A. Harman Digitally signed by John A. Harman
DN: cn=John A. Harman, o=University of North Texas System, ou=UNT System, email=jaharman@untssystem.edu, c=US
Date: 2014.08.12 17:01:17 -05'00' John A. Harman
Institution Chief Financial Officer

Michael R. Williams Digitally signed by Michael R. Williams
DN: cn=Michael R. Williams, o=UNTHSC, ou=President, email=michael.williams@unthsc.edu, c=US
Date: 2014.08.12 18:18:59 -05'00' Michael R. Williams
President

Lee Jackson Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of North Texas System, ou=Chancellor, email=lee.jackson@untssystem.edu, c=US
Date: 2014.08.19 10:51:27 -05'00' Lee Jackson
Chancellor

Attachments Filed Electronically:

- **Summary of Findings (Pages 1 and 2), Solvency Review and Rate Analysis of UNT Health Science Center Plan for Professional Medical Malpractice Self-Insurance, April 14, 2014 by Fred R. White Company, Inc.**
- **FY 2015 UNTHSC Self-Insurance Premium Rates**



Board Order

Title: UNTHSC Plan for Professional Medical Malpractice Self-Insurance Annual Report and Approval of FY 2015 Premium Rates

Board of Regents Order 2014-64

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent , the Board approved the motion presented below:

Whereas, the Board of Regents approved the establishment of the UNTHSC Plan for Professional Medical Malpractice Self-Insurance ("Plan") in 2002, and

Whereas, in his FY 2014 report, the actuary (Fred White) indicates the reserve balance in the Plan is sufficient to cover current liabilities and projected contingencies, and

Whereas, the UNT Health Business and Finance Committee recommends that the Plan funding and premiums remain unchanged and maintained at the 60% confidence level for a projected cumulative premium contribution of approximately \$775,852 in FY 2015.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. Plan for Professional Medical Malpractice Self-Insurance premium rates for FY 2015 as shown on the attachment to the corresponding Board item to maintain Plan funding at the projected 60% confidence level; and
2. Any shortfall in Plan funding may be acceptably covered by unallocated surplus and investment income.

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents

Summary of Findings

General Analysis and Assessment

1. Overall Plan funding will be sufficient:
 - a. to retire the Plan's likely claims-made liabilities from claims presented through August 31, 2014;
 - b. **AND:**
 - i. to absorb entirely adverse development in occurrence claims experience up to the 95% confidence level at the Chapter 108/*Franka* level and, likely, at the Chapter 74 level as well; and
 - ii. to fund "runoff" operations if the Plan is closed; and
 - iii. to have a small "Unallocated Surplus".

(See Figure 4.1 on page 20.)

2. Average reported incurred claim cost *seemed* to have reversed based on closed cases in the early years, but now that may have changed. The raw data indicate that UNT HEALTH's projected underlying claims cost trend may be increasing again. The UNT HEALTH data still shows high variability in average claims cost relative to its underlying mean. (See Analysis of Severity, page 26.)

Specific Findings and Recommendations

1. Chapter 108/*Franka* expected ultimate gross (undiscounted) claim reserves on an occurrence basis at August 31, 2014 should be just under \$600,000. (See Figure 3.5, page 19.)
2. We anticipate that the Plan will have Unallocated Surplus of almost \$9.6 million. Unallocated surplus is similar to capital in a corporation and acts to absorb contingencies outside the 95% confidence level. This is up about \$2.4 million from our estimate at this time last year. This increase is the result of a combination of factors including reserve takedowns on previously reserved claims and smaller allowances for future reserve development.
3. The FY'15 funding requirements for the Plan should fall between \$590,000 and \$893,000 with an actuarial expectation, or mean, of \$778,000, which is above the 50% confidence level. The actuarial expectation is the long-run average; i.e., that value that would likely occur if the prospective plan year could be experienced an infinite number of times.
4. Our analysis indicates that the Plan should increase rates about 12.7% from the FY'14 rates for those physicians that the Plan's legal counsel believes have the protection of Chapter 108. The new rates recognize both prospective expected losses of the Plan and the likely fiscal/accident year incurred losses. (Figure 11, page 31). However, since the current rates will fund losses to about the 60% confidence level, we recommend maintaining the rates at the FY'14 level and have the board declare in writing in its minutes that any shortfall will be acceptably covered by the Unallocated Surplus and/or Investment Income.
5. It appears that investment income from Plan funds remains insufficient to fund a complete abatement of premiums. However, a partial abatement appears to be in order.
6. The primary advantage to UNT HEALTH of its self-insured plan is to benefit directly from any improvements in its own claim experience. Conversely, it will be directly penalized for any deterioration in its own claim experience, whatever the cause. A secondary benefit is to capture administrative savings and investment income on loss reserves.
7. As long as Chapter 108 or *Franka* holds up, we can suspend our concern about the Plan retaining the entire limit of each loss because the likelihood of a very large event seems very small. However, if something adverse happens to Chapter 108 or *Franka*, the Plan should buy excess insurance above \$250,000 each patient occurrence.

-
8. We believe that UNT HEALTH can continue successfully operating its Medical Malpractice Self Insurance Plan if:
- a. The physicians are able to control their incidence of medical malpractice. In other words, they take ownership of the malpractice problem and work together diligently to solve it.
 - b. The Plan can limit adverse variation in its claims to a manageable level.

Medical Risk Management Is Critical to Plan Success

We strongly recommend that the faculty and staff regularly review and reinforce the risk management and quality control measures and take all possible steps to continue reducing the number and severity of medical incidents in order to avoid future unaffordable premium increases.

General Recommendation and Comment

We recommend that an actuarial study of your funding position continue to be made each year because of the serious potential fluctuation in claims liabilities from year to year. We also recommend that your premium rates be adjusted annually on September 1 in order to maintain adequate, but not unnecessarily excessive, funding of the Plan.

Medical Malpractice FY 2015 Premium Rates

Annual Premiums	FY 2015	w/ Education Discount	Residents	Federal Prison Contractors
Risk Class 1	\$ 1,751	\$ 1,663	\$ 876	\$ 4,823
Risk Class 2	\$ 2,229	\$ 2,118	\$ 1,115	\$ 6,138
Risk Class 3	\$ 4,935	\$ 4,688	\$ 2,468	\$ 13,592
Risk Class 4	\$ 6,528	\$ 6,202	\$ 3,264	\$ 17,976
Risk Class 5	\$ 10,100	\$ 9,595	\$ 5,050	\$ 27,817



Board Briefing

Committee: Finance Committee

Date Filed: July 16, 2014

Title: Approval of Subaward Number RF0051-2015-01 with Tarrant County Public Health under CDC Grant 200-2011-41271

Background:

UNTHSC received a grant entitled "Prospective Comparison of the Tuberculin Skin Test (TST) vs. Interferon Gamma Release Assays (IGRAs) in Diagnosing Latent Tuberculosis Infection (LTBI) and in Predicting Progression from LTBI to Active Disease" from the Centers for Disease Control (CDC) for approximately \$4.2 million in 2011. Tarrant County Public Health acts as UNTHSC's Tuberculosis Epidemiologic Studies Consortium (TBESC) enrollment and primary work site for the CDC's task order # 1 for the grant and implements and performs activities as required by the grant within its TB, Refugee, and other appropriate clinics.

The current sub-award to Tarrant County Public Health expires on September 28, 2014. In accordance with CDC's policies, the CDC grant is re-authorized and issued on an annual basis, and a new sub-award must be entered into with Tarrant County Public Health in connection with each annual authorization. The sub-award presented for Board review is to continue the research with Tarrant County Public Health for the grant period 9/29/2014 to 9/28/2015 under the CDC grant.

Financial Analysis/History:

This sub-award provides \$158,895 to Tarrant County Public Health for performance of the duties indicated in Attachment 5 to the sub-award. The prime award was granted to UNTHSC by the CDC in 2011, and is re-issued annually. This work is a continuation of the work performed by Tarrant County Public Health for the grant period of 9/29/2013 to 9/29/2014 as a sub-awardee under the CDC grant.

John A. Harman

Digitally signed by John A. Harman
DN: cn=John A. Harman, o=Senior Vice
President and CFO, ou=UNTHSC,
email=john.harman@unthsc.edu, c=US
Date: 2014.08.06 12:47:17 -0500

Institution Chief Financial Officer

Janet Waldron

Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice Chancellor for
Finance, email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:42:46 -0500

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 17:01:52 -05'00'

Vice Chancellor/General Counsel

Schedule:

Grant period is 9/29/14 to 9/28/15, the contract is expected to be renewed annually under a new subaward for the remainder of the CDC grant term, which expires 9/28/2021.

Recommendation:

The President recommends approval for UNTHSC to enter into an agreement with Tarrant County Public Health for Subaward number RF0051-2015-01 under CDC grant 200-2011-41271, for an amount not to exceed \$158,895.

Recommended By:

John A. Harman Digitally signed by John A. Harman
DN: cn=John A. Harman, o=UNTHSC,
ou=President and CEO, email=jaharman@unthsc.edu,
c=US
Date: 2014.08.06 13:23:05 -05'00' John A. Harman
Institution Chief Financial Officer

Michael R. Williams Digitally signed by Michael R. Williams
DN: cn=Michael R. Williams,
o=UNTHSC, ou=President,
email=michael.williams@unthsc.edu,
c=US
Date: 2014.08.12 18:19:34 -05'00'

President

Lee Jackson Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of
North Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu,
c=US
Date: 2014.08.19 10:52:18 -05'00'

Chancellor

Attachments Filed Electronically (List each item):

- **Subaward Agreement and related documents**



Board Order

Title: Approval of Subaward Number RF0051-2015-01 with Tarrant County Public Health under CDC Grant 200-2011-41271

Board of Regents Order 2014-65

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, Tarrant County Public Health plays an integral part in performance of the research for this CDC grant as a sub-awardee, and

Whereas, the parties wish to execute subaward number RF0051-2015-01 to renew the term and allocate funds to Tarrant County Public Health for the period of September 29, 2014 through September 28, 2015 in accordance with the CDC grant issued for the new term.

Now, Therefore, The Board of Regents authorizes and approves the following:

1. UNTHSC may negotiate and execute subaward number RF0051-2015-01 with Tarrant County Public Health for the term of September 29, 2014 through September 28, 2015, in an amount not to exceed \$158,895.

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents

Research Subaward Agreement

Institution/Organization ("Prime Recipient") Name: <u>University of North Texas Health Science Center at Fort Worth</u>	Institution/Organization ("Subrecipient") Name: <u>Tarrant County Public Health</u>
Prime Award No.: _____ Awarding Agency: <u>Centers for Disease Control</u>	Subaward No.: <u>RF0051-2015-001</u> CFDA #: _____ Amount Funded This Action: <u>\$158,895.00</u> Est. Total (if incrementally funded): _____
_____	_____

Subaward Period of Performance: Budget Period: From: <u>09/29/2014</u> To: <u>09/28/2015</u>	Estimated Project Period (if incrementally funded): From: _____ To: _____
---	---

Project Title:
_____Reporting Requirements (Check here if applicable: See Attachment 4) FFATA (Attachment 3B) ARRA Funds (Attachment 4A)

Terms & Conditions

- 1) Prime Recipient hereby awards a cost reimbursable subaward, as described above, to Subrecipient. The statement of work and budget for this subaward are (check one): As specified in Subrecipient's proposal dated _____; or as shown in Attachment 5. In its performance of the subaward work, Subrecipient shall be an independent entity and not an employee or agent of Prime Recipient.
- 2) Prime Recipient Shall reimburse Subrecipient not more often than monthly for allowable costs. All invoices shall be submitted using Subrecipient's standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), subaward number, and certification as to truth and accuracy of invoice. *Invoices that do not reference Prime Recipient's Subaward Number shall be returned to Subrecipient.* Invoices and questions concerning invoice receipt or payments should be directed to the appropriate party's Financial Contact as shown in Attachments 3A & 3B.
- 3) A final statement of cumulative costs incurred, including cost sharing, marked "FINAL" must be submitted to Prime Recipient's Financial Contact, as shown in Attachments 3A and 3B, NOT LATER THAN sixty (60) days after subaward end date. The final statement of costs shall constitute Subrecipient's final financial report.
- 4) All payments shall be considered provisional and subject to adjustment within the total estimated cost in the event such adjustment is necessary as a result of an adverse audit finding against the Subrecipient.
- 5) Matters concerning the technical performance of this subaward should be directed to the appropriate party's Principal Investigator, as shown in Attachments 3A and 3B. Technical reports are required as shown above, "Reporting Requirements".
- 6) Matters concerning the request or negotiation of any changes in the terms, conditions, or amounts cited in this subaward agreement, and any changes requiring prior approval, should be directed to the appropriate party's Administrative Contact, as shown in Attachments 3A & 3B. Any such changes made to this subaward agreement require the written approval of each party's Authorized Official as shown in Attachments 3A & 3B.
- 7) Each party shall be responsible for its negligent acts or omissions and the negligent acts or omissions of its employees, officers, or director's, to the extent allowed by law.
- 8) Either party may terminate this subaward with thirty days written notice to the appropriate party's Administrative Contact as shown in Attachments 3A & 3B. Prime Recipient shall pay Subrecipient for termination costs as allowable under OMB Circular A-21 or A-122 or 45 CFR Part 74 Appendix E, "Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Hospitals" as applicable.
- 9) No-cost extensions require the approval of the Prime Recipient. Any requests for a no-cost extension should be addressed to and received by the Administrative Contact, as shown in Attachments 3A & 3B, not less than thirty (30) days prior to the desired effective date of the requested change.
- 10) The Subaward is subject to the terms and conditions of the Prime Award and other special terms and conditions, as identified in Attachment 2.
- 11) By signing below Subrecipient makes the certifications and assurances shown in Attachments 1 and 2. Subrecipient also assures that it will comply with applicable statutory and regulatory requirements specified in the Research Terms & Conditions Appendix C found at http://nsf.gov/bfa/dias/policy/rtc/appc_june11.pdf.

By an Authorized Official of Prime Recipient

By an Authorized Official of Subrecipient

Date
LeAnn Forsberg, Assistant VP for Research Administration

Date

Attachment 1
Research Subaward Agreement
Certifications and Assurances

By signing the Subaward Agreement, the authorized official of Subrecipient certifies, to the best of his/her knowledge and belief that:

Certification Regarding Lobbying

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or intending to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Subrecipient shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying", to the Prime Recipient.

3) The Subrecipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Debarment, Suspension, and Other Responsibility Matters

Subrecipient certifies by signing this Subaward Agreement that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.

OMB Circular A-133 Assurance

Subrecipient assures Prime Recipient that it complies with A-133 and that it will notify Prime Recipient of completion of required audits and of any adverse findings which impact this subaward.

Attachment 2
Research Subaward Agreement

Agency-Specific Certifications/Assurances

1. By signing this Research Subaward Agreement Subrecipient makes the certifications and assurances specified in the Research Terms and Conditions Appendix C found at http://www.nsl.gov/bfa/dias/policy/ty_appc_june11.pdf

General terms and conditions as of the effective date of this Research Subaward Agreement:

1. Conditions on activities and restrictions on expenditure of federal funds in appropriations acts are applicable to this subaward to the extent those restrictions are pertinent.
2. 45 CFR Part 74 or 45 CFR Part 92 as applicable.
3. Research Terms and Conditions found at <http://www.nsl.gov/pubs/policy/docs/rterms/tydbyside_june11.pdf>
4. Title to equipment costing \$5,000 or more that is purchased or fabricated with research funds or Subrecipient cost sharing funds, as direct costs of the project or program, shall unconditionally vest in the Subrecipient upon acquisition without further obligation to the Federal Awarding Agency.

Specific Requirements Promoting Objectivity in Research Applicable to Subrecipients (42 CFR Part 50 Subpart F)

1. 42 CFR Part 50. 604 requires that institutions conducting PHS-funded research "*Maintain an up-to-date, written, enforced policy on financial conflicts of interest.*" Further, "*If the Institution carries out the PHS-funded research through a subrecipient (e.g., subcontractors or consortium members), the Institution (awardee Institution) must take reasonable steps to ensure that any subrecipient Investigator complies with this subpart by incorporating as part of a written agreement with the subrecipient terms that establish whether the financial conflicts of interest policy of the awardee Institution or that of the subrecipient will apply to the subrecipient's Investigators.*"
 - a) Subrecipient must designate herein whether the financial conflicts of interest policy of X Prime Recipient Institution, or _____ Subrecipient Institution (check one) will apply. If applying its own financial conflicts of interest policy, by execution of this Subaward Agreement, Subrecipient Institution certifies that its policy complies with 42 CFR Part 50.
 - b) Subrecipient shall report any financial conflict of interest to Prime Recipient's Administrative Representative, as designated on Attachment 3A. Such report shall be made before expenditure of funds authorized in this Subrecipient Agreement and within 45 days of any subsequently identified financial conflict of interest.
2. Automatic Carry Forward: Yes No

Attachment 3A
Research Subaward Agreement

Subaward Number:

RF0051-2015-001

Prime Recipient Contacts

Institution/Organization ("Prime Recipient")

Name: University of North Texas Health Science Center at Fort Worth

Address: Office of Grant and Contract Management

3500 Camp Bowie Blvd

City: Fort Worth

State: TX

ZipCode: 76107

Administrative Contact

Name: Unnati Patel, MPH, CPH

Address: Office of Grant and Contract Management

3500 Camp Bowie Blvd

City: Fort Worth

State: TX

ZipCode: 76107

Telephone: 817-735-5087

Fax: 817-735-0375

Email: Unnati.Patel@unthsc.edu

Principal Investigator

Name: Thaddeus Miller, DrPH, MPH

Address: SPH Health Mgmt & Policy

3500 Camp Bowie Blvd

City: Fort Worth

State: TX

ZipCode: 76107

Telephone: 817-735-2790

Fax: 817-735-0375

Email: Thaddeus.Miller@unthsc.edu

Financial Contact

Name: Mazen Barakat

Address: Office of Grant and Contract Management

3500 Camp Bowie Blvd

City: Fort Worth

State: TX

ZipCode: 76107

Telephone: 817-735-5174

Fax: 817-735-0375

Email: Mazen.Barakat@unthsc.edu

Authorized Official

Name: LeAnn S. Forsberg

Address: Office of Grant and Contract Management

3500 Camp Bowie Blvd

City: Fort Worth

State: TX

ZipCode: 76107

Telephone: 817-735-5073

Fax: 817-735-0375

Email: ogcmext@unthsc.edu

Attachment 3B - Research Subaward Agreement
Subrecipient Contacts

Subaward Number:

RF0051-2015-001

Institution/Organization ("Subrecipient")

Name: Tarrant County

Address: 1101 S. Main Street, Room 2400

City: Fort Worth

State: TX

ZipCode + 4: 76104

EIN No.: 1756001170A1

Institution Type: County Government

Is the Performance Site the Same Address as Above? Yes No

If no, is the Performance Site the same as PI address below? Yes No

If no to both questions, please complete 3B page 2 (if ARRA funding use Attachment 4A).

Subrecipient currently registered in CCR? Yes No

DUNS No.:

068365220

Parent DUNS No.:

Is Subrecipient exempt from reporting compensation? Yes No

If no, please complete 3B page 2 (if ARRA funding use Attachment 4A).

Congressional District:

26

Congressional District:

Administrative Contact

Name: Lou K. Brewer, RN, MPH

Address: 1101 S. Main Street, Room 2400

City: Fort Worth

State: TX

ZipCode: 76104

Telephone: 817-321-5300

Fax: 817-321-5302

Email: lkbrewer@tarrantcounty.com

Principal Investigator

Name: Lou K. Brewer, RN, MPH

Address: 1101 S. Main Street, Room 2400

City: Fort Worth

State: TX

ZipCode: 76104

Telephone: 817-321-5300

Fax: 817-321-5302

Email: lkbrewer@tarrantcounty.com

Financial Contact

Name: Marsha Gillespie

Address: 1101 S. Main Street, Room 2400

City: Fort Worth

State: TX

ZipCode: 76104

Telephone: 817-321-5335

Fax: 817-321-5331

Email: mlgillespie@tarrantcounty.com

Authorized Official

Name: B. Glen Whitley

Address: U100 E. Weatherford, Suite 501

City: Fort Worth

State: TX

ZipCode: 76196-0101

Telephone: 817-884-1441

Fax: 817-884-2793

Email: gwhitley@tarrantcounty.com

FDP version 20111123

Attachment 3B - Research Subaward Agreement
Page 2 - Place of Performance & Highest Compensated Officers

Subaward Number:

RF0051-2015-001

Institution/Organization ("Subrecipient")

Name: Tarrant County

Place of Performance

Name: Tarrant County Public Health

Address: 1101 S. Main Street, Suite 1600

City: Fort Worth

State: TX

ZipCode + 4: 76104-4802

Telephone: 817-321-5300

Fax: 817-321-5302

Email: lkbrewer@tarrantcounty.com

Congressional District: 26

The names and total compensation of the five most highly compensated officers of the entity(ies) must be listed if--

(i) the entity in the preceding fiscal year received--

(I) 80 percent or more of its annual gross revenues in Federal awards (federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements); AND

(II) \$25,000,000 or more in annual gross revenues from Federal awards; and

(ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.

Is subaward entity exempt from reporting executive compensation? Yes No If no, complete the information below.

Officer 1 Name

Officer 1 Compensation

Officer 2 Name

Officer 2 Compensation

Officer 3 Name

Officer 3 Compensation

Officer 4 Name

Officer 4 Compensation

Officer 5 Name

Officer 5 Compensation

**ATTACHMENT 4
SUBAWARD AGREEMENT**

Reporting Requirements

Annual Progress Reports should be submitted per Principal Investigator's request.

The Final Progress Report should be submitted per Principal Investigator's request.

Any other reports should be submitted as detailed in other sections of this agreement.

When submitting invoices, please reference the appropriate Subaward Number. Invoices are to be submitted for actual costs incurred under this Agreement.

ATTACHMENT 5

STATEMENT OF WORK AND BUDGET

TCPH deliverables:

Deliverable: TCPH will facilitate UNTHSC's successful performance of CDC's task order # 1, "Prospective Comparison of the Tuberculin Skin Test (TST) vs. Interferon Gamma Release Assays (IGRAs) in Diagnosing Latent Tuberculosis Infection (LTBI) and in Predicting Progression from LTBI to Active Disease." To that end, TCPH will act as UNTHSC's TBESC enrollment and primary work site; and will implement and perform activities as required within its TB, Refugee, and other appropriate clinics.

Methods:

These tasks will take place during the course of routine patient interactions within the existing setting and activities of TCPH's TB, Refugee, and other clinics. Activities required by the experimental protocol will require additional labor and other resources within the TCPH setting. Some of these additional resources will be provided by TCPH, to include:

- Skilled staff, to include nursing, supervisory, physician, clerical, and other as appropriate. Staff will:
 - Participate in appropriate training prior to and during the course of the study activities;
 - Enroll and consent research subjects from among populations of interest;
 - Place and read tuberculin skin test for each enrolled subject, and to obtain and prepare blood specimens among designated subjects for processing at an external facility as required by the protocol;
 - Enter subject data into CDC designed database/template; and
 - Facilitate and conduct clinical follow-up among designated subjects as required by the study protocol.

TCPH will provide additional resources and collaborative support to facilitate successful completion of this project. To that end, TCPH will:

- Facilitate collaboration by non-TCPH personnel in research activities in the TCPH setting;
- Provide workspace sufficient to perform research related patient interactions, data entry, or other activities as required by the research protocol or in support of the TCPH clinics as a TBESC site location;
- Facilitate non TCPH research personnel in their efforts to engage, train, educate, and monitor research activities conducted by TCPH personnel.

UNTHSC RESEARCH SUBAWARD BUDGET
SUBAWARD NUMBER RF0051-2014-001
F0095-2015

SEPTEMBER 29, 2014 - SEPTEMBER 28, 2015

BUDGET

PERSONNEL	\$113,670.80
EQUIPMENT	\$9,785.00
OTHER	\$10,300.00
SUPPLIES	<u>\$25,139.20</u>
TOTAL:	<u>\$158,895.00</u>

*Subrecipient has the ability to redirect up to 25% of the total approved budget without prior approval, to achieve stated goals and objectives within the scope of the award.



Background Report

Committee: Finance

Date Filed: August 19, 2014

Title: Financial Briefing Book

Background:

The Office of the Vice Chancellor for Finance reports to the Board of Regents on various Financial and Operational metrics in the Financial Briefing Book. This report includes statutory investment reports for Q2 and Q3 of FY14 for the University of North Texas, University of North Texas at Dallas, University of North Texas Health Science Center and the University of North Texas System Administration.

Financial Analysis/History:

This is a report item only.

Janet Waldron
Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System,
ou=Vice Chancellor for Finance,
email=janet.waldron@untssystem.edu, c=US
Date: 2014.08.19 14:51:41 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Vice Chancellor/General Counsel

Schedule: N/A

No action required. Information only. Submitted by:

Janet Waldron

Vice Chancellor for Finance
Lee Jackson
Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of North
Texas System, ou=Chancellor,
email=lee.jackson@untssystem.edu, c=US
Date: 2014.08.19 16:31:28 -05'00'

Chancellor

Attachments Filed Electronically:

- **Financial Briefing Book**

FINANCIAL BRIEFING

FY2014

BOARD OF REGENTS MEETING

AUGUST 21, 2014



UNT UNIVERSITY OF NORTH TEXAS

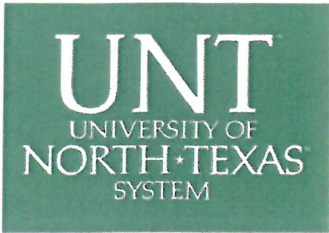
UNT | DALLAS
UNIVERSITY OF NORTH TEXAS AT DALLAS

UNT | HEALTH
SCIENCE CENTER

UNT | SYSTEM

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1. UNT Investment Portfolio Summary (quarter ending May 31, 2014)
3. UNT at Dallas Investment Portfolio Summary (quarter ending May 31, 2014)
5. UNT HSC Investment Portfolio Summary (quarter ending May 31, 2014)
7. UNT System Portfolio Summary (quarter ending May 31, 2014)
9. UNT Investment Portfolio Summary (quarter ending February 28, 2014)
11. UNT at Dallas Investment Portfolio Summary (quarter ending February 28, 2014)
13. UNT HSC Investment Portfolio Summary (quarter ending February 28, 2014)
15. UNT System Portfolio Summary (quarter ending February 28, 2014)



University of North Texas

University of North Texas
Health Science Center at Fort Worth

University of North Texas Dallas

The attached reports represent the investment portfolio of the University of North Texas for the period ending May 31, 2014, and are in compliance with Chapter 2256 of the Public Funds Investment Act and the Investment Strategy expressed in the System's Investment Policy.

Robert E. Brown
Vice President for Finance and Administration

2/10/2014

Date

Carolyn M. Whitlock
Manager, Treasury Services

7/10/2014

Date



UNIVERSITY OF NORTH TEXAS
INVESTMENT PORTFOLIO SUMMARY
For The Period Ending 05/31/14

These reports are prepared in accordance with the Texas Public Funds Investment Act, Government Code 2256. These reports are in full compliance with the Investment Policy and Strategy established for the University of North Texas and the Public Funds Investment Act.

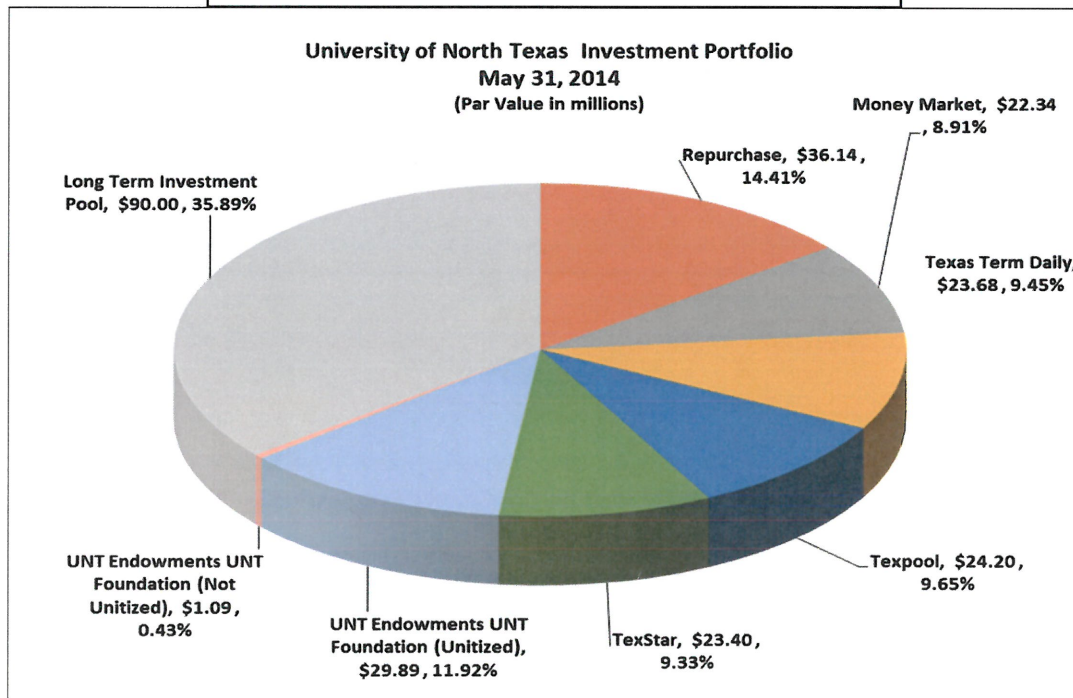
As of May 31, 2014 the University's portfolio had a book value of \$250.7 million and a market value of \$267.5 million. UNT's portfolio is comprised of the following investment vehicles:

Total Cash and Investments		
Vehicle	Book Value	Market Value
TexPool	\$32,201,837	\$32,201,837
TexStar	31,397,840	31,397,840
Texas Term	32,122,470	32,122,470
Wells Fargo Money Market	22,335,090	22,335,090
Repurchase Account	34,856,798	34,856,798
Long Term Investment Pool	90,000,000	93,413,305
UNT Foundation – UNT endowments	30,949,627	43,081,363

As of May 31, 2014 the short term portfolio had a weighted average maturity of 29 days and a weighted average yield to maturity of 0.04%. On an accrual basis the total portfolio earned \$74,254 during this month. The University's total portfolio average daily balance yield changed from 3.76% to .35%, a decrease of 341 basis points. The tables below summarize the total portfolio as of May 31, 2014.

Total Portfolio Summary			
	Current Month 05/31/2014	Prior Month 04/30/2014	Change From Prior Month
Book Value	\$250,735,275	\$273,865,922	(\$23,130,647)
Market Value	\$267,509,835	\$289,411,794	(\$21,901,960)
Market Value %	106.690%	105.68%	1.01%
Earned Income	\$74,253.81	\$839,813.44	(\$765,559.63)

Portfolio Composition by Issuer





University of North Texas

University of North Texas
Health Science Center at Fort Worth

University of North Texas Dallas

The attached reports represent the investment portfolio of the University of North Texas at Dallas for the period ending May 31, 2014, and are in compliance with Chapter 2256 of the Public Funds Investment Act and the Investment Strategy expressed in the System's Investment Policy.

Barry Lewis

Digitally signed by Barry Lewis
DN: cn=Barry Lewis, o=Univ. of North Texas at Dallas, ou=Finance & Administration, email=barry.lewis@unt.edu, c=US
Date: 2014.07.23 09:05:33 -05'00'

Barry Lewis
Interim CFO Finance & Administration

7/23/14

Date

Carolyn M. Whitlock

Carolyn M. Whitlock
Manager, Treasury Services

7/11/2014

Date



UNIVERSITY OF NORTH TEXAS AT DALLAS
INVESTMENT PORTFOLIO SUMMARY
For The Period Ending 05/31/14

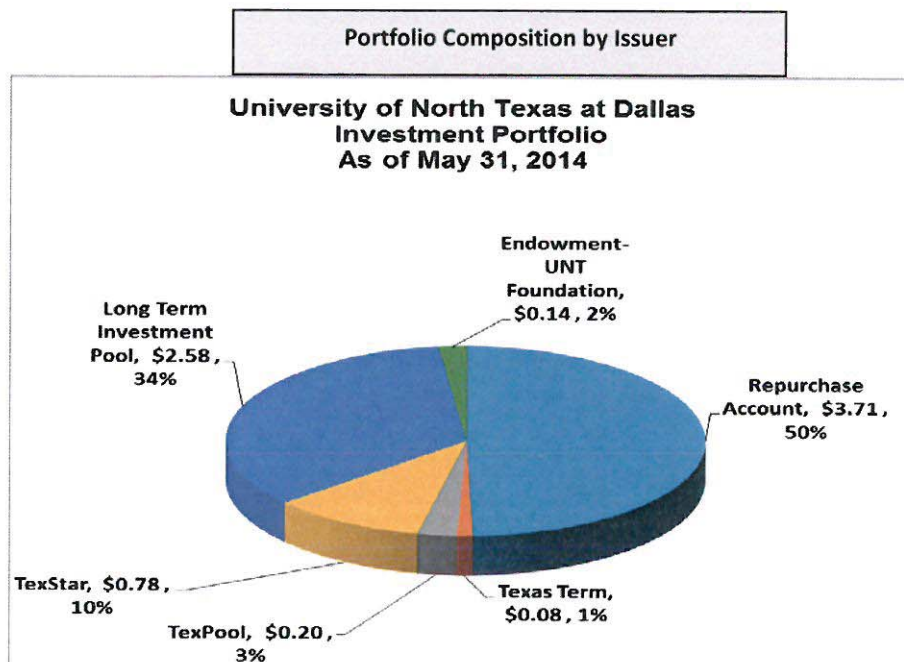
These reports are prepared in accordance with the Texas Public Funds Investment Act, Government Code 2256. These reports are in full compliance with the Investment Policy and Strategy established for the University of North Texas and the Public Funds Investment Act.

As of May 31, 2014 UNT at Dallas' portfolio had a book value of \$7.49 million and market value of \$7.65 million. UNT Dallas' portfolio is comprised of the following investment vehicles:

Total Cash and Investments		
	Book Value	Market Value
Repurchase	\$3,710,031	\$3,710,031
Texas Term	80,533	80,533
TexStar	776,805	776,805
TexPool	200,586	200,586
Endowment	143,026	156,924
Long Term Investment Pool	2,576,000	2,730,324

As of May 31, 2014 the short term portfolio had a weighted average maturity of 12 days and a daily average yield to maturity of 0.02%. On an accrual basis the total portfolio earned \$1,517.03 during this month. UNT at Dallas' total portfolio yield changed from 3.06% to .28%, a decrease of 278 basis points. The tables below summarize the total portfolio as of May 31, 2014.

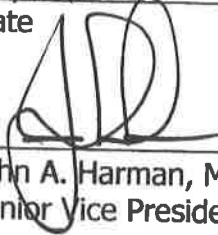
Total Portfolio Summary			
	Current Month 05/31/2014	Prior Month 04/30/2014	Change From Prior
Book Value	\$7,486,981	\$7,259,414	\$227,566
Market Value	\$7,655,203	\$7,399,390	\$255,814
Market Value %	102.25%	101.93%	0.32%
Earned Income	\$1,517.03	\$17,629.53	(\$16,12.55)



The attached report represents the investment portfolio of the University of North Texas Health Science Center for the period ending May 31, 2014 and is in compliance with the Public Funds Investment Act and the investment strategy expressed in the University of North Texas Health Science Center's investment policy.

May 31, 2014

Date



7/7/2014

John A. Harman, MBA, CPA, CGMA, CMPE
Senior Vice President for Finance and CFO



Geoffrey Scarpelli
Controller and Chief Budget Officer



Prepared by:
Dudley Craig, CPA

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER
INVESTMENT PORTFOLIO SUMMARY
For The Period Ending 05/31/2014

This report is prepared in accordance with the Texas Public Funds Investment Act, Government Code 2256. This report is in full compliance with the Investment Policy and Strategy established for the University of North Texas Health Science Center and the Public Funds Investment Act.

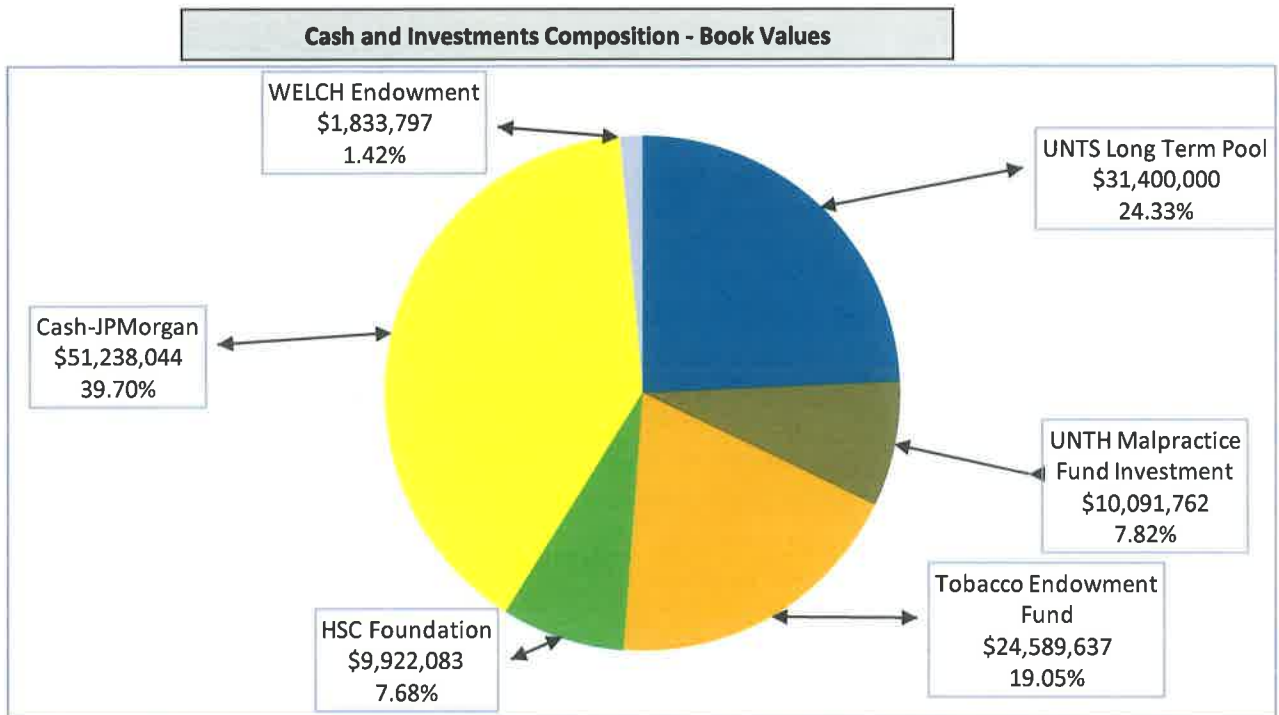
As of May 31, 2014, the Health Science Center's total portfolio had a book value of \$129.1M and market value of \$136.1M. HSC's portfolio is comprised of the following cash and investment vehicles:

Total Cash and Investments		
Vehicle	Book Value	Market Value
JPMorgan Chase (Cash)	\$ 42,394,757	\$ 42,394,757
JPMorgan High Yield Savings	8,843,287	8,843,287
UNTS Long Term Pool	31,400,000	34,153,092
HSC Foundation - Invested with J.P.Morgan	9,922,083	11,411,136
UNTH Malpractice Fund-Invested with J.P.Morgan	10,091,762	10,523,815
WELCH-Invested with J.P.Morgan	1,833,797	1,896,628
TEF-Invested with J.P.Morgan	24,589,637	26,828,115
Total	\$ 129,075,323	\$ 136,050,830

The annual yield of cash earnings to book value was 1.70% as of May 31, 2014. This is up from the 1.58% annual yield as of February 28, 2014.

The portfolio had cash earnings of \$578,199 for the quarter-ended May 2014. The table below summarizes the values of the portfolio as of May 31, 2014.

Total Portfolio Summary			
	Prior Quarter 02/28/2014	Current Quarter 05/31/2014	Change from the Prior Quarter
Book Value	\$130,873,497	\$129,075,323	(\$1,798,174)
Market Value	\$136,750,107	\$136,050,830	(\$699,277)
Market to Book Value %	104.49%	105.40%	0.91%
Cash Earnings	\$1,088,744	\$578,199	(\$510,545)



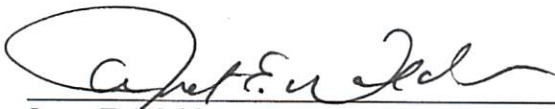


University of North Texas

University of North Texas
Health Science Center at Fort Worth

University of North Texas Dallas

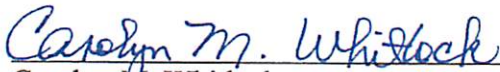
The attached reports represent the investment portfolio of the University of North Texas System for the period ending May 31, 2014, and are in compliance with Chapter 2256 of the Public Funds Investment Act and the Investment Strategy expressed in the System's Investment Policy.



Janet E. Waldron
Vice Chancellor for Finance

7/22/14

Date



Carolyn M. Whitlock
Manager, Treasury Services

7/11/2014

Date



UNIVERSITY OF NORTH TEXAS SYSTEM
INVESTMENT PORTFOLIO SUMMARY
For The Period Ending 05/31/14

These reports are prepared in accordance with the Texas Public Funds Investment Act, Government Code 2256. These reports are in full compliance with the Investment Policy and Strategy established for the University of North Texas and the Public Funds Investment Act.

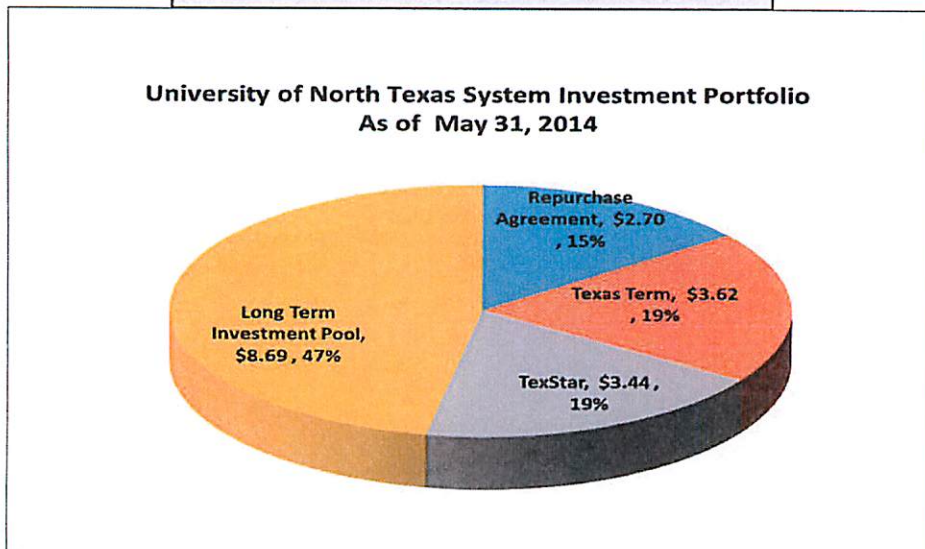
As of May 31, 2014 the System's portfolio had a book value of \$18.5 million and market value of \$19.3 million. System's portfolio is comprised of the following investment vehicles:

Total Cash and Investments		
	Book Value	Market Value
Repurchase	\$2,695,057	\$2,695,057
Texas Term	3,617,480	3,617,480
TexStar	3,444,605	3,444,605
Long Term Investment Pool	8,694,023	9,519,353

As of May 31, 2014 the short term portfolio had a weighted average maturity of 38 days and a daily average yield to maturity of 0.03%. On an accrual basis the total portfolio earned \$4,976.6025 during this month. The System's total portfolio yield changed from 3.65% to .33%, a decrease of 332 basis points. The tables below summarize the total portfolio as of May 31, 2014.

Total Portfolio Summary			
	Current Month 05/31/2014	Prior Month 04/30/2014	Change From Prior
Book Value	\$18,451,166	\$19,209,410	(\$758,244)
Market Value	\$19,276,496	\$19,939,832	(\$663,337)
Market Value %	104.47%	103.80%	0.670%
Earned Income	\$4,976.60	\$58,069.31	(\$53,092.71)

Portfolio Composition by Issuer





University of North Texas

University of North Texas
Health Science Center at Fort Worth

University of North Texas Dallas

The attached reports represent the investment portfolio of the University of North Texas for the period ending February, 2014, and are in compliance with Chapter 2256 of the Public Funds Investment Act and the Investment Strategy expressed in the System's Investment Policy.

Dr. Thomas McCoy
Interim Vice President for Finance and Administration

4/14/2014

Date

Carolyn M. Whitlock
Manager, Treasury Services

4/14/2014

Date





University of North Texas

University of North Texas
Health Science Center at Fort Worth

University of North Texas Dallas

The attached reports represent the investment portfolio of the University of North Texas at Dallas for the period ending February, 2014, and are in compliance with Chapter 2256 of the Public Funds Investment Act and the Investment Strategy expressed in the System's Investment Policy.

Barry Lewis

Digitally signed by Barry Lewis
DN: cn=Barry Lewis, o=Univ. of North Texas at Dallas, ou=Finance & Administration, email=barry.lewis@unt.edu, c=US
Date: 2014.04.17 17:03:40 -05'00'

Barry Lewis
Interim CFO Finance & Administration

Date

Carolyn M. Whitlock

Carolyn M. Whitlock
Manager, Treasury Services

4/14/2014

Date



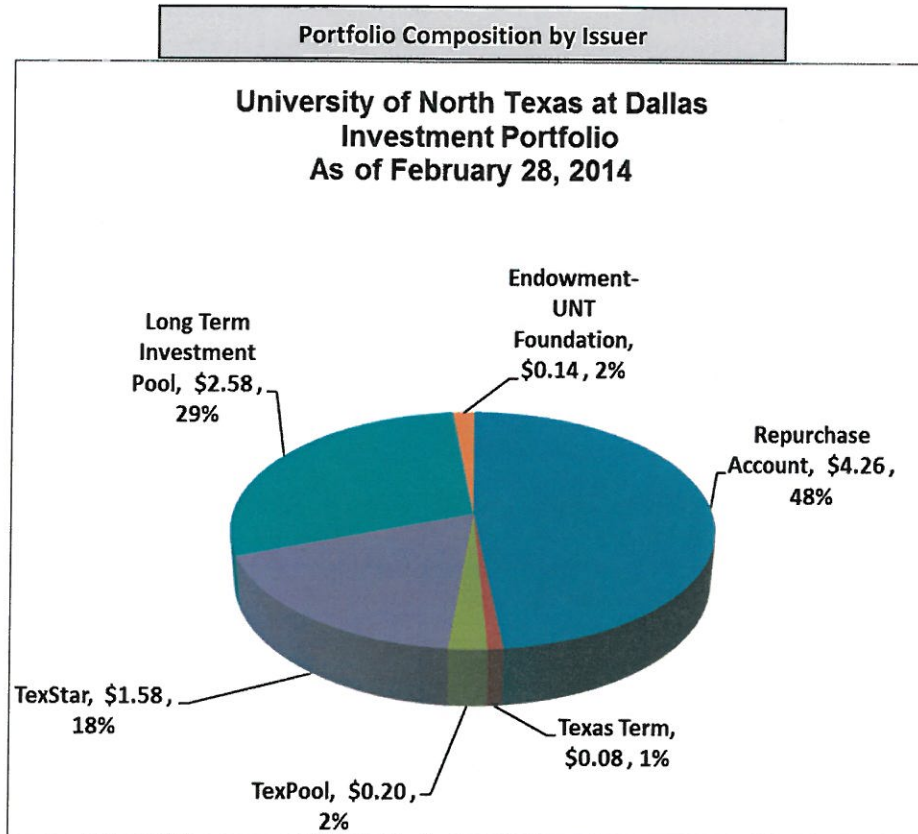
UNIVERSITY OF NORTH TEXAS AT DALLAS
INVESTMENT PORTFOLIO SUMMARY
For The Period Ending 02/28/14

These reports are prepared in accordance with the Texas Public Funds Investment Act, Government Code 2256. These reports are in full compliance with the Investment Policy and Strategy established for the University of North Texas and the Public Funds Investment Act.

As of February 28, 2014 UNT at Dallas' portfolio had a book value of \$8.84 million and market value of \$8.95 million. Of this amount, \$1.85 million was held in local government investment pools, with \$0.20 million in TexPool, \$0.08 million in Texas Term and \$1.57 million in TexStar. The Wells Fargo Repurchase Sweep account held \$4.25 million, Endowment held \$0.143 and the Long Term Investment Pool held \$2.57 million.

As of February 28, 2014 the short term portfolio had a weighted average maturity of 15 days and a daily average yield to maturity of 0.02%. On an accrual basis the total portfolio earned \$2,679.59 during this month. UNT at Dallas' total portfolio yield changed from .08% to .41%, an increase of 33 basis points. The tables below summarize the total portfolio as of February 28, 2014.

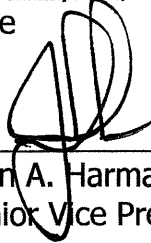
Total Portfolio Summary			
	Current Month 02/28/2014	Prior Month 01/31/2014	Change From Prior
Book Value	\$8,835,228	\$8,848,814	(\$13,586)
Market Value	\$8,954,240	\$8,868,934	\$85,305
Market Value %	101.35%	100.23%	1.12%
Earned Income	\$2,679.59	\$524.83	\$2,154.76



The attached report represents the investment portfolio of the University of North Texas Health Science Center for the period ending February 28, 2014 and is in compliance with the Public Funds Investment Act and the investment strategy expressed in the University of North Texas Health Science Center's investment policy.

February 28, 2014

Date

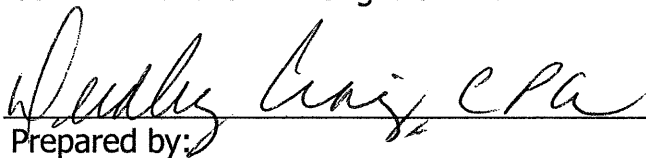


5/27/2014

John A. Harman, MBA, CPA, CGMA, CMPE
Senior Vice President for Finance and CFO



Geoffrey Scarpelli
Controller and Chief Budget Officer



Prepared by:
Dudley Craig, CPA

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER
INVESTMENT PORTFOLIO SUMMARY
For The Period Ending 02/28/2014

This report is prepared in accordance with the Texas Public Funds Investment Act, Government Code 2256. This report is in full compliance with the Investment Policy and Strategy established for the University of North Texas Health Science Center and the Public Funds Investment Act.

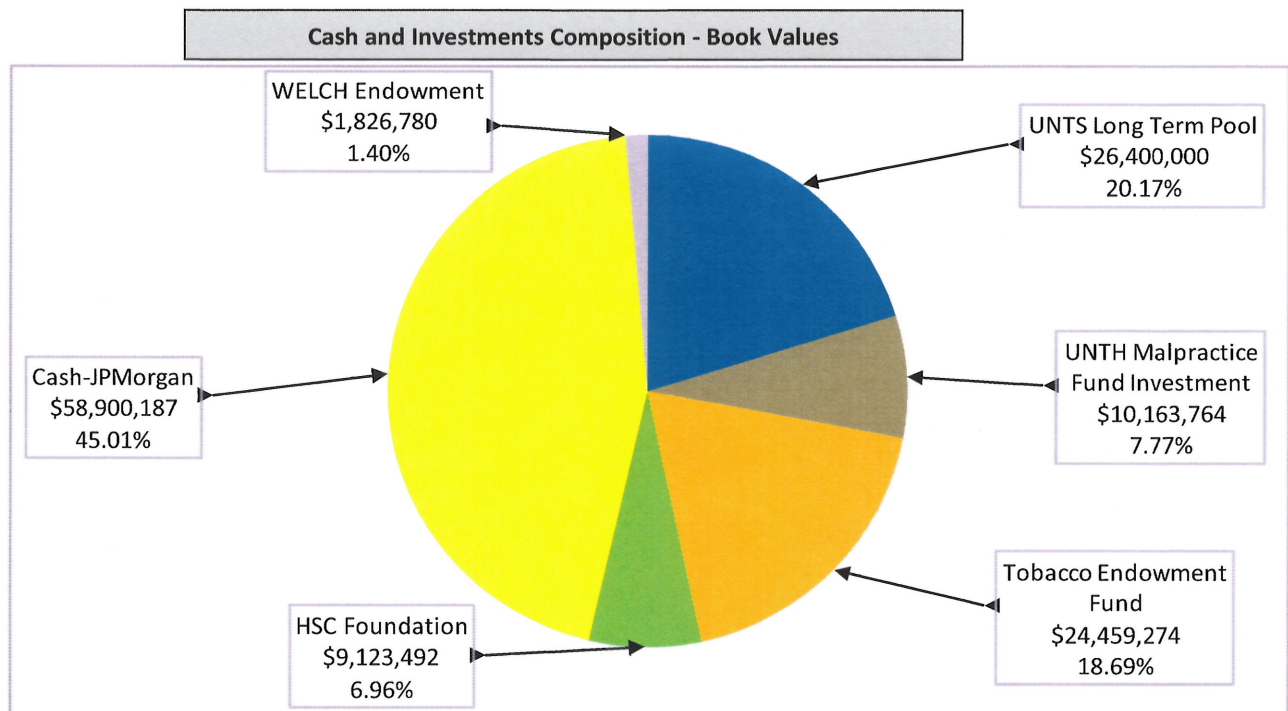
As of February 28, 2014, the Health Science Center's total portfolio had a book value of \$130.8M and market value of \$136.7M. HSC's portfolio is comprised of the following cash and investment vehicles:

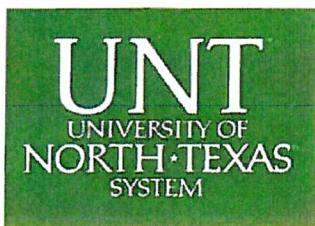
Total Cash and Investments		
Vehicle	Book Value	Market Value
JPMorgan Chase (Cash)	\$ 50,058,174	\$ 50,058,174
JPMorgan High Yield Savings	8,842,013	8,842,013
UNTS Long Term Pool	26,400,000	28,562,766
HSC Foundation - Invested with J.P.Morgan	9,123,492	10,503,088
UNTH Malpractice Fund-Invested with J.P.Morgan	10,163,764	10,487,284
WELCH-Invested with J.P.Morgan	1,826,780	1,868,736
TEF-Invested with J.P.Morgan	24,459,274	26,428,046
Total	\$ 130,873,497	\$ 136,750,107

The annual yield of cash earnings to book value was 1.58% as of February 28, 2014. This is down from the 1.87% annual yield as of November 30, 2013.

The portfolio had cash earnings of \$1,088,744 for the quarter-ended February 2014. The table below summarizes the values of the portfolio as of February 28, 2014.

Total Portfolio Summary			
	Prior Quarter 11/30/2013	Current Quarter 02/28/2014	Change from the Prior Quarter
Book Value	\$119,007,420	\$130,873,497	\$11,866,077
Market Value	\$124,419,263	\$136,750,107	\$12,330,844
Market to Book Value %	104.55%	104.49%	-0.06%
Cash Earnings	\$242,791	\$1,088,744	\$845,953





University of North Texas

University of North Texas
Health Science Center at Fort Worth

University of North Texas Dallas

The attached reports represent the investment portfolio of the University of North Texas System for the period ending February 28, 2014, and are in compliance with Chapter 2256 of the Public Funds Investment Act and the Investment Strategy expressed in the System's Investment Policy.

Allen Clemson
Vice Chancellor for Finance

6.5.2014

Date

Carolyn M. Whitlock
Manager, Treasury Services

4/14/2014

Date



1901 Main Street
Dallas, Texas 75201

214.752.8585 TEL
214.752.8827 FAX

untsystem.unt.edu
chancellor@unt.edu

UNIVERSITY OF NORTH TEXAS SYSTEM
INVESTMENT PORTFOLIO SUMMARY
For The Period Ending 02/28/14

These reports are prepared in accordance with the Texas Public Funds Investment Act, Government Code 2256. These reports are in full compliance with the Investment Policy and Strategy established for the University of North Texas and the Public Funds Investment Act.

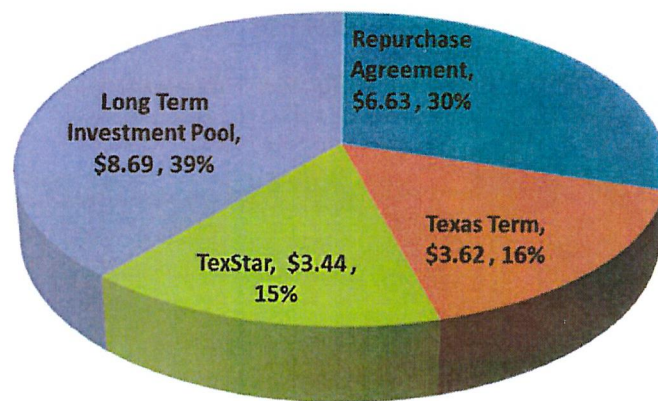
As of February 28, 2014 the System's portfolio had a book value of \$22.4 million and market value of \$23.0 million. Of this amount, \$3.4 million was held in TexStar, and \$3.6 million in Texas Term local government investment pools. The Wells Fargo Repurchase Sweep account held \$6.6 million. The Long Term Investment Pool held \$8.7 million.

As of February 28, 2014 the short term portfolio had a weighted average maturity of 26 days and a daily average yield to maturity of 0.03%. On an accrual basis the total portfolio earned \$8,787.25 during this month. The System's total portfolio yield changed from .10% to .47%, an increase of 37 basis points. The tables below summarize the total portfolio as of February 28, 2014.

Total Portfolio Summary			
	Current Month 02/28/2014	Prior Month 01/31/2014	Change From Prior
Book Value	\$22,382,638	\$26,421,797	(\$4,039,159)
Market Value	\$23,044,838	\$26,753,708	(\$3,708,870)
Market Value %	102.96%	101.26%	1.70%
Earned Income	\$8,787.25	\$2,034.59	\$6,752.66

Portfolio Composition by Issuer

University of North Texas System Investment Portfolio
As of February 28, 2014





Board Briefing

Committee: Facilities

Date Filed: July 17, 2014

Title: Update to the Project Budget and Project Scope for the UNT Science Research Building Renovation

Background:

In May of 2010, the Board of Regents adopted the University's long-term Strategic Plan for Research 2011-2020 for achieving recognition as a national research university. Shortly thereafter, the Science Research Building (SRB) Renovation Project was identified to help achieve these long-term research goals.

The Board has previously approved selection of the architectural firm, the Construction Manager at Risk and a project budget of \$12,000,000, to renovate the first floor of the building for research labs and to upgrade the building's mechanical and HVAC systems.

Upon completion of the design phase and the hazardous materials abatement of the first floor, significant water intrusion issues and associated conditions were discovered requiring an assessment of the building's exterior envelope. A specialist conducted a detailed inspection including deconstruction of portions of the exterior to evaluate the cause and extent of the issues. The final report recommended replacement and reconstruction of the brick veneer and support system, fenestrations, parapet wall construction and roofing system. Cost of this work is estimated to be \$2,500,000.

In late 2012, the campus decided to put the project on hold pending the outcome of Tuition Revenue Bond applications by the summer of 2013, and to develop an appropriate strategy for the continuation of the project and its funding.

In the spring of 2014, the campus evaluated six options for the project, including full renovation and various partial interior renovation approaches. Each option included the budget increase necessary to remedy the building envelope issues; in addition, a least cost option to prioritize the exterior rework (\$2,500,000) and to provide minimal mechanical system improvements (\$500,000) was evaluated and ultimately selected. The interior renovation will be deferred until a comprehensive reassessment of research and instructional labs is completed and funds are identified. The previously selected architect will be engaged to complete design work. Given the reduced scope, competitive sealed proposal (CSP) procurement will be implemented once construction documents have been prepared.

Given the reduction in the scope of work, the current approved budget of \$12,000,000 will also be reduced. The UNT Capital Projects Schedule has been revised to include

\$3,000,000 for the building envelope replacement and mechanical systems improvements; and \$1,960,000 for project costs incurred to-date primarily for the completion of the construction documents of the original project and asbestos abatement of the first floor. It is recommended that the Board of Regents approve the adjustment of the project budget to \$4,960,000.

Financial Analysis/History:

The UNT Capital Projects Schedule identifies the revised funding amount of \$4,960,000. The remaining funds of \$7,040,000 from the Board-approved \$12,000,000 project budget have been reallocated to support other projects as shown in the August 2014 UNT Capital Projects Schedule which is a background report on this agenda.

Bob Brown Digitally signed by Bob Brown
DN: cn=Bob Brown, o=University of North Texas, ou=VP for
Finance and Administration, email=bob.brown@unt.edu,
c=US
Date: 2014.08.07 09:59:32 -05'00'

Institution Chief Financial Officer

Janet Waldron Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice
Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 16:24:41 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 17:02:45 -05'00'

Vice Chancellor/General Counsel

Schedule:

Below is a proposed schedule for the building envelope and limited MEP systems infrastructure work:

Board of Regents Approval	August 2014
Complete Design Documents	March 2015
Begin Construction	May 2015
Construction Complete	January 2016

Recommendation:

It is recommended that the Board of Regents authorize and approve the following Board Order.

Recommended By:

Raynard O. Kearbey
Assoc. Vice Chancellor for System Facilities

James Maguire Digitally signed by James Maguire
DN: cn=James Maguire, o=UNT System, ou=Vice Chancellor for Administrative Services, ou=UNT
System, email=james.maguire@untsystem.edu, c=US
Date: 2014.08.11 10:31:02 -05'00'

Lee Jackson Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of
North Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu, c=US
Date: 2014.08.19 16:32:58 -05'00'

Chancellor



Board Order

Title: Update to the Project Budget and Project Scope for the Science Research Building Renovation

Board of Regents Order 2014-66

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the Board of Regents previously approved the Science Research Building Renovation project including selection of architect, and

Whereas, the project budget was previously approved for \$12,000,000, and

Whereas, the originally planned interior renovations of the building are deferred pending comprehensive reassessment of research and instructional labs, and

Whereas, the costs incurred to date on the project, the cost of needed replacement of building exterior envelope and improvements to mechanical systems is \$4,960,000, and

Whereas, the selected architect is familiar with the structure and capable of completing the work based on the reduced scope, and

Whereas, the reduced project can reasonably be delivered by a general contractor through a best-value, competitive sealed proposal procurement,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. A revised total project budget of \$4,960,000.
2. Approval to undertake design modifications necessary for the revised project scope.

3. A revised project scope consisting of replacement of the building's exterior envelope and mechanical infrastructure improvements.
 4. Delegation to the Chancellor or his designee to negotiate and enter into contracts as needed for the completion of the project upon submission of a HUB plan acceptable to the UNT System, the project budget is not exceeded, and other conditions as determined appropriate by the Chancellor or his designee.
 5. Reporting to the Texas Higher Education Coordinating Board as appropriate under Senate Bill 215
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



Background Report

Committee: Facilities

Date Filed: July 17, 2014

Title: UNT Capital Projects Plan Update

Background:

At the Board of Regents meeting on February 12, 2004, a background report was presented regarding the development of a UNT Capital Project Plan. The plan provided for the development of a Capital Funding Schedule. This schedule identifies capital projects that have been approved, have been committed, or are planned. Projects are not included in the schedule unless they have an identified funding source.

Specific fund sources are identified for each project listed on the plan. Fund types are selected based upon the identified end use of the facility or property and the availability of funds to complete the project.

The Plan Schedule has been updated to reflect changes in funding and planned expenditures occurring since the version presented at the April 2014 Board of Regents Meeting. Project funding profiles have been revised and some projects modified to meet the President's capital funding requirements:

- Revenues Section reflects latest funding plans including private placement. Negative numbers reflect repayments anticipated from proposed Bonds
- Revenue Total for 2014 is reduced due to change in proposed funding profile for Line 1.17, Union Addition and subordinate lines which reflect reduction in Revenue Bonds/Bonds Proposed. Additional changes due to modifications noted in lines below
- Line 1.03, Gateway Park project moved from FY15 to FY16 and total project reduced to \$1M
- Line 1.06, Student Residence Hall project budget remains same and funding profile updated
- Line 1.17 and subordinates, Union Project budget remains same and funding profile updated with additional funding breakouts created for fidelity
- Line 1.19 and subordinates, College of Engineering Material Testing Lab budget remains same but modified fund source to use existing 2009 Bond funds reducing annual budget funds
- Line 2.01 and 2.01 a, Administration Building project moved from FY14-15 to FY16-17 with facility assessment funded in FY14 to validate most critical mechanical/electrical issues

- Line 2.14 and 2.14 a, Science Research Building reflects planned scope reduction (new Board item/order this meeting). Budget reduced from \$12M to \$4.96M with \$10.79M in previously designated funds reallocated (\$12M budget was not fully funded). Reallocation as follows: 2009 Series Bonds initially funded at \$2.96M with \$0.74M expended and majority of balance of \$2.22M budgeted to West Hall improvements, Line 2.26 (\$1.5M) and Engineering Clean Room at Discovery Park (\$0.6M); HEAF initial funding was \$7.83M with \$1.22M expended. Balance of \$6.61M allocated to SRB Envelope Project (\$3.0M), RTFP Line 2.48(\$1.47M) and balance (\$2.14M) of prior year funds to President's HEAF priorities, line 8.0. Because the \$2.14M balance is prior year HEAF, it is not reflected on Line 8.0 which reflects current year HEAF allocated to line 8.0
- Line 2.16, Campus Lighting reflects program pause in FY17 funds
- Line 2.24, Elevator Modernization project reflects pause in funding in FY14
- Line 2.26, West Hall project funding source modified to reflect use of authorized 2009 Bonds
- Line 2.31 and subordinates, Marquis Hall Renovate for International Programs revised to support completing project in FY15 to meet target need date. HEAF funds replaced Annual Budget funds for \$1.47M
- Line 2.33, Willis Library MEP total budget remains same with reduced budget in FY14 and offsetting increase in FY17
- Line 2.45 (April Version of Schedule), Science Research Building Envelope removed from program and accomplished in Line Item 2.14
- Line 2.47, a, b and c, College of Engineering Material Science Lab Renovation funding profile modified to indicate prior year versus FY14 funding
- Line 2.48, RTFP Classroom Renovation planned funding source changed to HEAF from Annual Budget
- Line 2.49, Central Irrigation Controls budget total remains same and start year moved from FY14 to FY15
- Line 5.0, Master Plan Improvements modified to indicate current year allocation (\$0.3M) instead of account balance inadvertently included in April Schedule (\$2.08M)
- Line 8.0, President's HEAF Priorities created to capture reallocation of funds for future Presidential priority requirements

The Capital Projects Development Program list has been revised from the April version to reflect the university's highest priority projects:

- Construct Science and Tech Research Building is added to the list
- Renovate Woodhill for Support and Services is added to the list
- Renovate for Visitor's Center is added to the list
- Music Building project is renamed Construct Music Practice Building
- Construct Baseball Stadium remains on the list but moves from #8 to # 6
- Discovery Park Biomedical Engineering is renamed Renovate for Discovery Park Engineering
- Construct Fouts Garage is added to the list
- Construct Academic Building is added to the list
- Land Acquisition Central Campus is added to the list
- Renovate Sycamore Hall is added to the list

- Eagle Student Service Center Envelope remains on list but moves from #5 to #12
- Sorority House (Phase 3) is removed from this list but remains viable in future
- Discovery Park Development is removed from this list but remains viable in future
- Discovery Park Greenhouse Addition 2 removed from list but remains viable

Financial Analysis/History:

This is a report item only.

Digitally signed by Bob Brown
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Bob Brown

Institution Chief Financial Officer

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Janet Waldron

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

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Nancy S. Footer

Vice Chancellor/General Counsel

Schedule: See attached report

No action required. Information only. Submitted by:

David L. Reynolds, P.E.

Associate Vice President for Facilities

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Neal Smatresk

President

Digitally signed by James Maguire
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Date: 2014.08.11 11:01:47 -05'00'

James Maguire

Vice Chancellor

Digitally signed by Lee Jackson
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Lee Jackson

Chancellor

Attachments Filed Electronically:

- **UNT Capital Projects Plan and Development Program**

University of North Texas
Capital Projects Schedule
(in \$ Millions)
August 2014

Revenues:	2014	2015	2016	2017	2018	Total
HEAF UNT	21.11	19.36	21.11	21.13	21.11	103.82
HEAF Carry Forward & Other Sources	-	1.47	-	0.20	-	1.67
Commercial Paper	22.76	-	(32.76)	-	-	(10.00)
Private Placement	18.98	99.21	(119.43)	-	-	(1.24)
Revenue Bonds	3.45	-	-	-	-	3.45
Revenue Bonds Proposed	-	-	157.50	-	-	157.50
Auxiliary Reserves	4.36	3.83	-	-	-	8.19
Grants	-	-	-	-	-	-
Student Fees - Union	-	-	8.00	-	-	8.00
Annual Budget, Operating and Capital	-	0.03	4.07	1.47	1.47	7.04
Total	70.66	123.90	38.49	22.80	22.58	278.43

Proj. No.	Expenditures:	Funding DeptID	Prior Yr Costs	2014	2015	2016	2017	2018	5-Year Total	Total Project
1.00	New Construction:									
1.03	Gateway Park - HEAF	84500				1.00			1.00	1.00
1.06	Student Residence Hall - RB Proposed	Proposed				37.1			37.10	37.10
1.06.a	Student Residence Hall - Private Placement	Proposed	1.24	5.88	29.41	-36.53			-1.24	
1.17	Union Renovation - Aux Res	F80050	1.28		3.83				3.83	137.10
1.17.a	Union Renovation - CP	F82430	5.00	20.08		-25.08			-5.00	
1.17.b	Union Renovation - Private Placement	Pending		13.10	69.80	-82.90			0.00	
1.17.c	Union Renovation - Student Fee	Pending				8.00			8.00	
1.17.d	Union Renovation - Local (cash)	Pending		0.00		2.60			2.60	
1.17.e	Union Renovation - RB Proposed	Pending				120.40			120.40	
1.17.f	Scoular/Stovall Relocations - HEAF	F84547	1.00						0.00	
1.17.g	Scoular/Stovall Relocations - CP	F82430	5.00	2.68		-7.68			-5.00	
1.18	Greek Life Center - Aux Reserves	F80048	0.29	2.31					2.31	2.60
1.19	CEng Material Testing Lab - HEAF	F84542	1.00						0.00	3.95
1.19a	CEng Material Testing Lab - Annual Budget	F80076	1.00						0.00	
1.19b	CEng Mtl Testing Lab - RFS Series 2009A Dallas	F82852		1.95					1.95	
2.00	Renovation:									
2.01	Administration Building - HEAF	F84554		0.02		1.00	2.80		3.82	4.02
2.01a	Administration Building - HEAF RSV	84586					0.20		0.20	
2.04	Fire Alarms - HEAF	84505		0.20	0.20	0.20	0.25	0.25	1.10	
2.14	SRB - HEAF	F84517	1.22	3.00					3.00	4.96
2.14a	SRB - RFS Series 2009A Dallas	F82843	0.74	0.00					0.00	
2.16	Campus Lighting - HEAF	84563	2.10	0.50	0.50	0.50		0.50	2.00	
2.18	Energy Management Control System - HEAF	F84556		0.75	0.75	0.75	0.75		3.00	3.00
2.20	Matthews Hall MEP - HEAF	F84555		0.40	2.00	1.80			4.20	4.20
2.21	Wooten Hall MEP - HEAF	F84557		1.75	1.50	1.20			4.45	4.45
2.24	Elevator Modernization - HEAF	F84534	0.50		0.25	0.25			0.50	
2.25	GAB MEP - HEAF	84500			0.50	3.20	1.00		4.70	4.70
2.26	West Hall Renovation - RFS Series 2009A	F82853		1.50					1.50	1.50
2.28	Electrical Substation Expansion - HEAF	84500			0.75	1.75			2.50	2.50
2.31	Marquis Hall MEP - HEAF	F84558		1.00	3.50				4.50	7.00
2.31a	Marquis Hall Renov for Intl Programs - HEAF	F84558		0.50	0.50				1.00	
2.31b	Marquis Hall Renov for Intl Programs - Int'l \$	Pending			0.03				0.03	
2.31c	Marquis Hall Renov for Intl Programs - HEAF RSV	84586			1.47				1.47	
2.32	Terrill Hall MEP - HEAF	84500				0.25	2.20		2.45	2.45
2.33	Willis Library MEP - HEAF	F84559		0.45		3.50	0.80		4.75	4.75
2.34	Hickory Hall MEP - HEAF	F84560		2.00	1.00				3.00	3.00
2.35	Curry Hall MEP - HEAF	84500					0.75	2.75	3.50	3.50
2.36	Energy Efficiency Building Issues - HEAF	F84535	1.00	0.50	0.50				1.00	2.00
2.40	Academic Space Renovation - Annual Budget	69500				1.47	1.47	1.47	4.41	
2.43	Bruce Hall Dining Addition - Aux Reserves	F80049	0.57	2.05					2.05	2.62
2.47a	CEng MSE Lab Renovation - RFS Series 2009A	F82736		0.77					0.00	1.33
2.47b	CEng MSE Lab Renovation - HEAF	F84539		0.50					0.00	
2.47c	CEng MSE Lab Renovation - Annual Budget	62328		0.06					0.00	
2.48	RTFP Large Classroom Renovation - HEAF	84500		1.47					1.47	1.47
2.49	Central Irrigation Controls - HEAF	F84561			0.40	0.40	0.40		1.20	1.20
2.50	Life Science Lab Exhaust System - HEAF	84500					1.20		1.20	1.20
2.51	Coliseum MEP - HEAF	84500					0.50	5.00	5.50	5.50
2.52	Underground Utilities Repairs - HEAF	84500					0.25	1.25	1.50	1.50
2.53	PAC Foundation Repairs - HEAF	84500					0.25	1.25	1.50	1.50
3.00	Purchase of Property:									
3.01	Land Purchases - HEAF	84500		0.73	0.73	0.73	0.73	0.73	3.65	
3.01.2	1100 Dallas Drive Bond Repayment - HEAF	84500		1.00	1.00	1.00	1.00	1.00	5.00	
4.00	Facilities Maintenance - HEAF	84500		4.50	4.75	5.00	5.25	5.50	25.00	
4.01	Energy Project Debt Retirement - HEAF	84500		0.50	0.50	0.50	0.50	0.50	2.50	
5.00	Master Plan Improvements - HEAF	84500		0.30	0.30	0.30	0.30	0.30	1.50	
7.00	Future Projects & Cost Increases-HEAF	84500		1.12	0.23	0.23	0.00	1.08	2.66	
8.00	President's HEAF Priorities	84500		0.42		0.25			0.67	
	Total			70.66	123.90	38.49	22.80	22.58	278.43	

Approved

Neal Smatresk

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Date: 2014.08.13 09:14:08 -0500

President

UNT CAPITAL PROJECTS DEVELOPMENT PROGRAM

The Capital Projects Development Program is used in overall planning and forecasting of future commitments. When appropriate, this list will be used for submission of information to the Coordinating Board and other agencies for planning purposes. It is also a source of preliminary discussion, planning, fundraising, and initial design and study of projects for ultimate inclusion in the Capital Funding Schedule. These projects with merit, not included in the Capital Funding Schedule, have a high priority but may not be in priority order and may be included in the Capital Projects Development Program list.

- 1 Construct CVAD Building
- 2 Construct Science and Tech Research Building
- 3 Renovate Woodhill for Support & Services
- 4 Renovate for Visitor's Center
- 5 Construct Music Practice Building
- 6 Construct Baseball Stadium
- 7 Renovate for Discovery Park Engineering
- 8 Construct Fouts Parking Garage
- 9 Construct Academic Building
- 10 Land Acquisitions Central Campus
- 11 Renovate Sycamore Hall
- 12 Eagle Student Service Center Envelope



Background Report

Committee: Facilities

Date Filed: July 2, 2014

Title: UNT Health Science Center Capital Projects Plan Update

Background:

The UNT campus implemented the Capital Projects Plan in 2004 and the UNT Health Science Center (UNTHSC) implemented in 2008. The initial report for the UNTHSC was presented at the February 7, 2008 Board of Regents meeting. This report updates and is presented quarterly to the Board of Regents.

The Plan provides for the development of a Capital Funding Schedule. This schedule identifies capital projects that have been approved, have been committed, or are planned. Projects are not included in the schedule unless they have an identified funding source.

The plan has been updated to reflect changes in funding and planned expenditures occurring since the March 2014 version.

FY2015 includes four (4) renovation project priorities: Research & Education Mechanical Infrastructure Upgrades to increase exhaust capacity, provide system redundancy, improve air quality controls, and improve energy efficiencies; Medical Professional Building Levels 1 & 2 renovations to repurpose existing tenant lease space into space to support growth and consolidation of Student Affairs, Student Development and Admissions; Patient Care Center Level 6 renovations to support the relocation of Research administrative support; and Center for BioHealth Level 1 renovations to support a new Oncology Cancer Center.

Financial Analysis/History:

This is a report item only.

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Institution Chief Financial Officer

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Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

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Vice Chancellor/General Counsel

Schedule: See attached report

No action required. Information only. Submitted by:

Stephen D. Barrett

Vice President for Operations

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President

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Vice Chancellor

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Chancellor

Attachments Filed Electronically (List each item):

- **UNTHSC Capital Projects Schedule and Development Program**

UNTHSC CAPITAL PROJECTS DEVELOPMENT PROGRAM

The Capital Projects Development Program is used in overall planning and forecasting of future commitments. When appropriate, this list will be used for submission of information to the Coordinating Board and other agencies for planning purposes. It is also a source of preliminary discussion, planning, fundraising, and initial design and study of projects for ultimate inclusion in the Capital Funding Schedule. These projects with merit, not included in the Capital Funding Schedule, have a high priority and may be included in the Capital Projects Development Program list.

- 1 Research Building "H"
- 2 UNT Health - Clinic Sites
- 3 Parking Garage
- 4 Campus Beautification - Landscaping
- 5 Campus Center Building "B"



Background Report

Committee: Facilities

Date Filed: July 17, 2014

Title: UNT System Construction and Major Renovation Projects Status Report

Background:

This information item reports the current status of construction and renovation projects at the UNT System.

Financial Analysis/History:

This is a report item only.

Janet Waldron

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Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

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Vice Chancellor/General Counsel

Schedule: See attached Status Report

No action required. Information only. Submitted by:

Raynard O. Kearbey

Associate Vice Chancellor for System
Facilities

James Maguire

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Vice Chancellor

Lee Jackson

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Chancellor

Attachments Filed Electronically:

- **UNT System Construction and Major Renovation Projects Status Report**

UNT SYSTEM CONSTRUCTION AND MAJOR RENOVATION PROJECTS STATUS REPORT-HSC CAMPUS
Projects In Design

HSC Medical Professional Building Renovation

Architect/Engineer Contractor	Dewberry Architects, Inc. TBD		
Project Description	Complete interior renovation of the 28,662 square foot Professional Building. The renovated facility will centralize administrative and student services functions and provide a "one-stop-shop" to both future and currently enrolled students for admissions and most of Student Affairs offices.		
Project Cost	\$5,000,000	Design Start	January 2014
Construction Cost	\$3,050,000	Design Complete	May 2014
HUB Participation	A/E	Expected Construction Start	TBD
	0%	Expected Construction Complete	TBD
		% Construction Complete	0%
Funding	Institutional - Local	Status	N/A
		Budget Status	TBD
Remarks	The 100% Construction Documents have been completed. The campus steering committee asked that the project be placed on hold until further notice.		

UNT SYSTEM CONSTRUCTION AND MAJOR RENOVATION PROJECTS STATUS REPORT-Denton CAMPUS
Projects In Design

UNT Residence Hall

Architect/Engineer	Randall Scott Architects		
Contractor	Vaughn Construction		
Project Description	Construct a new residence hall on the UNT campus.		
Project Cost	\$37,100,000	Design Start	October 2013
Construction Cost	\$28,581,541	Expected Design Complete	July 2014
HUB Participation	A/E	22.23%	Expected Construction Start
	Contractor	TBD	May 2014
			Expected Construction Complete
			July 2015
			% Construction Complete
			0%
			Status
			On Schedule
Funding	Housing Fees	Budget Status	Within Budget
Remarks	Construction began in May 2014. Site acquisition activities are complete. Asbestos abatement for 1811 Maple Street completed on June 10, 2014 and demolition is under way. 100% CDs will be submitted on July 31, 2014. The Guaranteed Maximum Price amendment has been received, negotiated and authorized with a Substantial Completion date of July 22, 2015.		

UNT SYSTEM CONSTRUCTION AND MAJOR RENOVATION PROJECTS STATUS REPORT – DENTON CAMPUS

Projects in Design

Science Research Building

Architect/Engineer	Jennings Hackler & Partners			
Contractor	Turner Construction			
Project Description	Renovation of the first floor of the Science Research Building. Major HVAC, plumbing and electrical systems for the entire building will also be replaced.			
Project Cost	\$12,000,000	Design Start	September 2011	
Construction Cost	\$8,650,000	Design Complete	April 2012	
HUB Participation	A/E	37.0%	Expected Construction Start	TBD
	Contractor	TBD	Expected Construction Complete	TBD
Funding	HEAF and Bond		% Construction Complete	0%
			Status	N/A
			Budget Status	N/A
Remarks	Project on hold pending re-evaluation from UNT.			

UNT SYSTEM CONSTRUCTION AND MAJOR RENOVATION PROJECTS STATUS REPORT-DENTON CAMPUS
Projects In Construction

University Union Renovation and Expansion

Programmer Facility Programming
Architect/Engineer Perkins+Will
Contractor Beck/Warrior, A Joint Venture

Project Description This project is a renovation and addition to the existing University Union. It is programmed to provide 308,400 gsf of space for the campus. The existing building is approximately 200,000 gsf. The new space will include an atrium, lounge with study space, expanded food court, entertainment venue, a ballroom, a 500 seat lyceum, expanded retail options, a larger book store and administrative suites for student groups, student services and Union administration. Also included in the project scope is the temporary relocation of Union functions. UNT System, UNT Office of Space Management and Union end users have developed a temporary relocation plan for the current occupants of the Union. Food service will be housed in a 6,000 sf temporary facility on the west side of Sage Hall. Campus Life and Student Activity Center for Leadership Service and Student Affairs, Dean of Students and Center for Rights and Responsibilities, IT, Multicultural Center, Student Government Association, Graduate Student Council, Greek Life, Student Legal and Development, Union Administration, Event Scheduling, Orientation and Transition, Design Works, Eagle Images, Mail Services, the Bank and University Programs will move in to Stovall Hall. The Bookstore will be housed in a temporary facility at the northwest corner of Chestnut and Avenue C.

Project Cost	\$128,400,000	Design Start	November 2011
Construction Cost	\$ 87,339,070	Design Complete	May 2013
		Construction Start	June 2013
		Expected Construction Complete	August 2015
		% Construction Complete	30%
HUB Participation	A/E	29.36%	Status On Schedule
	Contractor	8.65%	Budget Status Within Budget

Funding Phase I
 Pre-Referendum: Auxiliary Services
 Phase II
 Student Fees, Auxiliary Reserves, and
 Private Funding

Remarks Site mobilization began August 5, 2013. Demolition was completed in March 2014. Construction is currently on schedule for substantial completion in July 2015.

UNT SYSTEM CONSTRUCTION AND MAJOR RENOVATION PROJECTS STATUS REPORT – DENTON CAMPUS
Projects in Construction

Bruce Hall Expansion

Architect/Engineer	Nelson + Morgan		
Contractor	Lee Lewis Construction, Inc.		
Project Description	4,000 square foot addition to the southwest corner of the existing Bruce Hall Dining facility to increase seating capacity by 232 seats. An outdoor portico/patio will also be included as part of the expansion. Included are the renovation of existing adjacent restrooms and the creation of a new main entry into Bruce Hall.		
Project Cost	\$2,615,000	Design Start	July 2012
Construction Cost	\$1,882,830	Design Complete	January 2013
HUB Participation	A/E	22.29%	Construction Start
	Contractor	28.04%	April 2013
			Construction Complete
			April 2014
			% Construction Complete
			99%
			Status
			Schedule extended one month to resolve cost issues and two months due to completing the 3-way agreement.
Funding	Auxiliary Revenues		Budget Status
			Within Budget
Remarks	Construction is complete. Final punch list items are under way.		

UNT SYSTEM CONSTRUCTION AND MAJOR RENOVATION PROJECTS STATUS REPORT – DENTON CAMPUS
Projects in Construction

Greek Life Center

Architect/Engineer	Hahnfeld Hoffer Stanford		
Contractor	Pogue Construction		
Project Description	The new 6,000 square foot center will house all staff of the Greek Life organization and provide facilities for their meetings and functions.		
Project Cost	\$2,600,000		Design Start
Construction Cost	\$1,875,862		Design Complete
			Construction Start
HUB Participation	A/E	19.86%	Construction Complete
	Contractor	20.32%	% Construction Complete
			Status
			Scheduled completion has been extended by one month due to delays by the contractor in receiving some of the materials.
Funding	Auxiliary Services, Fundraising		Budget Status
			Within Budget
Remarks	Construction is complete. Final punch list items are under way.		

UNT SYSTEM CONSTRUCTION AND MAJOR RENOVATION PROJECTS STATUS REPORT-DISCOVERY PARK CAMPUS
Projects in Construction

Discovery Park – Engineering Testing Lab Facility

Architect/Engineer	Jacobs (Concept Design only)		
Contractor	Vaughn/WHR (Design/Build Team)		
Project Description	A 16,000 square foot expansion to the existing Discovery Park facility which will house a manufacturing testing lab for the College of Engineering Department of Mechanical and Energy Engineering. The expansion will also serve to relocate the existing Nucon Steel Lab and associated research equipment for the College of Engineering Department of Engineering Technologies which is currently located in the existing D-Wing. Relocation of these activities and equipment will allow space to be transformed in the future into research space for newly hired researchers.		
Project Cost	\$3,931,000	Conceptual Design Process	May 2012 – August 2012
Construction Cost	\$2,808,167	Design Start	December 2012
HUB Participation	A/E Contractor	HSP indicates Self Performing 44.81%	Design Complete May 2013 Construction Start July 2013 Construction Complete May 2014 Scheduled completion extended 4 months due to increased code requirements as noted below
Funding	HEAF	% Construction Complete	95%
Remarks	Construction is substantially complete. Punch list items are under way. Construction scope was increased to incorporate code requirements needed to meet safety requirements related to the chemical processes performed during research in the labs.		Status On Schedule Budget Status Within Budget



Board Briefing

Committee: Audit Committee

Date Filed: July 17, 2014

Title: FY 2015 UNT System Internal Audit Plan

Background:

In accordance with the UNT System (UNTS) Internal Audit Charter adopted June 12, 2014, the Texas Internal Auditing Act (Government Code Chapter 2102.005) and Regent Rule 4.501.4.b, an Annual Risk Assessment was conducted for the UNTS and its member component institutions. The UNTS Internal Audit Plan for fiscal year 2015, resulting from this Annual Risk Assessment, is attached for the Board of Regents review and approval.

Financial Analysis/History:

Preparing the Annual UNTS Internal Audit Plan and seeking approval by the Board of Regents, is an integral component of the UNTS Internal Audit process. Additional personnel resources will be required to complete the fiscal year 2015 UNTS Internal Audit Plan.

Janet Waldron Digitally signed by Janet Waldron
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for Finance, email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:45:14 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by the UNTS Office of General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
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email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 17:03:42 -05'00'

Vice Chancellor/General Counsel

Schedule:

The fiscal year 2015 UNTS Internal Audit Plan will be adopted immediately upon approval by the Board of Regents.

Recommendation:

It is recommended that the Board of Regents approve the attached Annual UNTS Internal Audit Plan for fiscal year 2015.

Recommended By:

Michelle Finley Digitally signed by Michelle Finley
Date: 2014.08.14
14:52:09 -05'00' Michelle Finley

UNT System Chief Internal Auditor

Lee Jackson Digitally signed by Lee Jackson
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of North Texas System,
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Date: 2014.08.19 10:55:01 -05'00'

Chancellor

Attachments Filed Electronically (List each item):

- **Fiscal Year 2015 UNT System Internal Audit Plan**
- **Risk Criteria Methodology**



Board Order

Title: FY 2015 Annual Internal Audit Plan

Board of Regents Order 2014-67

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent _____ and seconded by Regent _____, the Board approved the motion presented below:

Whereas, Chapter 2102 of the Texas Government Code and Regent Rule 4.501.4.b requires the Board of Regents to review and approve the FY 2015 Annual Risk Assessment and Internal Audit Plan, and

Whereas, the Internal Audit department conducted the Annual Risk Assessment within professional standards and in concert with management and the Compliance Offices, and

Whereas, the Board of Regents has reviewed the Internal Audit Plan,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. FY 2015 Annual Risk Assessment and Internal Audit Plan
-

VOTE: _____ ayes _____ nays _____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

Brint Ryan, Chairman
Board of Regents



INTERNAL AUDIT

Michelle Finley, Chief Internal Auditor

Fiscal Year 2015 Audit Plan

Audits	Hours
<u>All Entities</u>	
External FY14 Audit Coordination	300
Audit Recommendations Follow-up	1,000
FY14 Complaints/Concerns Reviews in Process	1,200
Internal Audit Hours for Co-Sourced Activities	2,500
<u>UNT System</u>	
Chancellor's Expenditure Review	250
State Benefit Analysis	450
<u>University of North Texas</u>	
President's Expenditure Review	250
Investments Review	300
Student Managed Investment Fund Review	200
Facilities Certification Review	200
Cancer Prevention and Research Institute of Texas Program Review	75
State Benefit Analysis	350
<u>Health Science Center</u>	
President's Expenditure Review	250
Investments Review	300
Advanced Research Program Grant Review	200
Family Medicine Residency Program Review	200
Cancer Prevention and Research Institute of Texas Program Review	100
State Benefit Analysis	550
<u>UNT Dallas</u>	
President's Expenditure Review	250
State Benefit Analysis	350
Total Audits	9,275

Consulting/Investigations	Hours
----------------------------------	--------------

All Entities

Management Consulting Activities	400
Hotline Implementation/Administration	800
Contingency for FY15 Complaints/Concerns	<u>1,900</u>
Total Consulting/Investigations	3,100

Audit Planning/Management	Hours
----------------------------------	--------------

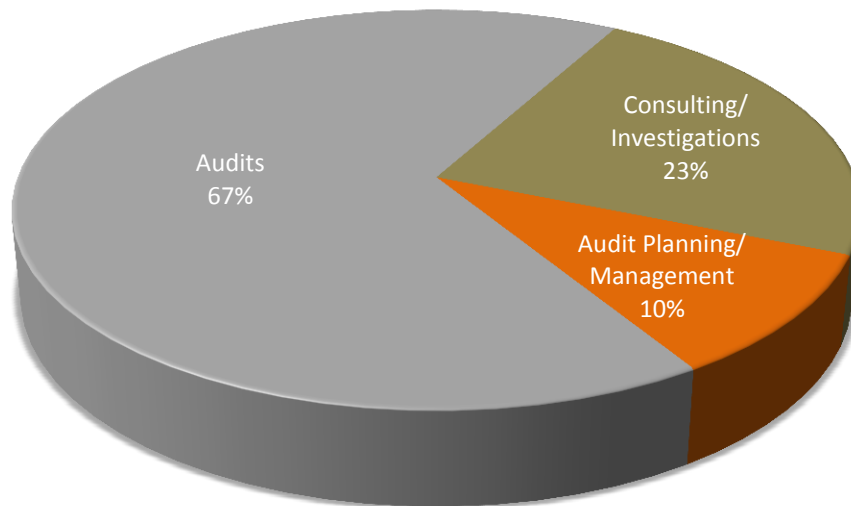
All Entities

Annual Risk Assessment/Audit Planning	500
Internal Audit Quality Assurance Initiatives	500
Audit Software Management	<u>400</u>
Total Audit Planning/Management	1,400

FY15 Audit Plan Total Hours **13,775**

Audits from the Risk Assessment (Contingent Audits Based on Resource Availability)

Financial Reporting FY15 Reconciliation Monitoring
 Financial Reporting/Payroll Process and Internal Controls Review
 Treasury Services Process Review
 PeopleSoft System Security Review
 Research Services Review





INTERNAL AUDIT

Michelle Finley, Chief Internal Auditor

Annual Risk Assessment Risk Criteria Methodology

The Office of Internal Audit developed the risk assessment model by identifying a risk universe (risk menu) that represented the total population of potential audits for the UNT System. The population includes: organizational units within each component of the System; processes occurring across the System or each component; compliance issues for each component within the System; and the annually required audits. The full risk menu is provided in Attachment A.

The Risk Assessment has five general risk areas:

1. Financial Risk
2. Management Control & Operations Risk
3. Strategic Risk
4. Compliance & Public Interest Risk
5. Internal & External Audit History Risk

The following information explains each risk criteria applied to each general risk area:

Financial Risk Factor

- A. **Budget Risk Criteria** - Larger operating budgets represent higher risks. In addition, inherent financial statement risk increases as revenue and expenditures increase. The Enterprise Information System was queried to extract the fiscal year 2014 budgets for each unit on the risk menu. We reviewed the salary, maintenance and operations, and revenue budget for each unit and assigned a risk factor based on size.
- B. **Trending Criteria** - The increase or decrease of budgeted salary, maintenance and operations, and revenue from the previous fiscal year was evaluated. A large increase or decrease in an area's budgeted expenses or revenue could present an increase in financial risk. Consequently, a risk factor was assigned to significant budgetary increases or decreases.

Management Control and Operations Risk Factor

- A. **Employee FTE Risk Criteria** - Larger staff size represents higher risk in the areas of human resources, ethics, performance, need for training, adequate staff levels, etc. An analysis was performed of current employee full-time equivalent's ("FTE") information from the Enterprise Information System. Specifically, the number of FTE's for each unit was gathered and reviewed from the State FTE Reporting Table in the Enterprise Information System.

- B. **Employee Turnover Risk Criteria** - Inherent risks can increase due to employee turnover in management or key personnel. The amount of turnover was obtained from the Enterprise Information System with a query that extracted full-time employees with terminated job records from FY14 to date, excluding temporary or short job assignments. To take into account the amount of turnover relative to the size of the unit, we measured turnover as a percentage of the number of staff FTE's currently on payroll.
- C. **Critical Nature of Operations to Daily University Functioning Risk Criteria** - Critical operations represent higher risks of whether an institution will achieve its objectives. The size of the operation is also a risk factor. A judgmental analysis was used to complete these risk criteria.
- D. **Management Concerns Risk Criteria**- Audit requests by the Audit Committee, President(s), and University management are factors in establishing audit priorities. It is expected that management is well informed about the risks in their areas. We considered our discussions with the Board and Administration during the audit planning process. In addition to meetings, a survey was sent to 555 individuals across all campuses, with a 46% response rate.

Strategic Risk Factor

- A. **Strategic Mission & Core Values Risk Criteria** - According to the UNT System Strategic Plan, our mission “*to provide recognized and respected undergraduate, graduate and professional education, conduct research, scholarship and creative activities, and engage in public and community service through its campuses and programs with the highest quality cost-effective planning and administrative support services.*” In addition, UNT System’s Core Values are: Purposefulness, Innovation, Respect, Value, Fulfillment, and Collaboration. Accordingly, Internal Audit’s activities should take into consideration strategic opportunities for improvement. Each risk menu item was measured against the deliverables enumerated in the UNT System Strategic Plan. The unit(s) responsible for carrying out the deliverable of each imperative was given a higher risk ranking.
- B. **Other Key Strategic Initiatives Risk Criteria** - The University Presidents, Chancellor or Board of Regents may establish strategic goals, visions or core values which will direct the University to expend energies and focus in specific areas. These areas could be new opportunities to mitigate new or heightened risks. Emerging risks were ranked based on the current affairs of the System.

Compliance and Public Interest Risk Factor

- A. **Reputation Risk Criteria** - Certain functional areas or processes, by their nature, garner greater public interest or need for higher political sensitivity. There are greater than normal risks to the University’s reputation and goodwill inherent in these activities. Activities with heavy involvement with the public and/or community are also a risk factor. A judgmental analysis was used to complete these risk criteria.
- B. **Changes in Regulatory Requirements Criteria** - Functional areas or processes that are subject to external regulatory requirements increase inherent risks to the System’s reputation, finances and achievement of objectives. Sanctions and other consequences can impact the System. Recent changes in regulatory requirements will carry a greater risk. The level of

importance and degree of work required to implement the change will be taken into consideration. Research on recent or upcoming regulatory changes as well as communication with key staff including the Office of Institutional Compliance at UNT and HSC were used in this assessment.

- C. **Recent Regulatory Violations Criteria** - Functional areas that receive sanctions and other consequences can impact the System, as well. The amount of regulatory violations and recent ramifications for non-compliance were evaluated with these risk criteria.

Audit History Risk Factor

- A. **Last Time Internal Audit Conducted Risk Criteria** - Because all functional areas and processes should be considered for auditing, this risk criteria factors in the time since the area was last audited by Internal Audit.
- B. **Level of External Review Activities Risk Criteria** - For this risk criteria, a higher risk score was given to a unit, process, or compliance areas that had never been externally reviewed or one that had a large number of external audit recommendations. Conversely, a lower risk score was given to those areas with frequent external audits without significant findings or recommendations. The UNT and HSC Compliance Committee were contacted and a collective process brought together a System-wide look at the recent and upcoming external reviews. As outlined in the Internal Audit Charter, the Chief Internal Auditor serves as the facilitator and coordinator for all federal, state, and other external audit agencies.

Risk Probability Factor

Each risk item was ranked based on the potential likelihood and impact to the System.

Internal Audit assigned the following probability weighting factors:

High probability and/or impact	x 1.25
Medium probability and/or impact	x 1.00
Low probability and/or impact	x 0.75



INTERNAL AUDIT
Michelle Finley, Chief Internal Auditor

Risk Menu Attachment A

UNT System

Required Audits

Chancellor's Expenditure Review Coordinator of External Audits

Units	Processes	Compliance
Chancellor	Financial Reporting	Texas State Comptroller Reporting Requirements
VC Academic Affairs & Student Success	Appropriation Funding	Department of Education Reporting Requirements
Board of Regents	Legislative Appropriation Request	State Tax Requirements
VC Administration	Treasury	Federal Tax Requirements
VC Governmental Relations	Accounts Receivable	Payment Card Industry Data Security Standard
VC Facilities Planning & Construction	Accounts Payable	Political Activity
Law School	Fixed Asset Management	Public Information Act
VC Finance	Purchasing	Occupational Safety and Health Act
UNT System Wide	Contracts Management	Charitable Contributions and Gifts
Pledged Auxiliaries	Budgetary	Philanthropy Protection Act
Employee Benefits	Gift Collection	Gramm Leach Bliley Act
Information Technology Shared Services	Cash Handling	Family Educational Rights and Privacy Act
Business Service Center	Purchasing Card Program	Health Insurance Portability and Accountability Act
Internal Audit	Employee Travel	Americans with Disabilities Act
VC & General Counsel	Departmental Purchasing	Fair and Accurate Credit Transaction Act
Universities Center at Dallas	Capital Projects	Equal Employment Opportunity Laws
	Financing/Management	
	Space Utilization/Reporting	Emergency Management
	Investments	Title IX of the Education Amendment of 1972
	Payroll	Clery Act
	Hiring/Termination	Drug Free Schools and Communities Act
	Enrollment Management	Higher Education Opportunity Act
	Tuition and Fees	

University of North Texas

Required Audits

President's Expenditure Review	Investments Review	Student Managed Investment Fund Review
NCAA Financial Agreed-Upon Procedures Review	Advanced Research Program Grant Review	Facilities Certification Review
Joint Admission Medical Program Review	Coordinator of External Audits	

Units	Processes	Compliance
VP Finance & Administration	Financial Reporting	Texas State Comptroller Reporting Requirements
Institutional Compliance	Appropriation Funding	Department of Education Reporting Requirements
Sr AVP for Finance	Legislative Appropriation Request	State Tax Requirements
AVP Finance	Accounts Receivable	Federal Tax Requirements

Faculty/Staff Benefits	Accounts Payable	Payment Card Industry Data Security Standard
AVP Financial Planning & Budget	Fixed Asset Management	Political Activity
Provost & VP Academic Affairs	Purchasing	Public Information Act
Enrollment Management	Contracts Management	Occupational Safety and Health Act
University Libraries	Budgetary	Charitable Contributions and Gifts
TX Academy of Math & Science	Gift Collection	Philanthropy Protection Act
Honors College	Cash Handling	Gramm Leach Bliley Act
Graduate Dean	Purchasing Card Program	Family Educational Rights and Privacy Act
Planning & Institutional Research	Employee Travel	Health Insurance Portability and Accountability Act
College of Arts & Sciences	Departmental Purchasing	Americans with Disabilities Act
	Capital Projects	Fair and Accurate Credit Transaction Act
College of Visual Arts and Design	Financing/Management	
School of Journalism	Space Utilization/Reporting	Equal Employment Opportunity Laws
College of Information	Investments	Emergency Management
Distributed Learning Support	Payroll	Title IX of the Education Amendment of 1972
College of Business	Hiring/Termination	Clery Act
College of Education	Enrollment Management	Drug Free Schools and Communities Act
College of Merchandise, Hospitality, & Tourism	Tuition and Fees	Higher Education Opportunity Act
College of Music	Centers & Institutes	Annual Fire Safety Report on Student Housing
College of Public Affairs & Communication	Sponsored Programs	Sponsored Program Compliance
		Department of Homeland Security Chemicals of Interest
College of Engineering	NCAA Financial Reporting	Protection of Human Subjects
AVP Facilities		Animal Welfare Act
Director/Chief Police & Traffic		Radiation Control
AVP Human Resources		Laboratory Biosafety
Director Risk Management		Toxic Substances Control Act
VP of Student Affairs		Chemical Facility Anti-Terrorism Standards
AVP of Student Affairs		Hazardous Materials Transportation Act
Dean of Students		Intellectual Property/Technology Transfer
Int'l Studies & Programs		Export Administration Act
Director of Health & Wellness Center		NCAA Bylaw Compliance
University Union		
Student Recreation Center		
Business Services		
Information Technology		
President UNT		
VP Development		
VP Research & Economic Dev		
VP Equity & Diversity		
VP University Communications & Marketing		
Athletics Administration		

UNT Health Science Center

Required Audits

President's Expenditure Review	Investments Review	Family Medicine Residency Program Review
Advanced Research Program Grant Review	Anatomical Lab Willed Body Program Review	Cancer Prevention and Research Institute of Texas Program Review
Joint Admission Medical Program Review	Coordinator of External Audits	

Units

Processes

Compliance

Office of the President	Financial Reporting	Texas State Comptroller Reporting Requirements
Compliance Program	Appropriation Funding	Department of Education Reporting Requirements
	Legislative Appropriation Request	State Tax Requirements
UNT Systems Interagency		
BSC State	Accounts Receivable	Federal Tax Requirements
Information Technology Shared Services	Accounts Payable	Payment Card Industry Data Security Standard

HR System	Fixed Asset Management	Political Activity
Governmental Affairs	Purchasing	Public Information Act
SVP Community Engagement	Contracts Management	Occupational Safety and Health Act
Dean, Graduate School Biomedical Sciences	Budgetary	Charitable Contributions and Gifts
Cell Biology & Immunology	Gift Collection	Philanthropy Protection Act
Physiology and Anatomy	Cash Handling	Gramm Leach Bliley Act
Molecular Biology & Immunology	Purchasing Card Program	Family Educational Rights and Privacy Act
Pharmacology & Neuroscience	Employee Travel	Health Insurance Portability and Accountability Act
Dean, Texas College of Osteopathic Medicine	Departmental Purchasing	Americans with Disabilities Act
Family Medicine	Capital Projects	Fair and Accurate Credit Transaction Act
Community Medicine	Financing/Management	
Internal Medicine	Space Utilization/Reporting	Equal Employment Opportunity Laws
Obstetrics/Gynecology	Investments	Emergency Management
Manipulative Medicine	Payroll	Title IX of the Education Amendment of 1972
Orthopaedic Surgery	Hiring/Termination	Clery Act
Molecular and Medical Genetics	Enrollment Management	Drug Free Schools and Communities Act
Pediatrics	Tuition and Fees	Higher Education Opportunity Act
Psychiatry & Behavioral Health	Centers & Institutes	Sponsored Program Compliance
Surgery	Sponsored Programs	Department of Homeland Security Chemicals of Interest
Associate Dean, Educational Program		Protection of Human Subjects
Assoc Dean, Academic Affairs		Animal Welfare Act
Assist Dean, Medical School Admission		Radiation Control
Rural Medicine		Laboratory Biosafety
Dean, School of Public Health		Toxic Substances Control Act
EVP Academic Affairs & Provost		Chemical Facility Anti-Terrorism Standards
Vice Provost Academic Affairs & Dev		Hazardous Materials Transportation Act
VP Student Affairs		Intellectual Property/Technology Transfer
Gibson D Lewis Library		Export Administration Act
Faculty Affairs & Development		Medicaid Transformation Waiver
HIT Program		Medical Billing and Reimbursement
Biotech Rider		UNT Health Medical Agreements
Information Technology Development		Medical Waste Tracking Act
Center for Learning & Development		Health Information Technology for Economic and Clinical Health Act
VP Research		
Grants & Contract Management		
Clinical Trials		
Lab Animal Medicine		
Research Development & Commercialization		
Office of Research Compliance		
Dean, College of Pharmacy		
Dean, School of Health Professionals		
Physical Therapy Program		
Physician Assistant Program		
SVP Finance & Chief Financial Officer		
Controller & Chief Budget Officer		
UNTHSC Police		
Facilities Management		
Safety Office		
VP Operations		
Central Services		
Purchased Utilities		
Employee Benefits		
Employee Compensation Program		
Miscellaneous Institutional Expenses		
VP Strategy & Measurement		

UNTH Obstetrics & Gynecology
UNTH Psychiatry & Behavioral Health
UNTH Orthopaedics
UNTH Surgery
UNTH Osteopathic Manipulative Medicine
UNTH Pediatrics
UNTH Community Health
UNTH Family Medicine
UNTH Internal Medicine
UNT Health Business Services
UNTH Physical Therapy
UNTH Student Health

UNT Dallas

Required Audits

President's Expenditure Review	Facilities Certification Review	Coordinator of External Audits
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Units	Processes	Compliance
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Units	Processes	Compliance
Office of the President	Financial Reporting	Texas State Comptroller Reporting Requirements
VP Finance & Admin	Appropriation Funding	Department of Education Reporting Requirements
Provost & VP for Academic Excellence and Student Success	Legislative Appropriation Request	State Tax Requirements
Associate Provost Student Success	Accounts Receivable	Federal Tax Requirements
Liberal Arts & Life Sciences	Accounts Payable	Payment Card Industry Data Security Standard
Urban & Professional Studies	Fixed Asset Management	Political Activity
Education & Human Services	Purchasing	Public Information Act
Advancement	Contracts Management	Occupational Safety and Health Act
Associate Provost for Academic Excellence	Budgetary	Charitable Contributions and Gifts
	Gift Collection	Philanthropy Protection Act
	Cash Handling	Gramm Leach Bliley Act
	Purchasing Card Program	Family Educational Rights and Privacy Act
	Employee Travel	Health Insurance Portability and Accountability Act
	Departmental Purchasing	Americans with Disabilities Act
	Capital Projects	Fair and Accurate Credit Transaction Act
	Financing/Management	
	Space Utilization/Reporting	Equal Employment Opportunity Laws
	Investments	Emergency Management
	Payroll	Title IX of the Education Amendment of 1972
	Hiring/Termination	Clery Act
	Enrollment Management	Drug Free Schools and Communities Act
	Tuition and Fees	Higher Education Opportunity Act
Centers & Institutes	Sponsored Programs	Sponsored Program Compliance
		Department of Homeland Security Chemicals of Interest
		Protection of Human Subjects
		Animal Welfare Act
		Radiation Control
		Laboratory Biosafety
	Toxic Substances Control Act	
	Chemical Facility Anti-Terrorism Standards	
	Hazardous Materials Transportation Act	
	Intellectual Property/Technology Transfer	
	Export Administration Act	



Board Briefing

Committee: Audit

Date Filed: July 17, 2014

Title: FY 2015 UNT System Compliance Risk Assessment and Work Plan

Background:

The Audit Committee has requested that the Compliance offices conduct risk assessments and prepare annual work plans for consideration by the Committee each August. The Compliance officers have conducted risk assessments and prepared the attached work plan for consideration and approval by the Board.

Financial Analysis/History:

There are no financial implications associated with the FY 2015 UNT System Compliance Risk Assessment and Work Plan.

Janet Waldron Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice
Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 13:59:49 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.12 17:48:24 -05'00'

Vice Chancellor/General Counsel

Schedule: FY 2015

Recommendation:

It is recommended that the UNT System Board of Regents approve the attached FY 2015 UNT System Compliance Risk Assessment and Work Plan.

Recommended By:

Steven A. Hill I

UNT System Compliance Officer

Michelle Finley Digitally signed by Michelle
Finley
Date: 2014.08.14 14:54:06 -05'00'

UNT System Chief Internal Auditor

**Lee
Jackson** Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University
of North Texas System,
ou=Chancellor,
email=lee.jackson@untsystem.ed
u, c=US
Date: 2014.08.19 10:55:48 -05'00'

Chancellor

Attachments Filed Electronically:

- **FY 2015 UNT System Compliance Risk Assessment and Work Plan**



Board Order

Title: FY 2015 UNT System Compliance Risk Assessment and Work Plan

Board of Regents Order 2014-68

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on August 21, 2014, pursuant to a motion made by Regent and seconded by Regent _____, the Board approved the motion presented below:

Whereas, the Compliance offices have conducted risk assessments and prepared annual work plans,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. FY 2015 UNT System Compliance Risk Assessment and Work Plan
-

VOTE: ____ ayes ____ nays ____ abstentions

BOARD ACTION:

Attested By:

Approved By:

Julia A. Boyce, Secretary
Board of Regents

G. Brint Ryan, Chairman
Board of Regents

FY 2015 UNT System Consolidated Compliance Risk Assessment and Work Plan

Risk Assessment Approach

The following information describes the approach used and the high-risks that have been identified by UNT System, UNT, UNTHSC, and UNT Dallas executive and senior management along with System and both Institutional Compliance offices as a result of an enterprise-level risk assessment conducted for FY 2015.

The risk assessment model was designed to identify a risk universe (risk menu) that represented the total population for the UNT System. This included all organizational units within a division such as a department or other unit; processes; compliance risks; and, required audits. There was a method for determining the priority of each risk using a low, medium, or high (or 1, 2, 3) ranking format. The risk assessment model included considerations in addition to management's concerns and input which was identified via an interview and survey process. These additional considerations (for the System and both Institutional Compliance functions) included the following:

- a. Reputational Risk Criteria
- b. Changes in Regulatory Requirements
- c. Recent Regulatory Violations

Effective with the FY 2015 Risk Assessment and Work Plan process, System and both Institutional Compliance Offices will focus its risk identification and monitoring efforts exclusively on Compliance Risks (Item 4 below – Compliance and Public Interest Risk). This revises the previous practice of also identifying and monitoring a previous category of Management Risks. The documenting and reporting of actions taken to address Management Risks will no longer be reflected in the consolidated Compliance report, starting with the 3rd Quarter, FY 2014 report, and will be completely eliminated from the Compliance report no later than the end of FY 2014.

The risk assessment model identified the following five general risk areas (or categories):

1. Financial Risk
2. Management Control and Operations Risk
3. Strategic Risk
4. Compliance and Public Interest Risk
5. Internal and External Audit History Risk

This risk assessment approach identified high-risks for each institution, categorized as Compliance Risks. Compliance Risks are mitigated via a partnership between senior management and the applicable UNT System component Compliance office.

Management and mitigation of risks at the institutional level includes quarterly monitoring and reporting through each UNT System component to the UNT System Board of Regents by executive management, the applicable Compliance office, and the senior management official that is responsible for each applicable risk.

A senior management official (for Compliance Risks) is designated as the responsible party for each high-risk. The action taken by this official and the applicable component Compliance office to address each Compliance Risk is reported to the UNT System Board of Regents in the

quarterly consolidated Compliance report (in Section II) until the risk concern has been fully resolved.

Once a Compliance Risk is fully resolved, each risk may then be referred to as a “controlled risk.” The term “controlled risk” warrants reduced monitoring by the applicable campus Compliance office from quarterly up to a period not to exceed two years, depending on the nature of the risk.

The terms High, Medium, and Low, represented by the letters “H”, “M”, and “L”, are used in the proposed lists of high-risks for each campus and refers to the ranking of the risk. The first letter refers to the “impact” of the risk on the organization and its effect on the achievement of goals and objectives, should the risk occur.

The second letter refers to the “probability” or the likelihood of the risk happening. A “HH” reflects a high impact and high probability risk. A “HM” would reflect a high impact and medium probability risk. A “HL” reflects a high impact and low probability risk. The following information provides general guidance pertaining to impact and probability.

Impact (Severity)

- **High Impact** – If the risk occurs, the institution may not achieve its objective or to do so will require major damage control.
- **Medium Impact** – If the risk occurs, the institution will have to perform extra work or will be less efficient, but the institution can still achieve its objective.
- **Low Impact** – If the risk occurs, the institution is aware of it but it will have little or no effect upon operations or the achievement of the objective.

Probability (Frequency)

- **High Probability** – It is likely to happen often.
- **Medium Probability** – It is likely to happen but not often.
- **Low Probability** – It is unlikely to happen at all.

Methodology for Identifying Current High-Risks

Enterprise Risk Management (ERM) is a continuous, proactive and systematic process to first identify, understand, manage, and communicate business risk from an organization-wide perspective.

System Compliance and both Institutional Compliance Office’s followed a “multi-level risk assessment” methodology which is a component of the Assurance Continuum Risk Management Model developed by David and Justina Crawford. Characteristics of this multi-level risk assessment are:

- Every employee from executive management to first line employee have the opportunity to be involved in the process.

- Risk assessments may generally be conducted at three levels within an organization. The three risk assessments are Executive, Major Activity Area, and Work Unit Risk Assessments.

The Executive Risk Assessment (participants included CEO and direct reports) – For all UNT System components. Executive Risk Assessment characteristics include:

- Identified and valued the risks that executive management worry about, think about, devote resources to, or attempt to avoid.
- Both opportunity (positive) risks and obstacle (negative) risks were considered with an emphasis on issues that have direct implications on the achievement of organizational goals and objectives.
- Risks are ranked by two characteristics. First, is the material consequence (impact) on the organization's ability to achieve its goals and objectives. Second, refers to how likely is the risk to occur (probability).

The Major Activity Area Risk Assessment (participants included key direct reports to the CEO's direct reports) – For UNT System, UNT, and UNT Dallas.

The Compliance Council includes all areas of the UNT Health Science Center and most Executive Team Members or their designee as participants - For UNTHSC. Major Activity Area Risk Assessment characteristics include:

- Ranks risks by the impact of the risk on the organization's ability to achieve its goals and objectives and the probability of the risk actually occurring.
- Results are foundation for determining mitigating strategies used to minimize the risk impact and probability.
- Identifies applicable statutes and regulations associated with the performance of their division activities **(UNTHSC)**.

The Work Unit Risk Assessment (participants can include the director, manager, supervisor, etc. of the work unit and all employees in the work unit). Work Unit Risk Assessment characteristics include:

- Identifies the work unit risks to achieving the goals of each unit or department (as previously identified in an institutional database referred to as the TRACDAT System).
- Ranks or prioritizes work unit risks by impact (severity) and probability (frequency).
- Creates mitigating strategies (controls) used to minimize the risk impact and probability.
- Results should accomplish ensuring that up-line management has considered all risks associated with each activity (process).
- Generates ownership in the ERM process.

The Work Unit Risk Assessment was not formally conducted during the risk identification phase but the principles associated with this approach are tools that may be used to evaluate risks during the monitoring phase of managing the risks. – **(For UNT System, UNT, and UNT Dallas)**

The UNTHSC TracDat System was modified to provide for a work unit risk assessment process by capturing department risks in light of their goals for the next fiscal year. The UNTHSC's departments conducted Work Unit Risk Assessments using the modified TracDat System. - **(For UNTHSC)**

System Compliance and both Institutional Compliance's approach towards risk assessment was to adopt a risk-based approach as part of its risk assessment strategy because compliance resources are limited. Priorities were established to determine the appropriate allocation of compliance monitoring resources for these risks.

Additional Strategies Used in High-Risk Identification

- Through direct discussion between System Compliance and both Institutional Compliance office's with Director-level management and above and Internal Audit.
- By comparison with common industry high-risks, internal research results from industry publications, electronic resources, and consultation with national compliance peers.
- By reviewing the work plan of the Office of Inspector General for the Department of Health and Human Services to determine if any particular area included in their plan needs to be addressed by any UNT System component.
- Through direct discussion with UNT Health Science Center Compliance Council Division Directors (which is also reflective of UNT Health Science Center Executive Management).

The FY 2015 Compliance risks listed in the following series of work plans will be monitored during FY 2015 by executive and senior level management and their respective Compliance assets. These work plans are presented to the UNT System Board of Regents for approval. Upon Board approval, the actions taken and the progress made towards addressing each risk will be reported to the Board on a quarterly basis within the UNT System Consolidated Compliance Report during the period of September 1, 2014 through August 31, 2015.

UNT System Work Plan

There is one (1) Compliance Risk that was re-confirmed during the FY 2015 risk assessment process. This risk will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing this risk will continue to be reported on a quarterly basis to the UNT System Board of Regents.

One (1) Compliance Risk was re-categorized as a result of the FY 2015 risk assessment process. This risk will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing this risk will continue to be reported quarterly to the UNT System Board of Regents.

List of UNT System High-Risks

Compliance Risks

1. Electronic Information Handling – **MM**
2. Protecting Minors Participating in UNT System Related Activities – **(Re-categorized) ML**

UNT Work Plan

There are eleven (11) Compliance Risks that were re-confirmed during the FY 2015 risk assessment process. These risks will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing these risks will continue to be reported quarterly to the UNT System Board of Regents.

There were two (2) Compliance Risks that were newly identified as a result of the FY 2015 risk assessment process. These risks will be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing these risks will be reported quarterly to the UNT System Board of Regents.

One (1) Compliance Risk was re-categorized as a result of the FY 2015 risk assessment process. This risk will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing this risk will continue to be reported quarterly to the UNT System Board of Regents.

There was one (1) Compliance Risk that was resolved and moved to the UNT Control Risk list.

List of UNT High-Risks

Compliance Risks

1. Fire and Life Safety – **ML**
2. Laboratory Inspections and Follow-Up – **MM**
3. Chemicals of Interest – **ML**
4. Emergency Planning & Preparedness and Business Continuity – **ML**
5. Research Conflict of Interest – **LL**
6. Time and Effort Reporting – **LM**
7. Export Controls – **ML**
8. Electronic Information Handling – **MM**
9. HIPAA Compliance – **MM**
10. Individual Conflict of Interest – **LM**
11. Records Management – **MM**
12. Protecting Minors Participating in UNT Related Activities – **(Re-categorized) MM**
13. Radiation Safety – **(NEW) MH**
14. Environmental Compliance – **(NEW) MH**

UNT Health Science Center Work Plan

The following information outlines the risks that will be monitored as a result of this work plan that UNT Health Science Center Institutional Compliance and the Institutional Compliance Council Division Directors plan to follow during Fiscal Year (FY) 2015.

There are four (4) Compliance Risks that were reconfirmed during the FY 2015 risk assessment process. These risks will be monitored by the Institutional Compliance Office and the Institutional Compliance Council. Progress towards addressing each risk will continue to be reported on a quarterly basis to the UNT System Board of Regents.

There were five (5) Compliance Risks that were newly identified as a result of the FY 2015 risk assessment process. These risks will be monitored by the Institutional Compliance Office and the Institutional Compliance Council. Progress towards addressing each risk will be reported on a quarterly basis to the UNT System Board of Regents.

The risk rankings of two (2) Compliance Risks were decreased for FY 2015 and mitigation efforts were documented as a result of the FY 2015 risk assessment process. These risks will be moved to the UNTHSC Controlled Risk list.

List of UNTHSC High-Risks

Compliance Risks

1. Physicians at Teaching Hospitals (Path) Regulations (Clinical Division) – **HH**

Definition: Review of sample medical records of Medicare and Medicaid patients to confirm that the attending physician has documented his/her presence and participation when a resident is involved in the care of a patient.

2. Procedures – for inpatient and outpatient (Clinical Division) – **HM**

Definition: Review of sample medical records of Medicare and Medicaid patients to confirm that the physician's documentation supports the procedures performed and billing requirements.

3. Evaluation and Management Codes: inpatient and outpatient (Clinical Division) – **HM**

Definition: Review of sample medical records of Medicare and Medicaid patients to confirm that the physician's documentation supports the E&M code(s) billed.

4. Billing versus Performing Provider (Clinical Division) – **HM**

Definition: Review of sample billed claims and medical records of Medicare and Medicaid patients to confirm that the physician who billed for the service is the same physician who actually performed the billed service.

5. Place of Service (Clinical Division) - **(NEW) HH**

Definition: Review of sample medical records of Medicare and Medicaid patients to confirm that the proper place of service is included on the bill.

6. Unauthorized Access to Protected Institutional Data (Information Resources Technology Division) - **(NEW) HM**

7. HIPAA Security (Information Resources Technology Division) - **(NEW) HM**

8. Non-Compliance with CMS 1115 Waiver Requirements (Strategy Division) - **(NEW) HM**

9. Title IX Compliance (Student Affairs Division) - **(NEW) HM**

UNT Dallas Work Plan

There are three (3) Compliance Risks that were re-confirmed during the FY 2015 risk assessment process. These risks will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing these risks will continue to be reported on a quarterly basis to the UNT System Board of Regents.

One (1) Compliance Risk was re-categorized as a result of the FY 2015 risk assessment process. This risk will continue to be managed as a result of meetings between the responsible party and System/Institutional Compliance. Progress towards addressing this risk will continue to be reported quarterly to the UNT System Board of Regents.

List of UNT Dallas High-Risks

Compliance Risks

1. Emergency Planning & Preparedness and Business Continuity – **ML**
2. Electronic Information Handling – **MM**
3. Grants Management – **MM**
4. Protecting Minors Participating in UNT Dallas Related Activities – **(Re-categorized) MM**

UNT System Component Controlled Risks

The following risks have acceptable controls in place or are no longer considered a high-risk as a result of the FY 2015 risk assessment process. A "controlled risk" is a Compliance Risk that has been resolved and is then subject to monitoring for a period not to exceed two years from the date the risk is removed from the high risk list, depending on the nature of the risk. Quarterly

reporting of these risks will terminate with the exception of any applicable close-out summary reviews that would document the final status of compliance with a particular risk.

UNT System Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)

1. Fire and Life Safety – **ML**

UNT Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)

1. Federal and State Regulatory Compliance – **LL**
2. Payment Card Industry Compliance – **MM**
3. Family Medical Leave Act (FMLA) – **ML**
4. Human Subject Research Monitoring – **LL (NEW)**

UNTHSC Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)

1. Incident-to-Billing (Clinical Division) – **MM**
2. Use of Human Subjects (Research Division)– **ML**
3. Conflict of Interest (Research Division)– **ML**
4. Nondiscrimination/Equal Employment (Human Capital Management Division) – **ML**
5. Sexual Harassment (Human Capital Management Division) – **ML**
6. Emergency Planning & Business Continuity (Operations Division) – **MM**
7. Department of Education and other Governmental Financial Aid Reports (Student Affairs Division) – **ML**
8. Student Data Reports for Homeland Security – International Students (Student Affairs Division) – **ML**
9. Compliance with Procurement Card Program requirements (Finance Compliance transitioning to Business Service Center) – **ML**
10. Use of After the Fact Procurement (Finance Compliance transitioning to Business Service Center) – **ML**
11. Fraud- Use of Foundation Money for Personal Use (Community Engagement Division) – **ML**

12. HIPAA Violation: Improper Fundraiser Disclosure of Patient Information (Community Engagement Division) – **MM**
13. Unauthorized Access to protected Institutional Data (Academic Information Resource Division) – **ML**
14. Malicious Code/Virus Disruption of Information Technology Services (Academic Information Resource Division) – **ML**
15. Enforcement of Faculty Bylaws (Academic Affairs Division) – **LL**
16. Faculty Reporting (Academic Affairs Division) – **LL**
17. Disability Accommodation (Student Affairs Division) – **HM**
18. Reconciliation of Fund Balances between UNTHSC and UNTHealth (Finance Division) – **HL**
19. Grants Management: Time and Effort Reporting (Research Division) (FY 2012) – **HM**
20. Grants Management: Sub recipient Monitoring (Research Division) (FY 2012) – **HM**
21. Radiation Safety (Safety Office Division) – **MH**
22. Chemical Safety (Safety Office Division) – **MH**
23. Notice of Privacy Practices (Clinical Division) – **HM (New)**
24. Risk Management Program for Texas State Agencies – Life Safety, Workers Compensation (Safety Division) – **MH (New)**

UNT Dallas Controlled Risks – (Monitoring for a period not to exceed two years, which replaces quarterly monitoring)

1. Fire and Life Safety – **ML**



Background Report

Committee: Audit Committee

Date Filed: July 17, 2014

Title: UNT System Internal Audit Report for April 2014 through August 2014

Background:

UNT System (UNTS) Internal Audit reports to the UNTS Board of Regents on the activities of the Department. This report highlights the activities of the department for the period of April through August 2014.

Financial Analysis/History:

This is a report item only.

Janet Waldron Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System,
ou=Vice Chancellor for Finance,
email=janet.waldron@untsystem.edu, c=US
Date: 2014.08.12 16:23:29 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untsystem.edu, c=US
Date: 2014.08.13 17:14:46 -05'00'

Vice Chancellor/General Counsel

Schedule: N/A

Recommendation:

No action required. Information only. Submitted by:

Michelle Finley Digitally signed by Michelle Finley
Date: 2014.08.14 14:54:55 -05'00' **Michelle Finley**
UNT System Chief Internal Auditor

Lee Jackson Digitally signed by Lee Jackson
DN: cn=Lee Jackson, o=University of North
Texas System, ou=Chancellor,
email=lee.jackson@untsystem.edu, c=US
Date: 2014.08.19 11:00:20 -05'00'

Chancellor

Attachments Filed Electronically:

- **UNT System Internal Audit Report**

**Internal Audit
Report of Audit Activities
August 2014**

Michelle Finley, Chief Internal Auditor

Audit Reports Issued

UNT

- State Benefits Analysis
- Linguistics Investigation
- Optional Retirement Program Investigation

UNT Health Science Center

- UNT HSC Foundation Advancement Process Assessment
- Cancer Prevention Research Institute of Texas (CPRIT) Review

UNT Dallas

- State Auditor's Office Hotline Investigations (2)

Note: Project listing represents reports issued during the time period of April through August 2014.

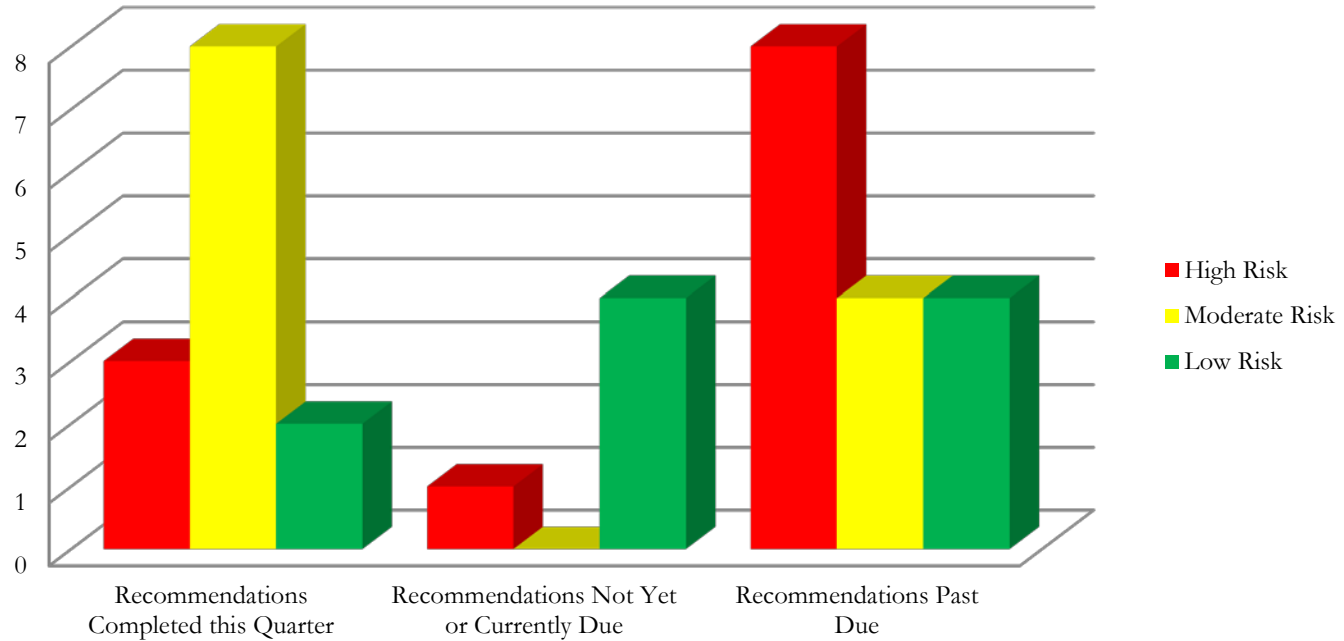
Activities and Initiatives Completed

- UNT System Annual Risk Assessment
- UNT System Audit Universe Development (Menu of Risks)
 - ✓ Units
 - ✓ Processes
 - ✓ Compliance
- Fiscal Year 2015 UNT System Internal Audit Plan Development
- Vendor Selection for Consolidated Hotline System

Activities and Initiatives in Process

- Consolidated Hotline System Implementation
- Governor's Directed Review of State Benefits Analysis for Components (HSC, DAL, and SYS)
- Financial Transformation Project Tiger Team
- External Audit Recommendations Database Development
- House Bill 16 (83rd Legislature) Posting Requirements
- Fiscal Year 2014 External Audit Coordination
- Obtaining Additional Internal Audit Resources

UNT Recommendations Status



UNT Recommendations Completed this Quarter

Report No.	Report Name	Number of Recommendations	Number of Months Since Report Date
High			
13-027	UNT Kristin Farmer Autism Audit	3	4
Moderate			
13-005	Student-Managed Investment Fund	1	13
13-017	Parking Services Review	1	12
14-001	NCAA Agreed Upon Procedures	3	5
14-003	President's Expenditure Review	1	4
14-024	Advancement Investigation	2	2
Low			
13-016	UNT Endowment Review	1	5
13-012	Space Planning Review	1	8

UNT Recommendations Not Yet or Currently Due

Report No.	Report Name	Number of Recommendations	Number of Months Since Report Date	Expected Implementation Date
High				
14-001	NCAA Agreed Upon Procedures	1	7	September 1, 2014
Low				
13-010	UNT Dining Services A/P Audit	1	9	September 1, 2014
14-001	NCAA Agreed Upon Procedures	2	7	August 1, 2014
14-002	Fiscal Year 2013 Investment Review	1	6	September 30, 2014

UNT Recommendations Past Due

Report No.	Report Name	Recommendations Past Due	Number of Months Past Due	Revised Expected Implementation Date
High				
11-015	Research Continuity Planning	4	23	December 31, 2014
14-001	NCAA Agreed Upon Procedures	2	5	September 30, 2014
14-002	Fiscal Year 2013 Investments Review	1	4	September 30, 2014
14-003	President's Expenditure Review	1	4	September 30, 2014
Moderate				
12-021	Employment Waiver Review	1	0	July 31, 2014
14-001	NCAA Agreed Upon Procedures	3	6	September 30, 2014
Low				
12-024	Student Worker Review	2	11	October 31, 2014
14-001	NCAA Agreed Upon Procedures	1	6	September 30, 2014
14-002	Fiscal Year 2013 Investments Review	1	2	September 30, 2014

University of North Texas

Management Action Status Summary

Post Audit Review Status Report

University of North Texas

As of August 5, 2014

11-015

4/9/2012 **Research Continuity Planning**

High Level Objective: The objective of the review was to determine what planning has been done in non-classroom research labs to protect, recover, and continue the research if catastrophic events occur.

Observations and Recommendations:

The University has no policy which requires researchers and research labs that are engaged in non-classroom research to develop and maintain a research continuity plan to protect research, to recover lab resources, and to continue in business in the event of a catastrophe.

1. Establish a University policy which requires research continuity plans to protect lab research, to recover lab resources, and to continue in business in the event of a catastrophe.
2. Consider utilizing *UNT Ready* or another comparable guide to aid in the design, development, and implementation of a research continuity plan(s).
3. Perform periodic tests of the plan(s) to monitor effectiveness.
4. Evaluate changes in research and lab protocols and make appropriate adjustments to the research continuity plan.

Impact

Implementation will ensure that UNT research dollars are adequately protected, research accomplishments are appropriately safeguarded, the interests of granting entities are secured, and Tier 1 status is not adversely impacted.

Response

The Office of Research and Economic Development is partnering with the Office of the Provost and Vice President for Academic Affairs to develop a coordinated set of procedures to (1) identify the facilities that should be covered by such plans (whether such facilities be individual rooms, sets of rooms, organized centers, or even entire buildings or departments); (2) identify the appropriate administrative level from which the continuity planning should be coordinated for each identified facility; (3) set a timeframe for the charged administrators to develop continuity plans appropriate to the particular facilities and to specify how the plans would be tested and monitored/adjusted over time.

Expected Implementation Date: *The task force has already begun meeting. Within the month of March, 2012, we expect the task force will work with deans to design a method of identifying relevant facilities (task #1 from above). Within 30-60 days of having developed a finalized list of identified facilities, the administrator charged to develop and maintain the continuity plan for each facility will be identified (task #2 from above). Depending upon the experience of each of the administrators with continuity planning, training may be required. Thus, the duration between charging the administrators and the completion of all plans (task #3 from above) cannot be projected at this time; however, we anticipate it will be a matter of several months.*

Person responsible for implementation: *Tom McCoy, Vice President for Research and Economic Development*

Planned Implementation Date: *September 2012*

Implementation

The Office of Research Services mobilized a task force to address suggested management actions as outlined in the Internal Audit Observations Report. According to the task force, the following actions will be taken by the stated dates to address Internal Audit's suggested management actions.

1. Identify the facilities that should be covered by continuity plans (whether such facilities be individual rooms, sets of rooms, organized centers, or even entire buildings or departments) – December 31, 2012 – Complete
2. Identify the appropriate administrative level from which the continuity planning should be coordinated for each identified facility. – December 31, 2012 – Complete
3. Set a timeframe for the charged administrators to develop continuity plans appropriate to the particular facilities and to specify how the plans would be tested and monitored/adjusted over time. – May 31, 2013

Expected implementation date: December 31, 2014

Risk Level:

High

Months Past Due

23

High Level Objective: Perform Agreed Upon Procedures review in accordance with NCAA Bylaws.

Observations and Recommendations:	Impact	Response	Implementation
<p>Coaches Salaries, Benefits and Bonuses Paid by the University</p> <p>Non-cash benefits for Athletic Department Employees -When recalculating a sample of the calendar year 2012 W-2s and reviewing other supporting documentation, temporary housing benefits for several of the recently hired coaches should be evaluated for inclusion on the employees' W-2s as taxable income.</p> <p>We recommend that any necessary corrections be made to prior year W-2's</p>	<p>Implementation will assist in assuring compliance with IRS regulations.</p>	<p>The UNT System BSC agrees and will review the documentation provided by Internal Audit.</p> <p>Person responsible for implementation: Carol McFarland, BSC Tax Accountant</p> <p>Planned Implementation Date: March 31, 2014</p>	<p>BSC has consulted with the Office of General Counsel. The Office of General Counsel has consulted with Tax Counsel to determine if the benefits should be included as taxable income. The Office of General Counsel is working with management on this issue.</p> <p>Expected Implementation Date: September 30, 2014</p>

Risk Level:

High

Months Past Due

5

High Level Objective:

The objective was to perform a compliance review of management controls over investing activities as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.

Observations and Recommendations:

UNT System, UNT, and UNT Dallas do not have fully executed bank depository agreements with Wells Fargo.

2. Finalize the UNT System, UNT, and UNT Dallas Bank Depository Agreements with Wells Fargo.

Impact

Implementation will help ensure that Board of Regents expectations are met, bank deposits are safeguarded, and any favorable terms are in force.

Response

UNT Response: Although the written agreement between Wells Fargo bank and UNT expired in 2013, the parties have continued to operate under the existing agreement with the same terms until the new contract can be finalized. Management will continue to work with the Office of the General Counsel to finalize the written agreement and expects to have a newly executed agreement by April 1, 2014.

Person responsible for implementation: *Allen Clemson, Vice Chancellor for Administration*

Planned Implementation Date: *April 1, 2014*

UNT Dallas Response: Agree. Management will continue to work with the Office of the General Counsel to finalize the written agreement and expects to have a newly executed agreement by April 1, 2014.

Person responsible for implementation: *Vice President for Finance and Administration/CFO – UNTD*

Planned Implementation Date: *April 1, 2014*

UNT System Response: Agree. Bring closure to all unresolved issues and finalize depository agreements.

Person responsible for implementation: *Alan Stucky, Senior Associate, General Counsel*

Planned Implementation Date: *April 1, 2014*

Implementation

In Process. Internal Audit spoke with the Vice Chancellor for Finance and noted that all bank agreements have been signed by each component CFO and is being reviewed by the each bank at this time.

Internal Audit will perform an additional review in September 2014 to confirm the bank agreements have been fully executed.

Risk Level:

High

Months Past Due

4

Observations and Recommendations:	Impact	Response	Implementation
<p>Other Findings - Journal Template Entries</p> <p>It was noted during the course of the review that all journal template entries booked by the any UNT department, including the Athletic Department, are booked on the general ledger without inclusion and review of supporting documentation by Financial Reporting. The current process of booking journal entries is for an employee to submit a journal template to Financial Reporting for review that consists of an account type match and a budget check. It is expected that the department has and maintains the supporting documentation for every journal template entry submitted. Lack of review of supporting documentation can result in inappropriate, inaccurate journal entries and/or errors and discrepancies going undetected.</p> <p>We recommend that Financial Reporting develop a written standard for journal entry documentation and review the supporting documentation for journal entries</p>	<p>Implementation will assist in assuring journal entries are accurate appropriate, and adequately supported.</p>	<p>The Controller's Office and Financial Reporting are developing a written standard for journal entry documentation that will require all submitted journals with line item amounts \$5K and above to include appropriate supporting documentation that fully explains the journal being booked to the system. Supporting documentation for journals with line item amounts less than \$5,000 will continue to be retained within the originating department in accordance with UNT's Records Management and Retention policy 10.10. This will require a culture change throughout campus and numerous training sessions.</p> <p>Person responsible for implementation: Bob Brown, Vice President for Finance and Administration</p> <p>Planned Implementation Date: June 1, 2014</p>	<p>Follow-up scheduled for September 30, 2014.</p>
	<p>Risk Level: High</p>	<p>Months Past Due</p>	<p style="border: 1px solid black; padding: 2px; display: inline-block;">2</p>

High Level Objective: Perform Agreed Upon Procedures review in accordance with NCAA Bylaws.

Observations and Recommendations:

Coaches Salaries, Benefits and Bonuses Paid by the University - Tax Treatment for Cell Phone Allowances and Cell Purchase Reimbursements

In calendar year 2011, the tax treatment for employee cell phone allowances and cell phone purchase reimbursements was changed entity-wide to a non-taxable allowance. However, procedures have not been established requiring documentation to ensure that the cell phone expense reimbursements do not exceed the employee's actual business expense and the reimbursement is provided for the IRS required business purposes. The current cell phone allowance policies are not consistent with the current tax-treatment and practices, and need to be revised.

We recommend that the Vice President for Information Technology and CIO, in conjunction with the Business Service Center, review the current tax treatment practice for cell phone allowances and cell phone purchase reimbursements, and update the cell phone policy accordingly. Additionally, policy training to cell phone allowance recipients should be provided to ensure compliance with policy requirements.

Impact

Implementation will assist in assuring compliance with IRS regulations.

Response

The Vice Provost for Information Technology and CIO, in conjunction with the Business Service Center and IT Shared Services, will review the current tax treatment practice for cell phone allowances and cell phone purchase reimbursements and update the cell phone policy accordingly. Further, appropriate policy training for cell phone allowance recipients will be developed to ensure compliance with policy requirements.

Person responsible for implementation: John Hooper, UNT Vice Provost for Information Technology and CIO

Planned Implementation Date: September 1, 2014

Implementation

Follow-up scheduled for September 2014.

Risk Level:

High

Months Past Due

0

High Level Objective:

The objective of each review was to assess whether business, travel, and entertainment expenses reimbursed to or paid on behalf of the Chancellor and Presidents complied with the respective employment agreements and applicable policies.

Observations and Recommendations:

Certain services over a several year period provided to or paid on behalf of the former UNT President qualify as a non-cash fringe benefit and may be subject to taxation under Internal Revenue Code.

It is recommended that the Associate Vice Chancellor for Business Services:

1. Coordinate with the Office of General Counsel to evaluate whether certain services provided to or paid on behalf of the former UNT President qualify as fringe benefits subject to taxation under the Internal Revenue Code (IRC) and amend any prior period tax reporting, as required.

Impact

Implementation will ensure compliance with Internal Revenue Code

Response

The UNT System Business Service Center agrees with the recommendation.

The UNT System Business Service Center will coordinate with the UNTS Office of General Counsel to evaluate any taxation required for the services provided to or on behalf of the former UNT President. If required, a W-2C will be issued to the individual and the IRS for each calendar year as necessary.

Person responsible for implementation: Carol McFarland, Tax Accountant

Planned Implementation Date: May 30, 2014

Implementation

In process. The Office of General Counsel will work with the BSC to ensure the issue is resolved and documented properly.

Risk Level:

High

Months Past Due

0

High Level Objective:

The objective was to review the process for awarding Employment Waivers.

Observations and Recommendations:

There is not sufficient, independent review and approval of Employment Waivers prior to processing.

5. Either comply with UNT Policy 2.2.10 by requiring approval by the dean of the graduate school or revise the policy to reflect the actual process for awarding Employment Waivers.

Impact

Implementation will provide assurance that Employment Waivers receive proper review, are awarded in accordance with TEC 54.212.

Response

Change wording of the Section 2.2.10 of the UNT Policy Manual to reflect the Employment Waiver must be signed by dean of the graduate school or "her or his designee."

Change Employment Waiver form to include three questions to help programs determine eligibility.

Change Employment Waiver form to include graduate dean's signature.

Change processing procedure to require graduate dean's signature prior to final approval by Student Accounting

Person responsible for implementation: Mark Wardell, Dean, The Toulouse Graduate School

Planned Implementation Date: August 1, 2013

Implementation

The policy is currently in the process of being revised. Anticipated implementation date is July 31, 2014. Additional follow-up will occur in August 2014.

Risk Level:

Moderate

Months Past Due

12

High Level Objective: Perform Agreed Upon Procedures review in accordance with NCAA Bylaws.

Observations and Recommendations:	Impact	Response	Implementation
<p>Game Guarantees Revenue - Receivables for Game Guarantees</p> <p>Future game guarantees are not accrued when contracts are executed.</p> <p>We recommend that game guarantees be accrued in the financial reporting period when the contracts are executed.</p>	<p>Implementation will assure compliance with Generally Accepted Accounting Principles.</p>	<p>The athletic department agrees to create accounts receivable for game contracts. We will consult with Financial Reporting to record existing and future contracts using GAAP as a guideline for recording these amounts. The athletic department notes that in most cases the guaranteed amount in the event a scheduled contest is not played is not the same as the face value of the contract when the game is played. Again we will consult with Financial Reporting to determine the amount to be recorded.</p> <p>Person responsible for implementation: Mike Ashbaugh</p> <p>Planned Implementation Date: Immediately</p>	<p>Athletics is working with Financial Reporting to record the game guarantees.</p> <p>Expected Implementation Date: April 4, 2014</p>
Risk Level:	Moderate	Months Past Due 6	

Observations and Recommendations:	Impact	Response	Implementation
<p>Compensation & Benefits Provided by Third Party - NCAA Bylaw 11.2.2 Athletically Related Income</p> <p>NCAA Bylaw 11.2.2, Athletically Related Income, requires annual reporting of all athletically related income and benefits from sources outside the institution. This reporting is to also be provided to the President. During the audit, Athletics did not have all required reports on file for fiscal year 2013. The forms were subsequently completed and no third-party compensation was received by the Athletics Department employees that met the criteria to be disclosed in the financial statements.</p> <p>We recommend that the Athletics Department develop a process for assuring that all reports are obtained and completed appropriately, and determine if any additional steps are necessary for this process to be fully compliant with NCAA Bylaw 11.2.2.</p>	<p>Implementation will assist in assuring compliance with NCAA Bylaws.</p>	<p>The athletic department has always collected all forms in a timely manner through the Compliance Office.</p> <p>This year due to a change in the Compliance Officer, all forms were not collected. To alleviate this from happening again the athletic department will:</p> <ol style="list-style-type: none"> 1. Reinforce the responsibility of the Compliance Officer to create a list of staff required to submit forms. 2. Meet with staff and department personnel to get each form signed and recorded on an Excel spreadsheet. 3. Athletic Director and Senior Associate Athletic Director for Business Affairs will set calendar reminders to meet with Compliance Officer and complete certification two weeks prior to required submission date. <p>Athletics notes that forms for 2011 and 2012 were requested after the review and all forms were provided immediately. This is reinforcement that our procedures under normal circumstances have been followed.</p> <p>Person responsible for implementation: Rick Villarreal, Mike Ashbaugh, Scott Hobbs</p> <p>Planned Implementation Date: Immediately</p>	<p>Athletics has all forms for fiscal year 2013 on file. The process takes place on an annual basis. Athletics has established due dates and reminders for FY 2014. However, the process will not be complete until August 31, 2014.</p> <p>Expected Implementation Date: August 31, 2014.</p>
Risk Level:	Moderate	Months Past Due 6	

Observations and Recommendations:	Impact	Response	Implementation
<p>Game Guarantees Expenses - Payables for Game Guarantees</p> <p>Future game guarantees are not recorded when contracts are executed. We recommend that game guarantees be recorded when the contracts are executed.</p> <p>We recommend that game guarantees be accrued in</p>	<p>Implementation will assure compliance with Generally Accepted Accounting Principles.</p>	<p>We will consult with Financial Reporting to record existing and future contracts using GAAP as a guideline for recording these amounts. The athletic department notes that in most cases the guaranteed amount in the event a scheduled contest is not played is not the same as the face value of the contract when the game is played. Again we will consult with Financial Reporting to determine the amount to be recorded.</p> <p>Person responsible for implementation: Mike Ashbaugh</p>	<p>Athletics is working with Financial Reporting to record the game guarantees.</p> <p>Expected Implementation Date: April 4, 2014</p>

the financial reporting period when the contracts are executed.

Planned Implementation Date: Immediately

Risk Level:

Moderate

Months Past Due

6

12-024 10/3/2012 Student Worker Review

High Level Objective:

The objectives were to:

1. Review positions which require student enrollment and test positions held in Fall 2011 to ensure that employees were enrolled in classes, and
2. Review student's class and work schedules in the Federal Work Study (FWS) program to determine if students worked during scheduled class times which is prohibited by FWS guidelines.

Observations and Recommendations:

Internal Audit identified five UNT policies related to student employment that require enrollment; however, not all policies contain the same enrollment requirements.

2. The UNT Career Center, Provost's Office, and UNT Human Resources should evaluate and modify UNT policies related to student employment so enrollment requirements are as consistent as possible.
3. The UNT Career Center, Provost's Office, and UNT Human Resources should develop supplemental procedures to assist University departments in determining the correct job code.

Impact

Maintaining the least and most consistent policies related to student employment could reduce the confusion for individuals processing payroll documents and subsequently lead to fewer errors in processing and employment.

Response

Write a new overarching policy for student employment positions, as well as, develop operational procedures for the various job codes connected to the new overarching policy.

Person responsible for implementation:

Yolanda Niemann, Senior Vice Provost
Dan Naegeli, Executive Director, Career & Leadership Development
Valerie (Robertson) Hodges, Assistant Director, Finance & Administration
Marci Bailey, Director, UNT Human Resources

Planned Implementation Date: September 1, 2013

Implementation

Policy changes are currently in process.

Estimated implementation date is October 31, 2014.

Risk Level:

Low

Months Past Due

11

14-001 1/15/2014 NCAA Agreed Upon Procedures

High Level Objective:

Perform Agreed Upon Procedures review in accordance with NCAA Bylaws.

Observations and Recommendations:

Equipment Uniforms & Supplies - Supporting Documentation for Journal Entries

During the course of the review, we noted that detailed supporting documentation for two transactions was not available. These transactions were journal entries prepared by Athletics Department staff to move an expense into one account from another. We recommend that Athletics retain detailed supporting documentation for all journal entries.

We recommend that Athletics retain detailed supporting documentation for all journal entries

Impact

Implementation will assist in assuring journal entries are accurately appropriate, and adequately supported.

Response

It is not the practice of the Athletic Department to process journal entries without proper backup documentation. To ensure in the future there are no journal entries without documentation the Athletic Department agrees to do the following:

1. Require documentation review on all transactions with spot department checks.
2. The Athletic Department will follow the policy set by Financial Reporting for journal entry documentation.

Person responsible for implementation: Mike Ashbaugh, Troy Taylor

Planned Implementation Date: Immediately

Implementation

Partially Implemented. Athletics is now retaining additional supporting documentation for journal entries. However, Financial Reporting is currently working on developing a policy related to documentation requirements.

Expected Implementation Date: September 30, 2014

Risk Level:

Low

Months Past Due

6

High Level Objective:

The objective was to perform a compliance review of management controls over investing activities as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.

Observations and Recommendations:

Compliance with UNT System Regulation 08.2000, Investment of System Funds

3. Review the UNT Quarterly Investment Report to assure the accuracy of information prior to the issuance of the quarterly report to the Board of Regents and posting of the report on the institution's investment disclosure website.

Risk Level:

Low

Impact

Implementation will ensure that the information reported on a Quarterly Investment Reports is complete and accurate.

Response

Agree. A correction to the May 31, 2013 quarterly investment report will be included with the next presentation of quarterly investment reports for the Board of Regents.

Person responsible for implementation: Sr. Associate VP for Finance

Planned Implementation Date: May 20, 2014

Implementation

Corrected UNT Quarterly Investment Report for the period ending May 31, 2013, is expected to be presented at the next Board of Regents meeting. Internal Audit will follow-up for compliance purposes in September 2014.

Months Past Due

3

High Level Objective:

Perform Agreed Upon Procedures review in accordance with NCAA Bylaws.

Observations and Recommendations:

Team Travel - Team Travel Manual

During the review of team travel policies, it was noted that the policies specific to team travel do not address all relevant NCAA Bylaws. We recommend that the policies be reviewed and updated to assure all significant team travel NCAA regulations are addressed.

Risk Level:

Low

Impact

Implementation will assist in assuring compliance with NCAA Bylaws.

Response

The Athletic Department currently has documented procedures given to every new coach upon arrival at the University. The department currently:

1. Has a training session with each coach or staff as hired to cover policies
2. Gives each coach a NCAA Rule Book which lists all applicable rules and bylaws
3. Provides a hardcopy and online file of department policies on travel and credit card use
4. Annually test coaches on rules

The athletic department agrees to review other university policy manuals to strengthen our existing policies and manuals.

Person responsible for implementation: Rick Villarreal, Mike Ashbaugh, Patty Wells, Becky Hall, Scott Hobbs

Planned Implementation Date: Using due diligence, at earliest possibility but no later than August 1, 2014

Months Past Due

0

Implementation

Follow-up scheduled for September 2014.

Observations and Recommendations:

Recruitment - Recruiting Manual

During the review of recruiting policies, it was noted that no policy manual exists, just a collection of documents. These documents did not address recruiting expenses. We recommend that policies be developed specific to recruiting expenses to assist in assuring compliance with all NCAA regulations.

We recommend that the policies be reviewed and updated to assure all significant team travel NCAA regulations are addressed.

Impact

Implementation will assist in assuring compliance with NCAA Bylaws.

Response

The Athletic Department currently has documented procedures given to every new coach upon arrival at the University. The department currently:

1. Has a training session with each coach or staff as hired to cover policies
2. Gives each coach a NCAA Rule Book which lists all applicable rules and bylaws
3. Provides a hardcopy and online file of department policies on travel and credit card use
4. Annually test coaches on rules

Implementation

Follow-up scheduled for September 2014.

The athletic department agrees to review other university policy manuals to strengthen our existing policies and manuals.

Person responsible for implementation: Rick Villarreal, Mike Ashbaugh, Patty Wells, Becky Hall, Scott Hobbs

Planned Implementation Date: Using due diligence, at earliest possibility but no later than August 1, 2014

Risk Level:

Low

Months Past Due

0

13-010 11/5/2013 UNT Dining Services A/P Audit

High Level Objective: The objective was to review the accounts payable process for compliance with UNT System policies, and evaluate transactions for compliance with Texas Government Code 2251 related to prompt payment.

Observations and Recommendations:

UNT Dining Services is not scanning its Retail Dining Service invoices and supporting documentation as required by the Delegated Voucher Payable Agreement with the UNT System Business Service Center.

2. Develop a procedure to scan Retail Dining Service invoices.

Impact

Implementation will provide assurance that UNT Dining Services is in compliance with the Delegated Voucher Payable Agreement.

Response

We are committed to completing the suggested electronic/scan Retail invoices as requested. We will be contacting our Retail Vendors and discussing the changes that are required by the University with regards to electronic/scanned invoicing and how we can streamline a process that will work for both parties.

Person responsible for implementation: Susan Cruz, Business Manager

Planned Implementation Date: September 1, 2014

Implementation

Follow-up scheduled for September 2014.

Risk Level:

Low

Months Past Due

0

14-002 2/7/2014 FY 2013 Investments Review

High Level Objective: The objective was to perform a compliance review of management controls over investing activities as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.

Observations and Recommendations:

Compliance with UNT System Regulation 08.2000, Investment of System Funds

1. Assure all investments are authorized by current policy.

Impact

Implementation will ensure that all investments are supported by a Board approved regulation.

Response

Agree. The SBA investment will mature 9/25/2014. UNT will reinvest in compliance with the current investment regulations.

Person responsible for implementation: Sr. Associate VP for Finance

Planned Implementation Date: September 25, 2014

Implementation

Not due yet.

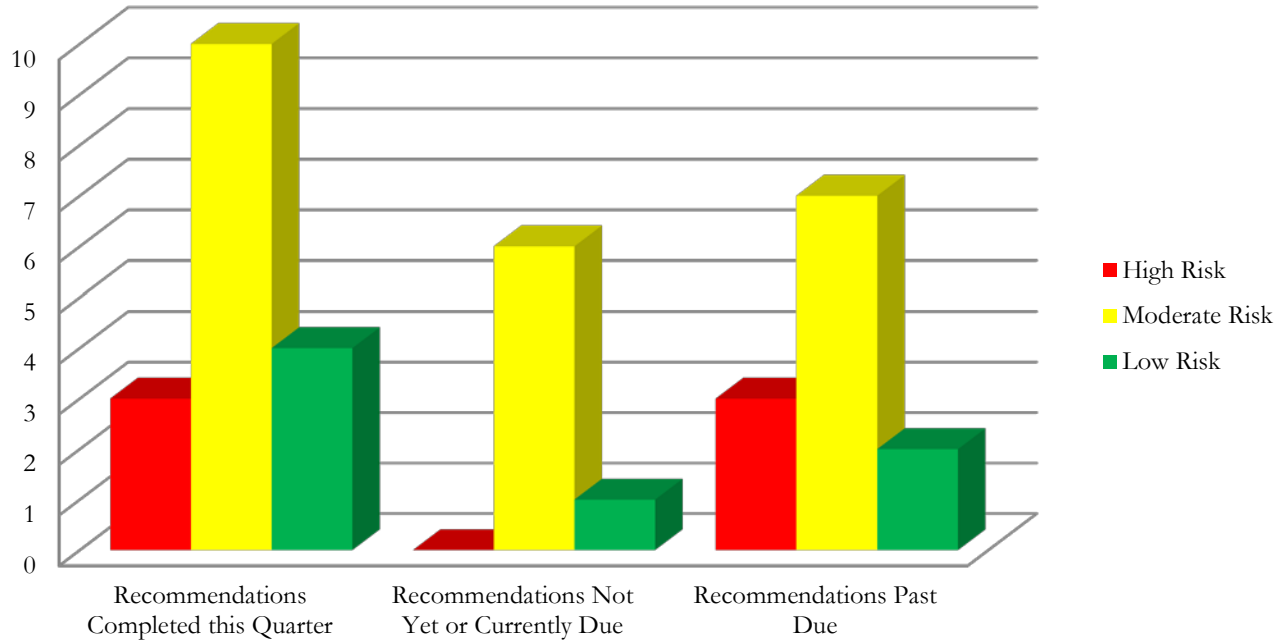
Risk Level:

Low

Months Past Due

0

UNT HSC Recommendations Status



UNTHSC Recommendations Completed this Quarter

Report No.	Report Name	Number of Recommendations	Number of Months Since Report Date
High			
13-005	UNT Health Revenue Cycle Back Office Review	2	13
13-010	UNT Health NextGen EPM Post Implementation Review	1	4
Moderate			
13-010	UNT Health NextGen EPM Post Implementation Review	4	4
13-011	Approval of Incidental Fees Review	1	4
14-003	UNTHSC President's Expenditure Review	1	4
14-004	Anatomical Lab Review	4	4
Low			
12-001	Advanced Research – Advanced Technology Programs Review	1	28
14-002	Fiscal Year 2013 Investment Review	1	6
14-004	Anatomical Lab Review	2	4

UNT HSC Recommendations Not Yet or Currently Due

Report No.	Report Name	Number of Recommendations	Number of Months Since Report Date	Expected Implementation Date
Moderate				
13-011	Approval of Incidental Fees Review	1	4	November 2014
14-015	Cancer Prevention and Research Institute of Texas	4	0	December 2014
14-004	Anatomical Lab Review	1	4	September 2014
Low				
14-004	Anatomical Lab Review	1	4	September 2014

UNT HSC Recommendations Past Due

Report No.	Report Name	Recommendations Past Due	Number of Months Past Due	Revised Expected Implementation Date
High				
13-005	UNT Health Revenue Cycle Back Office Review	2	8	March 31, 2015
14-002	Fiscal Year 2013 Investment Review	1	4	September 30, 2014
Moderate				
10-010	Time and Effort Reporting System Review	5	24	August 31, 2014
11-011	Sub-Recipient Follow-up	2	26	August 31, 2014
Low				
09-011	Advancement Office Follow-Up Review	1	21	October 31, 2014
10-010	Time and Effort Reporting System Review	1	24	August 31, 2014

Health Science Center

Management Action Status Summary

Post Audit Review Status Report

University of North Texas Health Science Center

As of August 5, 2014

13-005

7/22/2013 **UNT Health Revenue Cycle Back Office Review**

High Level Objective: The objective was to evaluate back office billing functions including accounts receivable, unapplied payments, credit balances, adjustments, and denials.

Observations and Recommendations:

UNT Health has \$1.2 million of unapplied payments: 88% of these payments are over one year old.

1. Develop and implement a plan for reviewing and disposing of all unapplied payments including when a payment should be returned to payer.

Impact

Implementation will ensure charges are properly posted to patient accounts and overpayments are identified and refunded in a timely manner.

Response

Management agrees and will implement the following:

1. *Revise Refund Policy to establish clearly defined time frames for resolving and refunding unapplied payments. The policy will consider types of deposits, for example co-pays pending insurance adjudication, payments for OB delivery, payments for long term treatments and will set deadlines based on insurance adjudication.*
2. *An additional Business Office Account Representative has been dedicated to resolution of unapplied payments on a permanent basis.*
3. *Nextgen EPM provides daily reports of unapplied payments for monitoring.*
4. *New Assistant Director, Patient Accounts, position has been created and filled to ensure that the unapplied payments are monitored through Nextgen reporting capabilities and to ensure that all are resolved or refunded within guidelines of revised Refund Policy.*
5. *Monthly Nextgen Reports will be developed to detail all unapplied payments over 60 days from date of payment. Payments over 60 days will be explained and monitored for resolution as soon as treatment and insurance adjudication complete.*

Individual Responsible for Implementation: Karen Cruz, Controller and Executive Director of Financial Reporting
Barbara Tucker, Director, Patient Accounts

Expected Implementation Date: Prepayments in the Signature system will be completely resolved by Dec 31, 2013.

Implementation

In process. On May 29, 2014, Internal Audit met with the UNT Health Controller to discuss the status of the cleanup efforts on the unapplied payments and credit balances. After the cleanup of the unapplied payments and credit balances was thought to be completed, UNT Health ran a filter free report out of the Signature System and discovered an additional 3,000 prepays (credit balances of \$209,000) that had not been previously reflected in reports. These accounts will require extensive research to process and cleanup.

Revised implementation date for the recommendations noted above is **March 31, 2015**.

Risk Level:

High

Months Past Due

8

Observations and Recommendations:

UNT Health has credit balances totaling \$480,322: 68% of the balances are more than one year old.

5. Develop and implement a plan for reviewing and disposing of all credit balances, including when a balance should be returned to payer.

Impact

Implementation will provide assurance that overpayments are identified and refunded in a timely manner.

Response

Management agrees and will implement the following:

1. *Revise Refund Policy to establish clearly defined timeframes and clearly defined requirements for resolving and/or refunding credit balances.*
2. *Two Business Office Account Representatives will be dedicated to the credit balances in addition to the Business Office Account Representative already dedicated to the unapplied payments.*
3. *Nextgen Credit Balance reports will be developed to detail the payer, date of payment and balance of account and will be produced monthly.*
4. *Assistant Director, Patient Accounts, will monitor the credit balance report and the production and progress of the Business Office Account Representatives with the assistance of the Patient Services Supervisor.*
5. *A new process for handling unclaimed money has been developed with the assistance of UNTHSC Accounting. UNT Health will transfer the unclaimed money to an account held by the UNTHSC Accounting*

Implementation

On May 29, 2014, Internal Audit met with the UNT Health Controller to discuss the status of the cleanup efforts on the unapplied payments and credit balances. After the cleanup of the unapplied payments and credit balances was thought to be completed, UNT Health ran a filter free report out of the Signature System and discovered an additional 3,000 prepays (credit balances of \$209,000) that had not been previously reflected in reports. These accounts will require extensive research to process and cleanup.

Revised implementation date for the recommendations noted above is **March 31, 2015**.

Department. The money will be held in that account for the required three years which will relieve the Unhealthy Business Office of the required holding period.

Individual Responsible for Implementation: Karen Cruz, Controller and Executive Director of Financial Reporting
Barbara Tucker, Director, Patient Accounts

Expected Implementation Date: Credits balances will be completely resolved in Signature system by December 31, 2013.

Risk Level:

High

Months Past Due

8

14-002

2/7/2014 Fiscal Year 2013 Investments Review

High Level Objective:

To accomplish the objectives, Internal Audit performed the following procedures:

- Determined whether investment transactions were compliant with UNT System Regulation 08.2000, Regents Rule 10.100, the PFIA, and with SAO Article III, Rider 5, Reporting Requirements;
- Verified that investments were adequately and appropriately inventoried and safeguarded; and
- Reviewed the recording and reporting of investment transactions for accuracy and general compliance of investment reports submitted to the UNT System Board of Regents.

Observations and Recommendations:

Impact

Response

Implementation

UNTHSC does not have a current executed bank depository agreement with JPMorgan Chase.

4. Finalize and fully execute the UNTHSC Bank Depository Agreement with JPMorgan Chase

Implementation will help ensure that BOR expectations are met, bank deposits are safeguarded, and any favorable terms are in force.

Management agrees with recommendation. Although the written agreement between J.P. Morgan Chase Bank expired in 2012, the parties have continued to operate under the agreement with the same terms until the new contract can be finalized. Management will continue to work with the Office of General Counsel to finalize the written agreement.

Individual Responsible for Implementation: John A. Harman, Senior Vice President for Finance and CFO

Expected Implementation Date: April 1, 2014

In Process. Internal Audit spoke with the Vice Chancellor for Finance and noted that all bank agreements have been signed by each component CFO and is being reviewed by the each bank at this time.

Internal Audit will perform an additional review in September 2014 to confirm the bank agreements have been executed.

Risk Level:

High

Months Past Due

4

High Level Objective:

We performed a follow-up review on audit report #09-017 issued September 29, 2009, Sub-Recipient Review, during the period of June 2011 through August 2011.

The original objectives were to:

1. evaluate the control environment over subrecipient monitoring;
2. determine whether the subrecipient was informed of Federal award data and compliances, and only allowed activities were approved in the award documents;
3. determine whether the subrecipient's activities were monitored for Federal compliance;
4. determine whether required audits were performed and audit findings addressed;
5. determine whether appropriate sanctions were taken if subrecipients were unwilling or unable to have required audits, meet other Federal compliances or not meet award requirements; and
6. determine whether the impact of subrecipient activities on the Center was evaluated.

Observations and Recommendations:

A comprehensive program of sub-recipient monitoring to ensure compliance with Federal guidelines has not been implemented.

1. Document policies for key sub-recipient monitoring activities and implement required monitoring activities and best practices as indicated in prior Sub-Recipient Report (09-017 Issued September 29, 2009).

Impact

Implementation will provide assurance that Federal audit requirements are met, sub-recipient monitoring plans are documented, and plans are a result of risk based analyses.

Response

Agree. Finalize policies and document responsibilities for monitoring sub-recipients by Spring 2012. Responsible party is LeJuan Byford.

Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management

Planned Implementation Date: June 2012

Implementation

In Process.

LeAnn Forsberg states that due to the hiring freeze on new staff positions the development of the final roles and responsibilities has been delayed. The department plans to hire a new compliance position over this area. Once the hiring freeze has been lifted the implementation will be completed. Expected completion is August 31, 2014.

Risk Level:

Moderate

Months Past Due

26

Observations and Recommendations:

A training program has not been implemented for principal investigators on the processing and approval of sub-recipients invoices.

2. Provide training to Principal Investigators as indicated in prior Sub-Recipient Report (09-017 Issued September 29, 2009).

Impact

Implementation will provide assurance that sub-recipient invoices are processed according to grant policies.

Response

Agree. Provide sub-recipient monitoring training to Principal Investigators by Spring 2012. Responsible party is LeJuan Byford.

Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management

Planned Implementation Date: June 2012

Implementation

In Process.

LeAnn Forsberg states that that due to the hiring freeze on new staff positions the development of the final training has been delayed. The department plans to hire a new compliance position over this area. Once the hiring freeze has been lifted the implementation will be completed. Expected completion is August 31, 2014.

Risk Level:

Moderate

Months Past Due

26

High Level Objective: The objectives of the review were to evaluate the actions taken in response to the previous report and to determine whether additional actions are necessary to address the observations noted.

Observations and Recommendations:	Impact	Response	Implementation
<p>Key time and effort terms, such as full workload and institutional base salary, have not been fully defined, documented, and communicated.</p> <p>3. Define, document, and communicate key effort reporting terms, including but not limited to:</p> <ul style="list-style-type: none"> • full workload and institutional base salary; • specific activities to be included or excluded from full workload and base salary; and • significant changes in expected effort. 	<p>Implementation will provide assurance that key effort terms are defined and consistently applied.</p>	<p><i>Management agrees with the suggested action. The policy regarding workload, institutional base salary and specific activities has been drafted and is currently being reviewed by management. We anticipate an approved policy by September 1, 2010. OCGM will incorporate significant changes in effort into our over all policies and/or procedures. We anticipate completion by December 2010.</i></p> <p>Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management</p> <p>Planned Implementation Date: August 31, 2012 *Revised</p>	<p>In Process. OGCM will obtain management input during policy development and rollout out by August 2014.</p>
Risk Level:	Moderate	Months Past Due	24
<p>Written policies and procedures were not documented for all key time and effort activities.</p> <p>4. Define, document, and communicate:</p> <ul style="list-style-type: none"> • Policies and procedures for effort reporting activities; • Location where procedures may be accessed; and • Continuous monitoring processes to ensure compliance with policies and procedures. 	<p>Implementation will provide assurance that expectations are documented and consistently applied.</p>	<p><i>Management agrees with the suggested action. The Director and Compliance Manager of the OGCM will review current policies and procedures as described above to ensure they are current, accessible and monitored. This will be completed by December 2010.</i></p> <p>Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management</p> <p>Planned Implementation Date: August 31, 2012 *Revised</p>	<p>In Process. Once Phase II is completed then policies and procedures for the new effort reporting process can be finalized. Expected completion August 2014.</p>
Risk Level:	Moderate	Months Past Due	24
<p>The Center has not established time frames for certifying personnel activity reports, and sanction policies for noncompliance.</p> <p>6. Establish written deadlines for completion of activity reports and sanction policies for non-compliance with policy.</p>	<p>Implementation will provide assurance that effort is certified prior to submitting final project reports, and specific time frames exist to for sanction policies.</p>	<p><i>Management agrees with the suggested action. The Director and Compliance Manager of the OGCM will include the process for dealing with past due effort activity reports as part of the various policies and procedures related to time and effort reporting. We anticipate having all of the associated policies completed by December, 2010.</i></p> <p>Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management</p> <p>Planned Implementation Date: August 31, 2012 *Revised</p>	<p>In Process. Once Phase II is completed then deadlines for the new effort reporting process can be finalized. Expected completion August 2014.</p>
Risk Level:	Moderate	Months Past Due	24
<p>Compliance assessments were not performed for faculty with significant effort and salary distribution from federal funds.</p> <p>8. Establish periodic reviews of significant effort (80%, 90%, 100%, etc.) charged to federal projects.</p>	<p>Implementation will provide assurance that nonfederal duties are considered in determining federal effort.</p>	<p><i>Management agrees with the suggested action. The Compliance Manager for OGCM will develop a step in the PAR review procedure to cover this aspect. We estimate the revised procedure will be implemented by December 2010.</i></p> <p>Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management</p> <p>Planned Implementation Date: August 31, 2012 *Revised</p>	<p>In Process. Once Phase II is completed and full workload defined then periodic reviews of significant effort can begin. Expected completion August 2014.</p>

Risk Level: **Moderate**

Months Past Due 24

Observations and Recommendations:

An independent internal evaluation process to ensure effort system effectiveness has not been documented and implemented.

9. Document and implement an independent internal evaluation process including, but not limited to:

- The procedures to be performed;
- The frequency of the activities to be performed; and
- The process for reporting and resolving deficiencies.

Impact

Implementation will provide assurance that an independent internal evaluation process is in place to meet federal requirements.

Response

Management agrees with the suggested action. The Director and Compliance Manager for the OGCM will work with Research Compliance to implement agreed upon procedures for the internal evaluations. We anticipate having the process documented by January 31, 2011.

Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management

Planned Implementation Date: August 31, 2012 *Revised

Implementation

In Process. Once Phase II is completed and all policies and procedures are operational, an independent internal evaluation process can begin. Expected completion is August 2014.

Risk Level: **Moderate**

Months Past Due 24

14-015 7/31/2014 **Cancer Prevention and Research Institute (CPRIT) Review**

High Level Objective: The objective of the review was to determine whether CPRIT awards were administered in accordance with CPRIT and institutional policies.

Observations and Recommendations:

Noncompliance with Grant Conditions: Reimbursement and Expenditure Reporting, Grant Closeout, Expenditures, Reporting, Personnel Level of Effort Reporting

3. Remove telecommunication service charges from CPRIT grants.

Impact

Implementation will provide assurance that grant conditions for reporting requirements and allowable costs are met.

Response

Recommendation #3

Remove Telecommunication Services Charges
OGCM will remove the telecommunication service charge for \$20 from the CPRIT grant.

Expected Implementation Date: August 15, 2014

Individual Responsible for Implementation: Mazen Barakat, Director of Grants and Contract Management

Implementation

Not due yet.

Risk Level: **Moderate**

Months Past Due 0

High Level Objective:

The objective of the review was to evaluate the procedures for receiving, storing, managing, transporting and disposing of bodies and anatomical specimens properly and in accordance with the Texas Administrative Code, Title 25, Part 4, Chapter 471.

Observations and Recommendations:	Impact	Response	Implementation
<p>Required forms and fees were not processed to the SAB. Additionally, documentation was not retained or updated to evidence the Annual Cadaver and Use Report was filed for the period ended July 31, 2013.</p>	<p>Implementation will provide assurance that SAB forms, fees and reports are filed for each donor.</p>	<p><i>Management agrees. A procedure plan is in the process of being created to address the SAB Coordination. Additionally, going forward a confirmation from the SAB will be obtained to evidence receipt of all required reports and will maintain copies of all documents filed with the SAB.</i></p> <p>Individual Responsible for Implementation: <i>Robin Belcher, Director of The Willed Body Program</i></p> <p>Expected Implementation Date: <i>Implementation has already begun on procedures currently in place. Full implementation should begin no later than September 1, 2014.</i></p>	<p>Not due yet.</p>
<p>Recommendations for the Director of Anatomical Services:</p>			
<p>3. Obtain confirmation with the SAB to evidence their receipt of all required reports such as the Annual Cadaver and Use Report. Maintain copies of all documents filed with the SAB.</p>			
<p>Risk Level:</p>	<p>Moderate</p>	<p>Months Past Due</p>	<p>0</p>

High Level Objective: The objective of the review was to determine whether CPRIT awards were administered in accordance with CPRIT and institutional policies.

Observations and Recommendations:	Impact	Response	Implementation
<p>Noncompliance with Grant Conditions: Reimbursement and Expenditure Reporting, Grant Closeout, Expenditures, Reporting, Personnel Level of Effort Reporting</p>	<p>Implementation will provide assurance that grant conditions for reporting requirements and allowable costs are met.</p>	<p>Recommendation #1</p> <p>Notifications: Progress Reports <i>HSC currently distributes a 90 and 30 day courtesy notification to all Principal Investigators (PIs) for final progress reporting as part of the award close-out process. A copy of the report for the file is requested from the PI.</i></p> <p><i>For CPRIT awards, OGCM will enhance this process by tracking submission dates for quarterly and annual progress reports and sending an additional email reminder to the PI with a copy to the department chair if the PI has not submitted the progress report 30 days past the sponsor due date.</i></p> <p>Expected Implementation Date: September 30, 2014</p> <p>Individual Responsible for Implementation: Mazen Barakat, Director of Grants and Contract Management</p> <p>Additional Comments: Progress reporting is the responsibility of the PI with the support of department administration. Progress reports do not require institutional level signatures. This PI responsibility is documented in university policies and procedures.</p> <p>Expected Implementation Date: September 30, 2014</p> <p>Individual Responsible for Implementation: Mazen Barakat, Director of Grants and Contract Management</p> <p>Notifications: Effort Reports <i>OGCM developed and implemented a new on-line effort reporting system in June 2014 with supporting policies and procedures. Campus training was completed February 2014. On-line tutorial training has been developed and will be located on the OGCM website to provide on-going training for all PIs and department staff. Effort reports are distributed three times a year, Fall, Spring, and Summer semesters. An email notifies the PI of the pending certification. The Effort Coordinator monitors the timely submission of reports and sends reminder emails with a copy to the department chair as necessary to expedite certification.</i></p>	<p>Not due yet.</p>
<p>1. Evaluate and improve the process for notifying:</p> <ul style="list-style-type: none"> a) Principal Investigators of upcoming due dates, and b) Administration personnel when due dates have passed and a report has not been filed. 	<p>Risk Level: Moderate</p>	<p>Months Past Due: 0</p>	

Observations and Recommendations:	Impact	Response	Implementation
<p>Noncompliance with Grant Conditions: Reimbursement and Expenditure Reporting, Grant Closeout, Expenditures, Reporting, Personnel Level of Effort Reporting</p>	<p>Implementation will provide assurance that grant conditions for reporting requirements and allowable costs are met.</p>	<p>Recommendation #2</p> <p>Maintain supporting documentation: Report Submissions <i>For CPRIT awards, OGCM will request and maintain all quarterly and annual progress reports. OGCM already maintains all quarterly and final financial reports and final progress reports.</i></p> <p>Expected Implementation Date: September 30, 2014</p>	<p>Not due yet.</p>
<p>2. Maintain supporting documentation in accordance</p>			

with record retention guidelines to evidence the dates of required report submission as well as for funds expended on CPRIT grants.

Individual Responsible for Implementation: *Mazen Barakat, Director of Grants and Contract Management*

Risk Level:

Moderate

Months Past Due

0

13-011 4/4/2014 **Approval of Incidental Fees Review**

High Level Objective:

The objective of the review was to determine if incidental fees at UNTHSC have been approved in accordance with state law and applicable policies.

Observations and Recommendations:

Impact

Response

Implementation

UNTHSC does not have documentation in place to formally delegate authority for approval and review of incidental fees.

Implementation will help ensure that all incidental fees are properly approved in accordance to state law, and reviewed and reaffirmed periodically.

Management Agrees. Management commits to work with the President and Provost to develop proper documentation of delegation of approval of incidental fees to the Provost from the President. In addition, Management will also develop and implement appropriate guidelines to ensure the required review and reaffirmation process occurs in compliance with state law and Regents Rules.

Internal Audit discussed the status of the item with the UNT HSC Vice President of Administration & Chief of Staff. She stated that the incidental fee review and approval guidelines have been drafted and are awaiting final approval and a master spreadsheet has been prepared to catalog all fees. All incidental fees will be reviewed by November 1, 2014.

Recommendations for Vice President of Administration & Chief of Staff:

Additional Comments: Once made aware of this compliance issue and prior to completion of this audit, the Provost's Office re-established procedures to ensure that incidental fees are being approved appropriately by the President until further documentation is developed.

Internal Audit will perform a follow up review in November 2014.

2. Review all incidental fees to ensure appropriate approval and supporting documentation is in place.

Individual Responsible for Implementation: *Jennifer Treviño, Vice President of Administration & Chief of Staff*

Expected Implementation Date: *November 30, 2014 *Revised*

Risk Level:

Moderate

Months Past Due

0

High Level Objective: The objective of the review was to determine whether CPRIT awards were administered in accordance with CPRIT and institutional policies.

Observations and Recommendations:	Impact	Response	Implementation
<p>Noncompliance with Grant Conditions: Reimbursement and Expenditure Reporting, Grant Closeout, Expenditures, Reporting, Personnel Level of Effort Reporting</p> <p>4. Work with CPRIT to resolve expended funds that could not be substantiated.</p>	<p>Implementation will provide assurance that grant conditions for reporting requirements and allowable costs are met.</p>	<p>Recommendation #4</p> <p>Work with CPRIT to resolve expended funds that could not be substantiated</p> <p><i>OGCM will work with CPRIT to resolve the expended funds on the hourly paid individual for which we were unable to locate timesheets.</i></p> <p>Expected Implementation Date: December 31, 2014</p> <p>Individual Responsible for Implementation: Mazen Barakat, Director of Grants and Contract Management</p> <p>Additional Comments: Human Resources (HR) was unable to locate timesheets for one hourly paid individual; however, through a written letter to OGCM, the Director of Human Resources indicated during the specific dates of the requested timesheets, the employees who maintained the timekeeping records were relocated to a new building on campus. The letter also indicates a filing system has been established at the new location that ensures future compliance with record retention requirements for timekeeping records in accordance to university policy.</p>	<p>Not due yet.</p>
<p>Risk Level:</p>	<p>Moderate</p>	<p>Months Past Due: 0</p>	

High Level Objective: The objectives of the review were to evaluate the actions taken in response to the previous report and to determine whether additional actions are necessary to address the observations noted.

Observations and Recommendations:	Impact	Response	Implementation
<p>Compliance assessments were not performed for faculty with significant effort and salary distribution from federal funds.</p> <p>7. Provide mandatory training on time and effort requirements to new principal investigators and those submitting first time proposals.</p>	<p>Implementation will provide assurance that nonfederal duties are considered in determining federal effort.</p>	<p><i>Management agrees with the suggested action. Mandatory training will be implemented. The Director and Compliance Manager of the OGCM will develop a new training session covering all of the suggested actions by February 2011.</i></p> <p>Person Responsible for Implementation: LeAnn Forsberg, Executive Director, Office of Grants and Contract Management</p> <p>Planned Implementation Date: August 31, 2012 *Revised</p>	<p>In Process. Once Phase II is completed then training for the new effort reporting process can be finalized and rolled out to principal investigators. Expected completion August 2014.</p>
<p>Risk Level:</p>	<p>Low</p>	<p>Months Past Due: 24</p>	

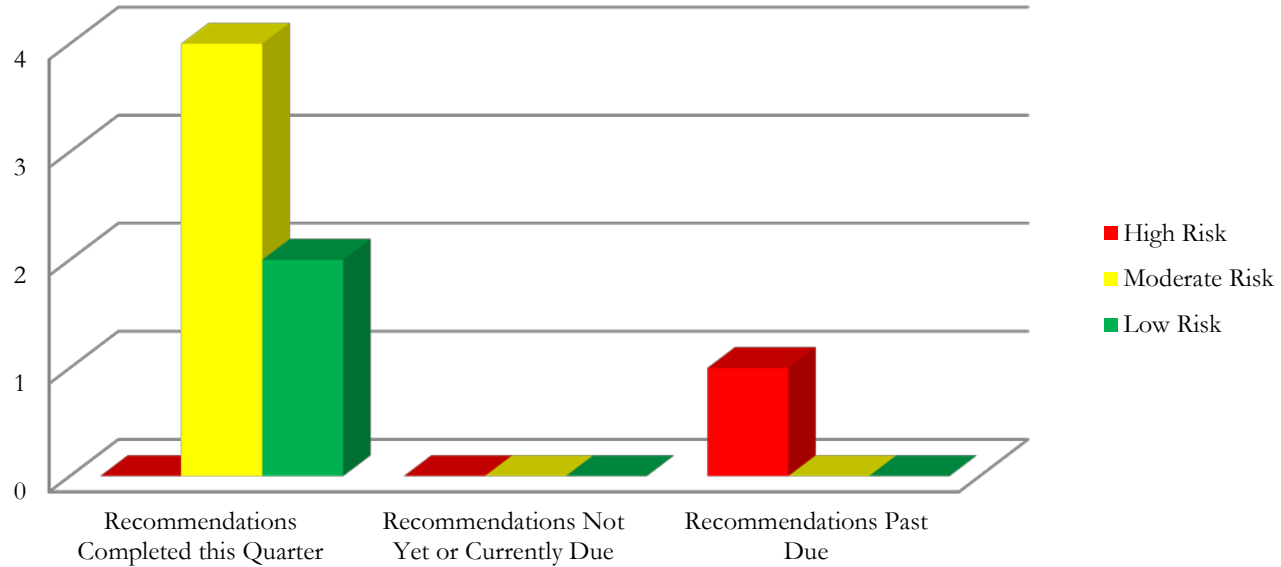
High Level Objective: Objectives of the review were to evaluate the actions taken in response to recommendations reported in Audit No. 07-012, Advancement Office Review.

Observations and Recommendations:	Impact	Response	Implementation
<p>The written agreement between the Center and the UNTHSC Foundation has not been revised or reaffirmed since September 1994.</p> <p>Review and update the agreement between the Center and the Foundation including a "right to audit clause." Refer to Legal Counsel and the AGB-CASE model agreement for guidance.</p> <p>Distribute or make available the reaffirmed agreement to stakeholders including Center administrators, Advancement Office employees, and the Foundation Board of Directors.</p>	<p>Implementation will provide assurance that the agreement meets legal, fiscal, and administrative requirements, and is distributed to those primarily responsible for contract compliance.</p>	<p><i>Management agrees. In process. The Vice President for Development will raise this topic at the April 2009 Foundation Board meeting and complete by the June meeting. The updated agreement will be distributed upon approval of appropriate Center and Foundation administrators.</i></p> <p>Person Responsible for Implementation: Doug White, Vice President of Institutional Advancement</p> <p>Planned Implementation Date: November 30, 2012 *Revised</p>	<p>In Process. An updated agreement is in draft, and is still being clarified and reviewed by various stakeholders. Revised implementation date is October 31, 2014.</p> <p>Internal Audit will follow-up in November 2014.</p>
<p>Risk Level: Low</p>		<p>Months Past Due: 21</p>	

High Level Objective: The objective of the review was to evaluate the procedures for receiving, storing, managing, transporting and disposing of bodies and anatomical specimens properly and in accordance with the Texas Administrative Code, Title 25, Part 4, Chapter 471.

Observations and Recommendations:	Impact	Response	Implementation
<p>The Department does not have written policies and procedures for its operations including maintenance or records and for the proper disposal non-return cremains.</p> <p>Recommendation for the Director of Anatomical Services: 7. In consultation with the Office of General Counsel, develop policies and written processes for all processes of the Department including maintenance of records and for the proper disposal of non-return cremains.</p>	<p>Implementation of written procedures will provide for consistency and guidance with Departmental processes.</p>	<p><i>Management agrees. A Policy and Procedures document is being created.</i></p> <p>Individual Responsible for Implementation: Robin Belcher, Director of The Willed Body Program.</p> <p>Expected Implementation Date: September 1, 2014</p>	<p>Not due yet.</p>
<p>Risk Level: Low</p>		<p>Months Past Due: 0</p>	

UNT at Dallas Recommendations Status



UNT at Dallas Recommendations Completed this Quarter

Report No.	Report Name	Number of Recommendations	Number of Months Since Report Date
Moderate			
12-027	UNT Dallas Gift Review	3	17
13-003	UNT Dallas Purchasing Card Review	1	11
Low			
12-027	UNT Dallas Gift Review	2	17

UNT at Dallas Recommendations Past Due

Report No.	Report Name	Recommendations Past Due	Number of Months Past Due	Revised Expected Implementation Date
High				
14-002	Fiscal Year 2013 Investments Review	1	4	September 30, 2014

Post Audit Review Status Report

University of North Texas at Dallas

As of August 5, 2014

14-002

2/7/2014 FY 2013 Investments Review

High Level Objective:

The objective was to perform a compliance review of management controls over investing activities as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.

Observations and Recommendations:

UNT System, UNT, and UNT Dallas do not have fully executed bank depository agreements with Wells Fargo.

2. Finalize the UNT System, UNT, and UNT Dallas Bank Depository Agreements with Wells Fargo.

Impact

Implementation will help ensure that Board of Regents expectations are met, bank deposits are safeguarded, and any favorable terms are in force.

Response

UNT Response: Although the written agreement between Wells Fargo bank and UNT expired in 2013, the parties have continued to operate under the existing agreement with the same terms until the new contract can be finalized. Management will continue to work with the Office of the General Counsel to finalize the written agreement and expects to have a newly executed agreement by April 1, 2014.

Person responsible for implementation: *Allen Clemson, Vice Chancellor for Administration*

Planned Implementation Date: *April 1, 2014*

UNT Dallas Response: Agree. Management will continue to work with the Office of the General Counsel to finalize the written agreement and expects to have a newly executed agreement by April 1, 2014.

Person responsible for implementation: *Vice President for Finance and Administration/CFO – UNTD*

Planned Implementation Date: *April 1, 2014*

UNT System Response: Agree. Bring closure to all unresolved issues and finalize depository agreements.

Person responsible for implementation: *Alan Stucky, Senior Associate, General Counsel*

Planned Implementation Date: *April 1, 2014*

Implementation

In Process. Internal Audit spoke with the Vice Chancellor for Finance and noted that all bank agreements have been signed by each component CFO and is being reviewed by the each bank at this time.

Internal Audit will perform an additional review in September 2014 to confirm the bank agreements have been fully executed.

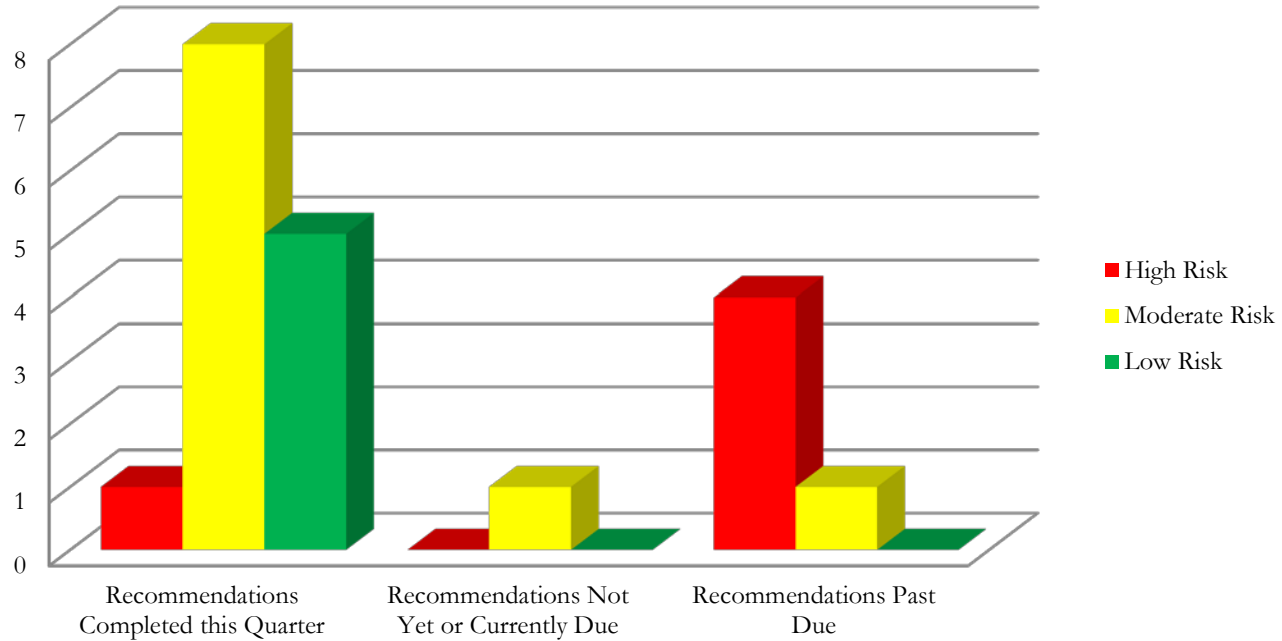
Risk Level:

High

Months Past Due

2

System Administration Recommendations Status



System Administration Recommendations Completed this Quarter

Report No.	Report Name	Number of Recommendations	Number of Months Since Report Date
High			
14-010	Bank Account Authorization Review	1	4
Moderate			
11-012	Task Payment Review	6	37
14-001	Chancellor's Expenditure Review	1	4
14-010	Bank Account Authorization Review	1	4
Low			
11-012	Task Payment Review	5	37

System Administration Recommendations Not Yet or Currently Due

Report No.	Report Name	Recommendations Past Due	Number of Months Past Due	Revised Expected Implementation Date
Moderate				
14-002	Fiscal Year 2013 Investment Review	1	0	November 30, 2014

System Administration Recommendations Past Due

Report No.	Report Name	Recommendations Past Due	Number of Months Past Due	Revised Expected Implementation Date
High				
14-002	Fiscal Year 2013 Investments Review	1	4	September 30, 2014
14-010	Bank Account Authorization Review	3	1	September 30, 2014
Moderate				
14-010	Bank Account Authorization Review	1	1	September 30, 2014

System Administration

Management Action Status Summary

Post Audit Review Status Report University of North Texas System As of August 5, 2014

14-002

2/7/2014 FY 2013 Investments Review

High Level Objective:

The objective was to perform a compliance review of management controls over investing activities as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.

Observations and Recommendations:

UNT System, UNT, and UNT Dallas do not have fully executed bank depository agreements with Wells Fargo.

2. Finalize the UNT System, UNT, and UNT Dallas Bank Depository Agreements with Wells Fargo.

Impact

Implementation will help ensure that Board of Regents expectations are met, bank deposits are safeguarded, and any favorable terms are in force.

Response

UNT Response: Although the written agreement between Wells Fargo bank and UNT expired in 2013, the parties have continued to operate under the existing agreement with the same terms until the new contract can be finalized. Management will continue to work with the Office of the General Counsel to finalize the written agreement and expects to have a newly executed agreement by April 1, 2014.

Person responsible for implementation: *Allen Clemson, Vice Chancellor for Administration*

Planned Implementation Date: *April 1, 2014*

UNT Dallas Response: Agree. Management will continue to work with the Office of the General Counsel to finalize the written agreement and expects to have a newly executed agreement by April 1, 2014.

Person responsible for implementation: *Vice President for Finance and Administration/CFO – UNTD*

Planned Implementation Date: *April 1, 2014*

UNT System Response: Agree. Bring closure to all unresolved issues and finalize depository agreements.

Person responsible for implementation: *Alan Stucky, Senior Associate, General Counsel*

Planned Implementation Date: *April 1, 2014*

Implementation

In Process. Internal Audit spoke with the Vice Chancellor for Finance and noted that all bank agreements have been signed by each component CFO and is being reviewed by the each bank at this time.

Internal Audit will perform an additional review in September 2014 to confirm the bank agreements have been fully executed.

Risk Level:

High

Months Past Due

4

High Level Objective: The objective of this review was to determine the timeliness of the removal of signature authority on UNT System, UNT, UNT Health Science Center, and UNT Dallas bank accounts (University bank accounts).

Observations and Recommendations:	Impact	Response	Implementation
<p>Removal of Employees from Bank Accounts – The removal of signatory authority access for terminating employees from University bank accounts was not completed timely.</p> <p>Recommended actions for the Vice Chancellor for Finance:</p> <p>4. Implement a System-wide policy specifying a responsible party to monitor University bank accounts for the prompt removal of individuals who no longer would have authorized banking signatory authority.</p> <p>Risk Level: High</p>		<p>Management concurs with the recommendations that bank signatory authority is kept up to date and there is a policy created that specifies who will ensure they remain current at all times.</p> <p>Expected Implementation Date: Interim process and policies May 1, 2014 and permanent process and policies July 1, 2014</p> <p>Individual Responsible for Implementation: VC for Finance</p> <p>Months Past Due: 1</p>	<p>In Process, Partially Implemented.</p> <p>The Associate Director of the Vice Chancellor for Finance has been named as the responsible party to monitor University bank accounts. Internal Audit verified the effectiveness of the prompt removal of a recently departed signatory holder. Internal Audit will follow up on the implementation of the associated policy next quarter.</p>

Observations and Recommendations:	Impact	Response	Implementation
<p>Segregation of Duties – Employees with signature card authority also have access to alter the general ledger through the ability to process journal entries within the EIS PeopleSoft system.</p> <p>Recommended actions for the Vice Chancellor for Finance:</p> <p>2. Review all current employees with bank signature authority and confirm appropriate segregation of duties exists.</p> <p>Risk Level: High</p>		<p>Management concurs with the recommendation to review all current employees with bank signature authority and confirm appropriate segregation of duties exist. Immediate review is being completed in high priority areas with action being taken as warranted. A comprehensive review has also begun that will address all areas. An interim policy is being immediately established that the System Treasurer will be responsible for adding and deleting all bank signatory authority. This immediate provision will include scheduled inventory and segregation of duties.</p> <p>Expected Implementation Date: Interim policy April 16, 2014 and permanent policy July 1, 2014</p> <p>Individual Responsible for Implementation: VC for Finance</p> <p>Months Past Due: 1</p>	<p>In Process, Partially Implemented.</p> <p>Per the Associate Director of the Vice Chancellor for Finance, initial steps have been taken such as removing individuals with the ability to approve journal entries, but additional work is still needed. Internal Audit will continue to work with management to identify additional controls needed regarding segregation of duties. Follow up testing will be completed by the next quarter.</p>

Observations and Recommendations:	Impact	Response	Implementation
<p>Check Signatory Policy – A policy has not been established requiring executive level approval of checks exceeding a set monetary threshold.</p> <p>Recommended actions for the Vice Chancellor for Finance:</p> <p>1. Create a formal UNT System regulation or policy requiring executive level review and signature of checks for all transactions exceeding an established dollar threshold.</p>		<p>Management concurs with the recommendation to create a formal UNT System regulation requiring executive level review and signature of checks for all transactions exceeding an established dollar threshold. Management has assigned resources to begin the research and development of this policy and will quickly develop drafts for leadership review and approval. The Vice Chancellor for Finance will immediately establish an interim policy that will require the signature of the appropriate VC/VP for Finance on any check equal to or greater than \$500,000 and the Chancellor/President for checks equal to or greater than \$1,000,000.</p> <p>Expected Implementation Date: Interim policy April 16, 2014 and permanent policy July 1, 2014</p> <p>Individual Responsible for Implementation: VC for Finance</p>	<p>In process, Partially Implemented.</p> <p>Per the Vice Chancellor for Finance, the UNT System Policy is currently being drafted in coordination with each institution’s CFO with the expectation of the adoption of a final policy by October 1st. Internal Audit will follow up on the implementation of the policy next quarter.</p>

Risk Level:

High

Months Past Due

1

14-010

4/14/2014 Bank Account Authorization Review

High Level Objective:

The objective of this review was to determine the timeliness of the removal of signature authority on UNT System, UNT, UNT Health Science Center, and UNT Dallas bank accounts (University bank accounts).

Observations and Recommendations:

Impact

Response

Implementation

Signature Card Management – The Office of Financial Reporting & Operations discovered a university bank account which was being maintained at the department-level.

Recommended action for the Vice Chancellor for Finance:

6. Develop a UNT System policy that documents the authority and requirements to establish, maintain, update, and close bank accounts, which includes:
- An annual confirmation verifying directly with the bank, all bank accounts bearing the name University of North Texas in their title, listed as their customer, or with a UNT tax ID number, and
 - A statement of where each entity's signature cards and policy statements are to be maintained.

Management concurs with the recommendation to develop a policy that documents the authority and requirement to establish, maintain, update, and close bank accounts. The policy will be comprehensive and not only address items presented in recommendation 6 but those policy matters presented above.

Expected Implementation Date: July 1, 2014

Individual Responsible for Implementation: VC for Finance

In Process, Partially Implemented.

Per the Associate Director of the Vice Chancellor for Finance, a bank confirmation has not been done but is scheduled to occur in August of 2014, and annually thereafter. Internal Audit will follow up on the implementation of the confirmation and the associated policy next quarter.

Risk Level:

Moderate

Months Past Due

1

14-002

2/7/2014 FY 2013 Investments Review

High Level Objective:

The objective was to perform a compliance review of management controls over investing activities as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.

Observations and Recommendations:

Impact

Response

Implementation

A report of investment performance over the course of the year was not submitted to the Board of Regents at its first regularly scheduled board meeting following the end of the fiscal year as required by System Regulation 08.2000.

4. At the end of each fiscal year, prepare and submit a report of investment performance for the year to the UNT System Board of Regents at its first regularly scheduled board meeting following the end of the fiscal year.

Implementation will assure compliance with UNT System Regulation, 08.2000.

UNT System Response: Agree. Submit a report of investment performance at the Board of Regents first regularly scheduled board meeting following the end of the fiscal year.

Person responsible for implementation: Carolyn Whitlock, Manager of Treasury Services

Planned Implementation Date: November 30, 2014

Not due yet.

Risk Level:

Moderate

Months Past Due

0

Third Party Audit Recommendations

Report Name	Number of Recommendations	Report Date
University of North Texas		
State Auditor's Office		
<ul style="list-style-type: none"> Report No. 14-021 - Federal Requirements for the Research and Development Cluster for the Fiscal Year Ended August 31, 2013 	2	February 1, 2014
<ul style="list-style-type: none"> Report No. 14-022 - Federal Requirements for the Student Financial Assistance Cluster for the Fiscal Year Ended August 31, 2013 	2	February 1, 2014
<ul style="list-style-type: none"> Statewide Single Audit Report for the Year Ended August 31, 2013 	1	February 2014
UNT Health Science Center		
Experis Finance		
<ul style="list-style-type: none"> UNT Health Science Center Change Management Assessment 	12	August 31, 2011
UNT Dallas		
Grant Thornton, LLP		
<ul style="list-style-type: none"> Auditor Communications regarding Internal Controls FY 11 	4	April 27, 2012
System Administration		
Experis Finance		
<ul style="list-style-type: none"> Business Continuity Plan and Disaster Recovery Plan Assessment Report 	12	March 1, 2011
<ul style="list-style-type: none"> IT Security Policies, Standards & Procedures Report 	2	August 31, 2011

External Recommendations Summary

Observations and Recommendations

Activities Allowed or Unallowed Allowable Costs/Cost Principles

One (1 percent) of 70 direct cost transactions tested at the University of North Texas (University) was unallowable. The University reimbursed \$19 in gratuity charges as part of a travel reimbursement. When the University reviewed and approved that travel reimbursement request, it charged the total amount of the travel expenses, including the gratuity, to the federal award. However, the gratuity portion of the expenses should have been charged to an institutional account. At the time of the audit, the University transferred the cost of the gratuity to an institutional account and reduced a subsequent federal reimbursement request by the amount of the gratuity.

For 1 (1 percent) of 70 direct cost transactions tested, the University incorrectly calculated the amount of the federal expenditure. The University miscalculated a partial month's salary payment, resulting in an underpayment to an employee of \$32. At the time the University incurred that expenditure, its payroll office manually calculated the partial payment amount with no separate review of that process. After auditors identified this error, the University corrected the error and paid the employee the correct amount.

The University should establish and implement procedures to ensure that it does not charge unallowable or incorrect costs to federal awards.

Response

Implementation Date: 12/5/2013

Responsible Persons: Britt Khrovjak and Debbie Reynolds

Management Response and Corrective Action Plan 2012:

The UNT Business Service Center (BSC) agrees. The BSC has corrected the travel reimbursement and the payroll underpayment. The BSC has established business practices to address the recommendation, which include:

- *Provided additional training to Travel staff regarding unallowable expenses on federal funds.*
- *Will participate in ongoing collaboration with the UNT Office of Research Services to enhance the audit process of travel expenditures to avoid unallowable charges to federal funds.*
- *ERP (PeopleSoft) system now calculates partial months using an annualized hourly rate of pay (2,080 hours). The manual calculation is no longer necessary.*

2013 Update:

The University has implemented a process to calculate partial month salary payments. Auditors tested a sample of payroll transactions and determined that each transaction was allowable and calculated correctly. However, 1 of 15 travel expenditures tested was unallowable. The University reimbursed gratuity charges as part of a travel reimbursement.

Management Response and Corrective Action Plan 2013:

The UNT Office of Research Services has a written procedure and training in place covering unallowable expenditures on federal awards, including tips. The employee that approved the travel reimbursement that included the \$19 was already aware of the procedure, but didn't detect the unallowable charge during his regular review. The issue has been discussed with the employee, and will be reinforced further with all employees.

Also, effective immediately, the UNT System Business Service Center (central accounts payable are for all UNT agencies) will begin a 100% pre-payment audit on all federal grant travel vouchers, to help ensure that unallowable charges, including tips, are detected prior to payment.

At the time the error was detected, the UNT Office of Research Services transferred the cost of the \$19 tip to an institutional account and reduced a subsequent federal reimbursement request by the amount of the tip.

Observations and Recommendations

Procurement and Suspension and Debarment

The University of North Texas (University) did not ensure that vendors associated with 4 (40 percent) of 10 procurements tested that exceeded \$25,000 were not suspended or debarred. For limited competition procurements, the University's process is to verify that vendors are not suspended or debarred by checking the EPLS. However, for those four limited competition procurements, the University did not maintain evidence that it verified that the vendors were not suspended or debarred. Auditors reviewed the EPLS and verified that the vendors were not suspended or debarred.

The University should document its vendor suspension and debarment verifications for all procurements of at least \$25,000.

Response

Implementation Date: 12/16/2013

Responsible Persons: Debbie Reynolds, Carolyn Cross, and Tina Koenig

Management Response and Corrective Action Plan 2012:

The UNT System Business Service Center (BSC) agrees. The BSC has established business practices to address the recommendation, which include:

- Added a clause/condition to the UNT System Purchase Order Terms and Conditions on 10/26/12.
- Provided additional training to Purchasing staff on EPLS Search and documentation requirements on 1/16/13.
- Created a procedure to ensure all procurements of at least \$25,000 are documented appropriately and are audited by management daily on 1/22/13.

Management Response and Corrective Action Plan 2013:

All Business Service Center Purchasing staff will be re-educated on the EPLS requirements and the need to maintain verification documentation. Purchasing Director/Manager will continue to audit for compliance on a daily basis.

Implementation Date: 12/16/2013

Responsible Persons: Debbie Reynolds, Carolyn Cross, and Tina Koenig

Observations and Recommendations

Special Tests and Provisions – R3 – Subrecipient Monitoring

The University of North Texas (University) did not send the required notification of Recovery Act information at the time of disbursement of funds to its one Recovery Act subrecipient. The University did not have a process to ensure that it sent that notification at the time of disbursement. Without receiving a notification at the proper time, subrecipients could report inaccurate Recovery Act expenditures.

The University has fully expended all subawards made under Recovery Act funding; therefore, this finding is no longer valid.

Response

The University has fully expended all subawards made under Recovery Act funding; therefore, this finding is no longer valid.

University of North Texas

State Auditor's Office

Federal Requirements for the Student Financial Assistance
Cluster for the Fiscal Year Ended August 31, 2013

Issued: 2 / 1 / 2014

Observations and Recommendations

For 5 (8 percent) of 60 students tested, the University of North Texas (University) did not submit corrections for changes in education credit amounts to the U.S. Department of Education as required; however, the University accurately verified all required information. As a result, the University underawarded 3 of those 5 students a total of \$1,225 in federal Pell Grants associated with award number P063P122293. Those errors occurred because of a batch processing error in the University's financial aid system, which caused the University not to report any changes in education credit amounts. The University asserted that the batch processing error affected an additional 528 students.

The University should correct the batch process in its financial aid system so that it submits changes in education credit amounts to the U.S. Department of Education and adjusts applicants' financial aid packages accordingly.

Response

Implementation Date: July 2013
Responsible Persons: Dena Guzman-Torres and Lacey Thompson

Management made changes to the batch process in EIS which allow education credit changes to be reported. All students affected were corrected.

Observations and Recommendations

For 13 (22 percent) of 60 students tested, the University did not accurately report the students' enrollment status to NSLDS. Specifically:

- Four of those students unofficially withdrew during the Fall semester, but the University reported to NSLDS that those students were enrolled full or half-time for the entire semester.
- For nine of those students, the University correctly reported them as withdrawn, but it did not report the correct effective dates of the status changes to NSLDS. The University reported the effective withdrawal dates as either the first or last day of the semester, instead of the last recorded date of attendance or the midpoint of the semester.

All 13 students unofficially withdrew from the University in the Fall semester and did not return for the Spring semester. The errors occurred because the University does not have a formal process to ensure that it properly reports to NSLDS status changes and effective dates of withdrawal for unofficially withdrawn students who do not return the following semester. After the University became aware of those errors, it reported the correct status changes and effective dates to NSLDS. However, not reporting student status changes and effective dates accurately to NSLDS could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government's payment of interest subsidies.

The University should implement a formal process to accurately report status changes and effective dates for unofficially withdrawn students to NSLDS.

Response

Implementation Date: June 2013
Responsible Person: Bryan Heard

Management is attentive to the U.S. Department of Education requirements associated with Student Status Changes resulting from unofficial withdrawals. Management has implemented business controls to ensure accurate and timely reporting to the National Student Clearinghouse and the National Student Loan Data System for this population of students.

Observations and Recommendations

On its SEFA, the University of North Texas (UNT):

§ Incorrectly reported expenditures for four CFDA's in the Student Financial Assistance Cluster of federal programs using award year instead of fiscal year. As a result, UNT (1) incorrectly included \$6,257,520 and (2) incorrectly excluded \$278,738 in expenditures on its SEFA. UNT also incorrectly included \$6,255,520 of those expenditures in the notes to its SEFA and understated federal revenue by \$276,738 in the notes to its SEFA.

§ Could not provide adequate support for excluding \$361,374 in expenditures from its SEFA. UNT asserted that it excluded those expenditures because it had a vendor relationship with other state entities; however, UNT could not provide support for that assertion.

Response

Management indicated corrective action was taken.

Observations and Recommendations

1. Current Change Management Practices

Observations:

Based on the documentation provided (e.g., documents listed in Appendix A, email, etc...), it was determined that for the ten applications/services that meet the criteria of being both high risk and institutional in scope(impact), a population of changes could not be evidenced and that Change Management practices were found to be minimal, general in nature and less than expected.

Change Management procedures do not include the following:

- Standardized procedures to handle requests (including maintenance and patches) for changes to applications, procedures, processes, system and service parameters, and the underlying platforms
- Structured way to determine the impact on the operational system(and overall infrastructure) and its functionality for each request for change
- Process to ensure changes are categorized, prioritized, assigned, and authorized
- Process for pre-implementation and post-implementation testing protocols/requirements
- Process for defining, raising, testing, documenting, assessing and authorizing emergency changes (outside of the 'normal' change process)
- Tracking and reporting systems to document and communicate rejected changes, communicate the status of approved and in-process changes, and completion of approved changes (e.g. a spreadsheet)
- Procedures to update associated system and user documentation and procedures whenever changes are implemented (e.g. configuration documentation)

Criticality: High

2. Documented Change Management Policies, Standards & Procedures

- Change Management documentation is out dated and general in nature (see Appendix A).
- Per senior UNTHSC management, reliance for tracking changes is placed on the *HSC Policy Template*, which addresses Project Management
- Per the *HSC Policy Template*, efforts less than 40 hours are exempt from the Project Management procedures. Change Management procedures for efforts that are less than 40 hours are not defined.
- A list of changes and the approval by the appropriate parties for changes was not maintained and as such, could not be evidenced

Criticality: High

3. Change Request Classifications

Project classifications are defined in the *HSC Policy Template* document, however classifications for change requests, tasks requiring less than 40hours of effort or non-projects are not defined.

Criticality: High

4. Change Request Approval Process

A list of changes and the approval of changes by the stewards/data owners for applications/services that meet the criteria of being both high risk and institutional in scope (impact) could not be evidenced.

Criticality: High

Recommendations/Activities to Consider for Observations 1 through 4:

Please note: The following are considered suggestions and not mandates for the applications/services that meet the criteria of being both high risk and institutional in scope (impact):

- Establish a tracking and reporting system (e.g. spreadsheet) to document approved/rejected changes, communicate the status of requests (e.g. in-process, in testing, approved, completed). Make certain that approved changes are implemented as planned (or document explanations where changes deviate from original plan).
- Establish formal, standardized, Change Management procedures to administer all change requests for those applications/services that are both high risk and institutional in scope/impact (e.g. maintenance and patches, changes to hardware, networks, applications, procedures, processes, system and service parameters, and the underlying platforms)
- Assess all requests for those applications/services that are both high-risk and institutional in scope/impact, in a structured way to determine the impact on the operational system, overall infrastructure, and functionality. Ensure that changes are categorized, prioritized and authorized and supporting evidentiary documentation is archived
- Establish a process for defining, initiating, testing, documenting, assessing and authorizing emergency changes that do not follow the established change process
- Define and document approval procedures, as well as those individuals that are authorized to act as approvers for each system.

- Formally establish a regularly scheduled checkpoint/change control meeting to review the tested, and approved changes prior to implementation; evidentiary documentation should include, but is not limited to meeting minutes (e.g. decisions made during the meeting)
- Upon the implementation of changes, update the associated Change Management tracking tool, the system and user documentation and procedures accordingly.
- Where support responsibilities are shared with other organizations(e.g. ITSS, vendors, other departments), document the roles and responsibilities for each and capture how all stakeholders and support teams are kept update
- Include a method to periodically review, update (including appropriate version control), and disseminate Change Management practices (e.g.at least annually).
- Ensure the user community agrees with the Risk and Scope assigned to each application/service.

Response

Individual Responsible: ITS management team - Lynley Dungan, Executive Director of Information Technology Services, Anthony Tissera, Director of Infrastructure and Security, Woody Hagar, Director of Information Services, and Renee Drabier, Vice Provost for Academic Affairs and Development/CIO.
Estimated Completion Date: August 31, 2014

- ITS management agrees with these best practice recommendations and will complete the steps listed below to ensure that all changes to IT systems at UNTHSC are assessed, categorized, comply with TAC guidelines, and as appropriate, follow a formal change process. Formal change processes will be applied to systems or applications that have been classified as high risk (contains or processes private and/or regulated data), and high impact (institutional wide use).
- Classification and evaluation of high risk/high impact systems and applications will be conducted and reviewed by ITS management, CIO, and stakeholders annually.
 - ITS has begun a pilot of Microsoft System Center Service Manager(SCSM), a tool for IT service and change management that will hold system and application information, and allow for the tracking and reporting of changes made to those systems and applications identified as high risk/high impact. Estimated completion date for pilot is within the next 6 months.
 - Change management procedures will be formalized at the completion of the pilot, and with adoption of SCSM or similar tool. Procedures will include approval processes, pre and post testing, and emergency change protocols, and will be reviewed annually by ITS management.
- ITS is currently in the process of updating our institutional and internal policies, including Systems Change Control.

Observations and Recommendations

Audit Trails

TAC Requirement: 202.75(5)(B) Appropriate audit trails shall be maintained to provide accountability for updates to mission critical information, hardware and software and for all changes to automated security or access rules.

Observations:

Per the *3.09 Router Security Procedures document*, "Changes in programming are logged by our routing and switching components on the SYSLOG server. The network analyst tasked with the primary responsibility for network infrastructure reviews the change logs daily for indications of unauthorized modifications." That being the case, the following was requested:

- Evidence of the log review for twenty-five randomly selected dates
- The list of authorized changes the logs were compared to

Evidence of the review and supporting documentation for the sampled dates could not be evidenced. Per senior IT management "Other than the dates referenced on these samples, evidence is not tied to the specific dates listed."

As such, it was determined that a process is not in place that defines the procedures in use to ensure appropriate audit trails are maintained to provide accountability for updates to mission critical information, hardware, and software as well as all changes to automated security or access rules

At a minimum, Audit trail data should include, but is not limited to:

- A check list of audit trail activities
- The evidence required for each task on the check list
- Listing of authorized changes used for comparing against the logs for each day's review
- Providing the completed check list and supporting documentation to senior IT management for review, approval and archiving
- A tracking/approval/audit trail mechanism for changes that are made directly to application databases that are both high risk and institutional in scope/impact (e.g. client/patient complaint information that is entered into a system via the backend database and not the front-end application where data validation functionality is performed)

Criticality: High

Recommendations/Activities to Consider for Observations 5:

Please note: The following are considered suggestions and not mandates for the applications/services that meet the criteria of being both high risk and institutional in scope (impact):

- Define and document the procedures to ensure appropriate audit trails are maintained to provide accountability for updates to mission critical information, hardware and software and for all changes to automated security or access rules.
- Archive evidence of the review and approval by both the analyst and senior IT management.

Response

Individual Responsible: ITS management team - Lynley Dungan, Executive Director of Information Technology Services, Anthony Tissera, Director of Infrastructure and Security, Woody Hagar, Director of Information Services, and Renee Drabier, Vice Provost for Academic Affairs and Development/CIO
Estimated Completion Date: August 31, 2014

Management agrees with this best practice recommendation. Where audit trails are required due to the nature of the system and/or application (i.e. government or other regulated systems and information), random samples will be captured and reviewed for compliance with change management procedures and policies. Audit reviews will be documented in our IT service management tool.

Observations and Recommendations

Approval of Journal Entries

During our audit, we discovered that users of the financial reporting system who have authority to approve and post journal entries also have the ability to approve and post entries that they themselves have initiated. While the University's policy is for a different user to approve an entry, there is no mechanism in place to ensure this occurs. Employees are on their honor to not approve entries they initiate. Because of this, combined with the hindered ability of University financial reporting personnel to understand the transactions (see description under Insufficient Close, Reconciliation, and Analysis Process below), there is possibility of a material misstatement due to lack of independent review of the entry for appropriate accounting treatment.

We recommend that accounting system access be modified so approvers cannot post their own entries. Realizing limitations with certain systems, an alternative could be a periodic review of those entries posted by the same person who initiated.

Response

UNT Dallas management agrees with all recommendations made. In 2010 and 2011, UNT Dallas contracted with UNT to receive accounting and financial reporting services. During 2011, UNT Dallas, in conjunction with UNT, developed the framework for a transitional plan that would transfer all accounting and financial reporting functions to UNT Dallas from UNT. In 2012, the transitional framework will become an operational plan that will be implemented over the next fiscal year. Certain processes, such as the approval journal entries have transitioned to UNT Dallas. UNT Dallas management will also create a review process for journal entries to ensure that there is a segregation of duties between data entry and the journal entry approval.

Observations and Recommendations

Insufficient Close, Reconciliation, and Analysis Processes

In addition to the adjustments from not separately identifying the University's transactions, a number of other adjustments occurred from improper accounting for the transactions. This does not allow the University to produce accurate financial reports. We understand the University has historically relied on the accounting personnel at UNT, but is in the process of building its own accounting department. While the University has made progress in this area, there are still deficiencies related to the close, reconciliation, and analysis processes.

- Analysis of transactions and year-end close process
 - Many of the journal entries are recorded by accountants at UNT. This, combined with physical distance and mediocre communication, hinders the ability of the accounting staff at the University to understand the nature of recorded transactions and assess the appropriate accounting treatment.
 - State-funded employee benefits expense could not be reconciled to related reimbursement revenue.
 - An unknown transaction was recorded to interest expense and required reversal.
 - Necessary reversal of revenue related to interest expense reimbursed by the state was initially not recorded.
 - Certain reclassifications had to be made between presentation used for consolidation in the State of Texas financial statements and the stand alone financial statements of the University.
 - Year-end close process did not identify the above issues.
 - Close process does not include review of grants for proper accounting treatment, including adjusting for any receivables or deferred revenue.
 - Result of calculation of the reclassification from scholarship expense to tuition discount was not reviewed for reasonableness
 - Operating expense matrix should be reviewed for reasonableness and consistency with NACUBO functional expense guidelines.
- Bank reconciliations
 - Reconciliations of bank accounts, particularly the payroll account, are not done timely. Additionally, reconciling items of journal entries made to the general ledger account are not reviewed for reasonableness and potential correction.
- Lease classification
 - Processes are not in place to evaluate new leases for proper treatment as either a capital or operating lease.
- Accrued compensable absences
 - An adjustment was required to correct accrued compensable absences as of August 31, 2011 as the original calculation was not reviewed for use of supportable data.

The following matters were recommended in the prior year letter:

- Regular (monthly and/or quarterly) close processes to include:
 - o Reconciliations of all significant accounts, including cash, investments, capital assets, debt, tuition revenue and receivables, grant revenue and expenditures
 - o True-up of any estimates
 - o Preparation of financial statements (statement of net assets and statement of changes in revenues, expenses, and net assets)
 - o Analytical review of the financial information for that period and year-to-date
- Year-end close process to include:
 - o Continuing to monitor activity (revenue and expense) subsequent to year-end for accrual

While the University has made progress, these recommendations remain in place in order to continue to improve the process, as described above.

Response

UNT Dallas management agrees with all recommendations made. In fiscal year 2012, certain accounting and reporting tasks were transitioned to UNT Dallas from UNT; such as the process for completing bank reconciliations, the aforementioned journal entry approval process as well as the responsibility of the audit. In addition to the transition of these specific tasks, UNT Dallas management has created individual management reports, such as the monthly cash forecast that will become a part of our monthly executive reporting package. UNT Dallas management has made progress in our initiative to establish an independent accounting and financial reporting department and we will continue into the next fiscal year until the accounting transition from UNT is complete, with all recommended improvements adopted and implemented to ensure the most accurate accounting records for the University.

Observations and Recommendations

Separate Accounting for the University's Transactions

Prior to September 1, 2010, the financial activity of the University was recorded on the books of either the University of North Texas System or the University of North Texas ("UNT"), depending on the transaction. Some of these transactions were identified within the general ledger system as attributable to the University; many were not. This required significant effort by system management to disaggregate the financial activity of the University. Additional material adjustments were identified through the audit of the year ended August 31, 2010 that had not been properly attributed to the University.

While the University has had its own general ledger since September 1, 2010, there are still challenges related to identification of its transactions. For example, certain amounts are still allocated based on formulas and a certain pledge was not identified as a receivable for the University. Significant adjustments were made from the amounts on the general ledger to the financial statements because of the prior year activity recorded in the current year. Additionally, transactions between the University and UNT (reflected as "transfers" and "due to other component" in the financial statements) were not resolved timely. Because of the past oversight *in* not setting up the University separately within the general ledger system to identify all of the University's transactions, the true financial status of the University cannot be determined without substantial effort. This hinders management's ability to effectively manage the finances of the University. We recommend that the University continue to implement processes to ensure that all transactions are fully recorded on the University's books.

Response

UNT Dallas management agrees with all recommendations made. UNT Dallas is in the process of defining and establishing our organizational design (hiring of employees, establish periodic reporting, etc.) that will enable us to fully assume all accounting and financial reporting responsibilities. In conjunction with the establishment of the UNT Dallas accounting department, UNT Dallas management will implement the necessary processes and related controls to ensure accurate accounting and financial reporting. These processes will be both institution specific as well as part of an overall UNT System initiative to improve financial reporting.

System Administration

Experis Finance

Business Continuity Plan and Disaster Recovery Plan Assessment Report

Issued: 3 /4 /2011

Observations and Recommendations

Business Impact Analysis (BIA) Observations and Recommendations

Observation E: Geographical Diversity

The DR BCP Overview document does not address the concern that the GAB data center and the Discovery Park data center are not geographically diverse. The data centers have the same providers for water and electrical power and are approximately five miles apart (TAC Req. 202.74(a) (1) (C)).

Recommendation E: Geographical Diversity

Consider utilizing another campus location as failover, a third party data center or cloud solution to ensure geographical diversity (TAC Req. 202.74(a) (1) (C)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observation E states that the DR/BCP Overview document does not address the concern that the GAB and DP data centers are not geographically diverse. It should be noted that the TAC does not address the concept of geographical diversity, but rather says that the recovery priorities should consider geographic areas, accessibility, security, environment, and cost. UNT has examined this issue, commissioned a study by Cambridge Computing in 2009 to examine the issue (included as an appendix to the BCP/DR plan), has ensured that appropriate preventative controls are in place, and has initiated a project to move backup storage to a facility at the UNT HSC in Ft. Worth. We feel that we have appropriate infrastructure redundancy, preventative controls and procedures in place to mitigate the risk introduced by the proximity of the primary and secondary data centers; however, this issue will be documented as a risk and presented to management for consideration as part of the TAC required risk assessment.

Observations and Recommendations

Business Impact Analysis (BIA) Observations and Recommendations

Observation A: Mission Critical System Resources Identification

Mission critical system resources (e.g. personnel, hardware, software) were identified at a summary level. Detailed and specific mission critical system resources were not identified.

The BIA section of the DR BCP Overview document contains summary level information and does not identify all critical CITC resources (People, Processes, Tools, etc...). As a result, the impacts of the unidentified resources are not known and preventative controls/processes are not defined. Additionally, preventative controls/processes to mitigate the concern that water and electrical power are provided to both data centers by the same supplier are not adequately addressed (TAC Req. 202.74(a) (1) (A) & 202.74(a) (1) (C) (i) & 202.74(a)).

Recommendation A: Mission Critical System Resources Identification

Consider updating the BIA so that it captures detailed component level information for each mission critical resource.

To maintain the BCP, DRP and supporting documentation, consider leveraging the use of the current change management processes and/or tools already in use to version manage the BCP, DRP, and the supplemental procedural documentation. For example, add BCP/DRP and supporting procedural items to the CM checklist form. Prior to the approval of a change to move to the production environment, require the approver to verify that the BCP/DRP and supporting procedural documentation has been updated. Also consider emailing release notes to the appropriate personnel notifying them that updated documentation has been published (TAC Req. 202.74(a) (1) (A) & 202.74(a) (1) (C) (i) & 202.74(a)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observations A through D address perceived gaps in the business impact analysis (BIA) section of the business continuity plan (BCP). Recommendations generally suggest adding more detail (or "component level information") to the business impact analysis. The BIA section of the BCP is currently a high level document, not an operational document. Operational details such as resource identification, external points of contact, internal points of contact, disruption impacts, and outage times can be found in a variety of documents including disaster recovery plans for individual systems (IT Ready), service level agreements, vendor contact lists, communication plans, and operations manuals. As an organization, we are maintaining the information necessary to address these issues. The gap is primarily in the way our operation organizes and manages information rather than a lack of information. Going forward, we will ensure that information is appropriately referenced, backed-up and made available in our off site data storage location.

System Administration

Experis Finance

Business Continuity Plan and Disaster Recovery Plan Assessment Report

Issued: 3 / 4 / 2011

Observations and Recommendations

Business Impact Analysis (BIA) Observations and Recommendations

Observation B: External Points of Contact

External points of contact (e.g. utilities, software vendors, hardware vendors, business partners) and their contact information are not identified in the Business Impact Analysis section of the DR BCP, or other sections of the DR BCP Overview document (or referenced to any other hard copy and/or intranet location where that information may be available). Additionally, individual Service Area BCPs do not consistently identify external points of contact (TAC Req. 202.74(a) (1) (A) (i)).

Recommendation B: External Points of Contact

Consider either updating the BIA to reference where external points of contact information is stored or updating the BIA so that it identifies detailed/specific external points of contact for service providers of utilities, software and hardware vendors, as well as business partners (e.g. City of Denton, or Colleges that have received endowments or have research obligation) (TAC Req. 202.74(a) (1) (A) (i)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO
Estimated Completion Date: March 31, 2012

Observations A through D address perceived gaps in the business impact analysis (BIA) section of the business continuity plan (BCP). Recommendations generally suggest adding more detail (or “component level information”) to the business impact analysis. The BIA section of the BCP is currently a high level document, not an operational document. Operational details such as resource identification, external points of contact, internal points of contact, disruption impacts, and outage times can be found in a variety of documents including disaster recovery plans for individual systems (IT Ready), service level agreements, vendor contact lists, communication plans, and operations manuals. As an organization, we are maintaining the information necessary to address these issues. The gap is primarily in the way our operation organizes and manages information rather than a lack of information. Going forward, we will ensure that information is appropriately referenced, backed-up and made available in our off site data storage location.

Observations and Recommendations

Business Impact Analysis (BIA) Observations and Recommendations

Observation D: Maximum Allowable Outage Time

The assessment of the maximum allowable outage time for a resource did not include the effects of an outage over time (TAC Req. 202.74(a) (1) (B) (i)).

Recommendation D: Maximum Allowable Outage Time

Consider updating the BIA so that it captures detailed component level information so that it includes the allowable outage time for each resource and the effects of an outage over time for each resource (TAC Req. 202.74(a)(1)(B)(i)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO
Estimated Completion Date: March 31, 2012

Observations A through D address perceived gaps in the business impact analysis (BIA) section of the business continuity plan (BCP). Recommendations generally suggest adding more detail (or “component level information”) to the business impact analysis. The BIA section of the BCP is currently a high level document, not an operational document. Operational details such as resource identification, external points of contact, internal points of contact, disruption impacts, and outage times can be found in a variety of documents including disaster recovery plans for individual systems (IT Ready), service level agreements, vendor contact lists, communication plans, and operations manuals. As an organization, we are maintaining the information necessary to address these issues. The gap is primarily in the way our operation organizes and manages information rather than a lack of information. Going forward, we will ensure that information is appropriately referenced, backed-up and made available in our off site data storage location.

System Administration

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Business Continuity Plan and Disaster Recovery Plan Assessment Report

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Observations and Recommendations

Disaster Recovery Plan (DRP) Observations and Recommendations

Observation F: Updating DRP with Lessons Learned from DRP Testing

DRP testing occurs, however, it could not be evidenced that the information learned from tests conducted was used to update the DRPs (TAC Req. 202.74(a) (4)).

Recommendation F: Updating DRP with Lessons Learned from DRP Testing

To evidence that information learned from DRP testing is used to update the BCP and DRPs, consider leveraging the use of the current change management processes and/or tools already in place or utilizing an issues log that tracks details such as the: Issue description, Possible Solutions, Management Response, Issue Owner, Remediation Date, Re-test Date, and names of the documents that have been updated (TAC Req. 202.74(a) (4)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observation F acknowledges that disaster recovery plan testing occurs; however, questions whether information gathered as a result of the exercises is used to update the disaster recovery plans. Exercise write ups including lessons learned and action items are included in the BCP/DR document collection. We will implement a change log as recommended to summarize changes to the BCP/DR document collection.

Observations and Recommendations

Disaster Recovery Plan (DRP) Observations and Recommendations

Observation G: Measures to Address Impacts for Mission Critical Resources

The BIA did not contain measures to address the impact and the magnitude of loss or harm for all mission critical resources. The ITRReady Plans (DRPs) for each Service Area were reviewed and four of the nineteen Service Area ITRReady Plans (DRPs) contained high-level measures which address the impact and magnitude of loss or harm that would result from an interruption (TAC Req. 202.74(a)(4)(A)).

Recommendation G: Measures to Address Impacts for Mission Critical Resources

Consider updating the BIA so that it captures detailed component level1 information regarding measures that address the impact and magnitude of the loss/harm of an interruption for all mission critical resources (TAC Req. 202.74(a) (4) (A)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observations G and H appear to address detail issues within the BIA. The current BIA does include information that addresses the impact and magnitude of loss for critical resources. The information includes the following: recovery time objectives for critical systems, common threats that could cause disruptions to services, an impact analysis and dependency chart of critical services, facilities, and communications hubs. Recovery resources for critical resources are identified in individual plans and also in operational manuals. We will develop a standard way of describing impact both within the BIA and individual disaster recovery plans; review individual disaster recovery plans to ensure they meet the standard; remediate the disaster recovery plans as necessary; and ensure that impact measures from individual disaster recovery plans are reflected in the overall BIA.

System Administration

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Business Continuity Plan and Disaster Recovery Plan Assessment Report

Issued: 3 /4 /2011

Observations and Recommendations

Disaster Recovery Plan (DRP) Observations and Recommendations

Observation H: Recovery Resources:

The BIA did not identify recovery resources for all mission critical resources. The ITReady Plans (DRPs) for each Service Area were reviewed and one of the nineteen Service Area ITReady Plans (DRPs) identified recovery resources. However the documents that identified the recovery resources are dated January 2009 (TAC Req. 202.74(a) (4) (B)).

Recommendation H: Recovery Resources:

Consider updating the BIA so that it captures detailed component level information regarding specific recovery resources and a source for each (TAC Req. 202.74(a) (4) (B)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observations G and H appear to address detail issues within the BIA. The current BIA does include information that addresses the impact and magnitude of loss for critical resources. The information includes the following: recovery time objectives for critical systems, common threats that could cause disruptions to services, an impact analysis and dependency chart of critical services, facilities, and communications hubs. Recovery resources for critical resources are identified in individual plans and also in operational manuals. We will develop a standard way of describing impact both within the BIA and individual disaster recovery plans; review individual disaster recovery plans to ensure they meet the standard; remediate the disaster recovery plans as necessary; and ensure that impact measures from individual disaster recovery plans are reflected in the overall BIA.

Observations and Recommendations

Disaster Recovery Plan (DRP) Observations and Recommendations

Observation I: Step-by-Step Implementation Instructions:

The ITReady Plans (DRPs) for each Service Area were reviewed and step-by-step implementation instructions were found to exist at a high-level for three of the nineteen Service Areas (TAC Req. 202.74(a)(4)(C)).

Recommendation I: Step-by-Step Implementation Instructions:

Step-by-step implementation instructions can contain sensitive information. As such, consider updating the DRP documents to include an appendix that identifies procedural documents that contain the step-by-step instructions. Also consider leveraging the use of version management tools already in place to store the sensitive documents and control access. (TAC Req. 202.74(a) (4) (C))

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observation I notes that step-by-step restoration procedures were not present in all reviewed disaster recovery plans. Step-by-step restoration procedures are maintained by the individuals who manage individual systems. Going forward, we will ensure that information is appropriately referenced, backed-up and made available in our off site data storage location.

System Administration

Experis Finance

Business Continuity Plan and Disaster Recovery Plan Assessment Report

Issued: 3 / 4 / 2011

Observations and Recommendations

Disaster Recovery Plan (DRP) Observations and Recommendations

Observation J: Provisions for Annual DRP Testing

The documentation does not explicitly include provisions for annual DRP testing. However documentation was provided that demonstrated DRP testing has occurred twice in the audit period (TAC Req. 202.74(a) (4) (D)).

Recommendation J: Provisions for Annual DRP Testing

Consider updating the Overview section of the Computing and Information Technology Center Business Continuity Plan to include the frequency that DRP testing is to occur (TAC Req. 202.74(a) (4) (D)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observation J states that “the documentation does not explicitly include provisions for annual DRP testing.” Provisions for testing the DR/BCP are included in the UNT Information Resources Security Policy 3.6. The current policy requires periodic testing. This can be explicitly stated in the policy revision to match the specific TAC requirement for annual testing rather than periodic testing. We will update the policy and include a summary of the procedures in the BCP.

Observations and Recommendations

Business Continuity Plan (BCP) Observations and Recommendations

Observation K: Minimum BCP Approval Requirements:

Minimum approval requirements are not defined and formal approval of the current BCP and supporting service area documents was not evidenced (TAC Req. 202.74(a)).

Recommendation K: Minimum BCP Approval Requirements:

To address approval requirements, consider updating the DR BCP Overview document to address the BCP plan approval process and address who should provide approval (e.g. CIO, CITC department heads, and other stakeholders) (TAC Req. 202.74(a)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observation K states that “[m]inimum approval requirements are not defined and formal approval of the current BCP and supporting service area documents was not evidenced.” TAC 202.74(a) does not require an approval plan process as noted in observation K; however approval requirements are addressed in UNT Information Resources Security Policy (3.6). The Acting Vice President for Information Technology and Chief Information Officer is responsible for approving the plan. The current policy does not have the correct title since the University organizational structure has changed since the last policy revision. The UNT Information Resources Security Policy (3.6) is currently under revision. We will change the policy to reflect the proper title for the Acting Vice President for Information Technology and Chief Information Officer. We will include explicit approval from the Acting Vice President for Information Technology and Chief Information Officer in the BCP/DR plan on an annual basis, or as prescribed in TAC 202.74, and document the process.

System Administration

Experis Finance

Business Continuity Plan and Disaster Recovery Plan Assessment Report

Issued: 3 /4 /2011

Observations and Recommendations

Business Continuity Plan (BCP) Observations and Recommendations

Observation L: BCP & DRP Testing and Maintenance Activities

BCP and DRP testing procedures and maintenance activities exist but are undocumented. The documentation should not only include specific testing completed but also prioritization, assignment of accountability, and closure of action items stemming from such testing (TAC Req. 202.74(a)(3)).

Recommendation L: BCP & DRP Testing and Maintenance Activities

Consider updating the Overview section of the DR BCP Overview document to address the BCP testing requirements, and maintenance activities (TAC Req. 202.74(a) (3)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observation L states “BCP and DRP testing procedures and maintenance activities exist but are undocumented. The documentation should not only include specific testing completed but also prioritization, assignment of accountability, and closure of action items stemming from such testing.” BCP and DRP testing procedures and maintenance activities are documented in production IT systems that are used for incident, support, and problem tracking. As noted in the DR section, we will add a change log that addresses and documents these issues.

Observations and Recommendations

Business Impact Analysis (BIA) Observations and Recommendations

Observation C: Disruption Impacts

Disruption impacts and the allowable outage times can be inferred for building loss and data communications. The BIA section of the DR BCP Overview document does not identify all critical resources and as such the impacts of those unidentified resources is not known. In addition, operational restoration timeframe standards should be set similar to a Service Level Agreement for normal production (TAC Req. 202.74(a) (1) (B)).

Recommendation C: Disruption Impacts

Consider updating the BIA so that it captures detailed component level1 information so that all critical resources can be identified as well as any potential disruption impacts (TAC Req. 202.74(a)(1)(B)).

Response

Individual Responsible: John Hooper, Acting Vice President for Information Technology and CIO

Estimated Completion Date: March 31, 2012

Observations A through D address perceived gaps in the business impact analysis (BIA) section of the business continuity plan (BCP). Recommendations generally suggest adding more detail (or “component level information”) to the business impact analysis. The BIA section of the BCP is currently a high level document, not an operational document. Operational details such as resource identification, external points of contact, internal points of contact, disruption impacts, and outage times can be found in a variety of documents including disaster recovery plans for individual systems (IT Ready), service level agreements, vendor contact lists, communication plans, and operations manuals. As an organization, we are maintaining the information necessary to address these issues. The gap is primarily in the way our operation organizes and manages information rather than a lack of information. Going forward, we will ensure that information is appropriately referenced, backed-up and made available in our off site data storage location.

System Administration

Observations and Recommendations

Observation B: TAC 202.78 Removal of Data from Data Processing Equipment (b) (1)

The Asset Management documentation reviewed did not:

- Provide Instructions to assess what information is stored on equipment to be disposed of, and to verify compliance with the retention schedule.

For example, the procedures instructing the appropriate personnel to retain a hard copy or other electronic copy of a record if the electronic state record has not expired at the time the record is removed from the equipment.

- Capture all TAC 202.78(c) required fields on the certificate of destruction form.

Note: The creation and maintenance of the Asset Management documentation is not the responsibility of CITC; that responsibility falls to the Asset Management Department.

Criticality: Low

Recommendation B: TAC 202.78 Removal of Data from Data Processing Equipment (b) (1)

Consider requesting Asset Management to update the following:

- The appropriate procedural documentation to address verification with compliance procedures For example, procedures instructing the appropriate personnel to retain a hard copy or other electronic copy of a record if the electronic state record has not expired at the time the record is removed from the equipment

- The CITC disposal and destruction forms to include the following TAC 202.78(c) required fields:

- (1) date;
- (2) description of the item(s) and serial number(s);
- (3) inventory number(s);
- (4) the process and sanitization tools used to remove the data or method of destruction;
- (5) the name and address of the organization the equipment was transferred to

Response

CITC has reviewed these recommendations and conferred with representatives of the Asset Management department to discuss a potential plan of action regarding procedural documentation. In regard to updating procedural documentation, Asset Management has assigned this responsibility to UNT departments and designated asset users, as noted in UNT Asset Management policy 4.3. It is also the recommendation of the Asset Management Department for departments to utilize the asset management module found within EIS to record disposal and destruction information about associated assets.

CITC has added language to the draft Information Resources Security Policy and will also update the Information Security Handbook for Faculty, Staff, and Students to address the destruction, retention, and documentation of state records as required by rule 202.78(b)(1). The draft of the policy will be submitted for review and approval to university constituent groups and management. Final adoption of the policy will be contingent upon completion of the UNT administrative review and approval process.

System Administration

Experis Finance

IT Security Policies, Standards & Procedures Report

Issued: 8/31/2011

Observations and Recommendations

Policies Standards & Procedures Gap Analysis (PSP) Observations and Recommendations

Observation A: TAC 202.73 Managing Physical Security (e)

TAC Requirement Description - (e) Institutions of higher education will refer to the State Office of Risk Management for applicable rules and guidelines.

Observation:

A direct or specific reference to the State of Office of Risk Management could not be identified in the documentation.

Criticality: Low

Recommendation A: TAC 202.73 Managing Physical Security (e)

Consider updating the appropriate document to:

- Refer to the State Office of Risk Management and indicate the applicable rules and guidelines.
- Indicate that the State Office of Risk Management rules and guidelines are not applicable. If rules and guidelines are not applicable, consider indicating why.

Response

The UNT Information Security Officer (ISO) contacted the State Office of Risk Management (SORM) to seek guidance regarding requirement 202.73(e). SORM indicated that they were unsure of DIR's intent regarding rule 202.73(e) and stated that they have little experience in this area. The UNT ISO, or designee, will regularly communicate with SORM and DIR to obtain information that becomes available regarding physical security rules or guidelines. The information will be reviewed and considered for implementation. In addition, language will be added to the UNT Information Security Handbook for Faculty, Staff, and Students that will reflect these rules or guidelines.



Background Report

Committee: Audit

Date Filed: July 17, 2014

Title: UNT System Consolidated Quarterly Compliance Report March 2014 through May 2014

Background: This report represents the quarterly compliance actions for the University of North Texas System, University of North Texas, University of North Texas Health Science Center and the University of North Texas at Dallas from March 1, 2014 through May 31, 2014. Regular reporting of compliance actions to the UNT System Board of Regents is required by the United States Sentencing Commission's Federal Guidelines §8B2.1(b)(2)(A).

This quarterly report has been consolidated to reflect the compliance actions for all UNT System components. This report reflects the actions that management and each compliance function has taken to manage their highest risks.

Financial Analysis/History:

This is a report item only.

Janet Waldron

Digitally signed by Janet Waldron
DN: cn=Janet Waldron, o=UNT System, ou=Vice
Chancellor for Finance,
email=janet.waldron@untssystem.edu, c=US
Date: 2014.08.12 15:54:07 -05'00'

Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Nancy S. Footer

Digitally signed by Nancy S. Footer
DN: cn=Nancy S. Footer, o=UNT System, ou=OGC,
email=nancy.footer@untssystem.edu, c=US
Date: 2014.08.13 17:15:37 -05'00'

Vice Chancellor/General Counsel

Schedule: N/A

No action required. Information only. Submitted by:

Steven A. Hill I

UNT System Compliance Officer

UNT System Chief Internal Auditor

Chancellor

Attachments Filed Electronically:

- **UNT System Consolidated Quarterly Compliance Report
March 2014 through May 2014**

UNT System Consolidated Quarterly Compliance Report March 2014 through May 2014



Section I. Organizational Actions

This section reflects organizational actions for this reporting period:

Effective with the FY 2015 Risk Assessment and Work Plan process, System and Institutional Compliance will focus its risk identification, monitoring, and reporting efforts exclusively on Compliance Risks. This action revises the previous practice of the Compliance function also identifying, monitoring, and reporting on Management Risks, which were exclusively managed by executive level management. The documenting and reporting of actions taken to address Management Risks will no longer be reflected in the UNT System section of this report after this quarter.

Management Risk #1: Finalizing the transition of UNT Dallas as an independent institution

Action Taken by Executive Management:

- The Post-Accreditation Transition Task Force and associated working groups continue to address the remaining issues to finalize the separation of UNT Dallas from UNT.

Management Risk #2: Law School start-up not meeting milestones for funding and operations

Action Taken by Executive Management:

- Applications continued to be accepted until April 15, 2014. An incoming class has been accepted and the UNT Dallas College of Law held an orientation for accepted students in April 2014.

Management Risk #3: Ineffective implementation of shared services strategy for Information Technology Shared Services (ITSS) and Business Services Center (BSC)

Action Taken by Executive Management:

- PeopleSoft Upgrade Project: Oracle sent out an update to version 9.2 that was four times as large as expected (containing far more fixes and changes than usual). The project team checked and retested that work to ensure that it still functioned as planned with this update in place. This project should be implemented in June 2014.
- UNT is continuing to pursue, in conjunction with ITSS, selection of a new Constituent Relationship Management (CRM) system. The selection process will take until fiscal year end to complete.
- The BSC continues to identify efficiency opportunities for business process standardizations and improvements.
- The BSC plans to follow-up with UNT System components in effectively leveraging System-wide purchasing power for scientific equipment maintenance and general office supply contractor discounts and making these discounts readily available to them. The BSC will

also work with the System components to identify any barriers that may prevent them from taking advantage of these discounts.

Management Risk #4: Ineffective implementation of Human Resources (HR) services

Action Taken by Executive Management:

- Search committee was re-formed to screen candidates and fill the role of AVC-HR.
- A quarterly meeting was continued for all System HR staff; last held on April 3rd.
- Continued to work on system-wide review of HR policies; process for development and approval of Regulations will be going to Shared Services Operations Committee in August.
- First System HR survey results were analyzed and presented to Shared Governance.
- Completed design and configuration of the Front Range Help Desk Expert Automation Tool (HEAT); implementation on hold for evaluation of Support Center practices and recommendations for improvements utilizing the tool.

Management Risk #5: Having policies, procedures, and/or practices in place that may not provide protection of minors participating in UNT System related activities

Action Taken by Executive Management:

- System Administration Policies 02.1400, Reporting Suspected Wrongdoing and 02.1500, Reporting of Child Abuse and Neglect were established. Each UNT System component has developed campus versions of both policies, which comply with Regents Rule 04.1100.
- UNT System Compliance and both Institutional Compliance offices are working with campus management to ensure that formal processes are in place to document and track camps, programs, and activities involving minors on and off UNT System campuses; state required training is completed by applicable personnel; appropriate criminal history background checks are completed on personnel involved in activities that involve minors; and, proof of insurability is demonstrated as applicable.

Section II. Compliance Risks

High-Risk #1: Electronic Information Handling (Information Technology Shared Services - ITSS)

Action Taken by Management:

- The ITSS information security office submits security reports each month to the Texas Department of Information Resources (DIR) in fulfillment of Texas Administrative Code (TAC) 202.76. Reports include instances of security violations involving UNT System component resources. Three required monthly reports were submitted to DIR this quarter.
- Texas Administrative Code 202.77e requires institutions of higher education to use new employee orientation to introduce information security awareness and inform new employees of information security policies and procedures. Security awareness training was provided to seventeen (17) new employees as part of the online onboarding process.

- IT support is provided to UNT System through Information Technology Shared Services.

Action Taken by System and/or Institutional Compliance:

- System and Institutional Compliance continues to partner with ITSS to identify opportunities to enhance the processes and procedures associated with information security and Electronic Information Handling.

Section III. Compliance Training

- UNT System and Institutional Compliance reviewed the new UNTHSC's general compliance/ethics awareness training which is assisting in finalizing compliance awareness training being designed for UNT System, UNT, and UNT Dallas employees.
- System/Institutional Compliance and UNT's Risk Management Services are also planning to meet with a third party vendor that the HSC is coordinating with to discuss and demonstrate the vendor's inventory of compliance related training, tracking of training, and other services (which may include compliance awareness and/or standards of conduct training). UNT System HR is participating in this process.

Section IV. Confidential and Other Complaint Reporting for UNT System

- UNT System maintains a web-based Compliance Hotline that allows anonymous or confidential reporting as required by the U.S. Federal Sentencing Guidelines.
- An analysis of the **eleven (11) reports (via hotline)** received by UNT System during this quarter reveals the following breakdown of complaints:
 - **Three reports received with no information provided.** Reports were closed.
 - **Two reports received pertaining to an allegation of pay equity issues.** These reports are being handled by UNT System EO, UNT EO, and AVC for HR.
 - **One report received pertaining to an allegation of inappropriate employee behavior.** This report was handled by UNT Human Resources.
 - **One report received pertaining to an allegation of an inappropriate workplace issue.** This report was handled by Institutional Compliance and BSC executive management.
 - **One report received pertaining to an allegation of an inappropriate organization spending practice.** This report is being handled by Internal Audit.
 - **One report received pertaining to an allegation of an inappropriate hiring practice.** This report is being handled by Institutional Compliance and UNT's Provost Office.
 - **One report received pertaining to an allegation of a nepotism concern.** This report is being handled by Institutional Compliance and UNT's Provost Office.
 - **One report received by UNT System pertaining to another University System.** This report was closed without action.



Section I. Organizational Actions

This section reflects organizational actions for this reporting period:

Effective with this report and ongoing into the FY 2015 Risk Assessment and Work Plan process, System and Institutional Compliance will focus its risk identification, monitoring, and reporting efforts exclusively on Compliance Risks. This action revises the previous practice of the Compliance function also identifying, monitoring, and reporting on Management Risks, which were exclusively managed by executive level cabinet members. The documenting and reporting of actions taken to address Management Risks will no longer be reflected in this report, except for Management Risk #4, which will be re-categorized and reported ongoing as a Compliance Risk.

Management Risk #1: Pace of progress towards Tier 1, and its associated funding, is tied directly to Bold Goal Two

Action Taken by Executive Management:

- Actions leading to the achievement of this important objective will continue but is no longer considered a risk to the University in the context of our regulatory compliance reporting process. Progress towards this objective will no longer be reported within this report, effective immediately. Any significant ongoing events will be reported to the applicable Board of Regents Committee through the University's normal Board briefing channels (e.g. Academic Affairs Committee briefings).

Management Risk #2: The transition to shared services is still underway and the impact/benefit to the campus is still developing

Action Taken by Executive Management:

- Actions leading to the achievement of this important objective will continue but is no longer considered a risk to the University in the context of our regulatory compliance reporting process. Progress towards this objective will no longer be reported within this report, effective immediately. Any significant ongoing events will be reported to the applicable Board of Regents Committee through the University's normal Board briefing channels (e.g. Audit Committee briefings).

Management Risk #3: Continuing to refine our enrollment modeling and predictability to manage changes in enrollment numbers and student quality

Action Taken by Executive Management:

- Actions leading to the achievement of this important objective will continue but is no longer considered a risk to the University in the context of our regulatory compliance reporting process. Progress towards this objective will no longer be reported within this report, effective immediately. Any significant ongoing events will be reported to the applicable Board of Regents Committee through the University's normal Board briefing channels (e.g. Academic Affairs Committee briefings).

Management Risk #4: Having policies, procedures, and/or practices in place that may not provide protection of minors participating in UNT related activities

Action Taken by Executive Management:

- UNT developed campus versions of UNT System Administration Policies 02.1400, Reporting Suspected Wrongdoing and 02.1500, Reporting of Child Abuse and Neglect, which comply with Regents Rule 04.1100.
- UNT System/Institutional Compliance are working with management to ensure that formal processes are in place to document and track camps, programs, and activities involving minors on and off UNT campuses; state required training is completed by applicable personnel; appropriate criminal history background checks are completed on personnel involved in activities that involve minors; and, proof of insurability is demonstrated as applicable.

Section II. Compliance Risks

High-Risk #1: Fire and Life Safety (Risk Management Services - RMS and Facilities)

Action Taken by Management:

- The State Fire Marshal's Office (SFMO) completed a fire safety inspection of UNT's residential buildings on December 17, 2013. Of the initial 91 findings, 58 remain with repairs, installations, and other activities relating to the responses in the report that will be ongoing during FY 2014 and into FY 2015.
- Risk Management Services reported conducting a total of thirty-one (31) semi-annual life safety code inspections of all Education and General Buildings (E&G) and applicable Residence Halls, to include buildings at UNT Dallas, and UNT System offices on Main Street in Dallas, with no significant impairments reported. Risk Management Services reported conducting three (3) monthly Child Development Center life safety inspections with no significant impairments reported.
- UNT Facilities reported that all fire alarms, wet based systems, fire extinguishers, and fire suppression systems were inspected or tested, and all impairments were resolved except for two impairments that Facilities was working to resolve at the end of the quarter. As of July 15, 2014, both of those systems are now operational with one operating on a back-up pump and its main pump scheduled for repair by August 1, 2014.

Action Taken by Institutional Compliance:

- Institutional Compliance is available to Risk Management Services and UNT Facilities to assist in resolving any findings or impairments identified during inspections or tests as quickly as possible and identifying opportunities to enhance Fire and Life Safety processes and procedures.

High-Risk #2: Laboratory Inspections and Follow-up (Risk Management Services - RMS)

Action Taken by Management:

- Risk Management Services worked with a radiation environmental consulting firm and coordinated with appropriate University and System officials to revise elements of the radiation safety program (dosimetry, laser safety, and radioactive waste removal) to ensure compliance with state radiation safety regulations.

- The Chemical Hygiene Officer is the Laser Safety Officer and RMS has hired a replacement Radiation Safety Officer who will start in June 2014.
- Of the 256 laboratories inspected this quarter, three (3) laboratories required re-inspection to address significant findings.
- Within RMS, Environmental Services (ES) continues to monitor all seventeen (17) Resource Conservation and Recovery Act (RCRA) metals that have very low Environmental Protection Agency established threshold limits. However, phosphate compounds are being added to the list and meeting these thresholds have been challenging. ES will start a campaign to identify the sources and try substitutions where applicable. A treatment process to lower outgoing phosphates may also be considered. Ultimately, a new piece of test equipment may become necessary for quantitative monitoring.
- UNT passed all testing completed by the City of Denton for all RCRA metals of concern and will be retested again by the City of Denton in October 2014. Continual monitoring of all laboratory waste water is necessary to assure UNT is not fined for exceeding the thresholds.

Action Taken by Institutional Compliance:

- System Compliance is continuing to coordinate with Risk Management Services and other University and System officials to ensure the program is in compliance with state radiation safety regulations.
- Institutional Compliance continues to partner with Risk Management Services and other applicable UNT units to assist in resolving any findings and/or impairments identified during inspections as quickly as possible and identifying opportunities to enhance laboratory inspections and follow-up processes and procedures.
- Institutional Compliance continues to partner with Risk Management Services and other applicable UNT units to assist as applicable in preventing exceeding RCRA metal thresholds.
- Institutional Compliance and RMS will review its laboratory inspection and follow-up operations. This review will be completed with feedback provided to the RMS Director and Environmental Services as soon as possible.

High-Risk #3: Chemicals of Interest (Risk Management Services - RMS)

Action Taken by Management:

- RMS continued to closely monitor purchase and inventory levels of sixty-six (66) specific chemicals on the Department of Homeland Security (DHS) Chemicals of Interest (COI) list to ensure that none of the inventory quantities exceed the maximum threshold limits set by DHS. RMS continues to closely monitor purchase and inventory levels of all chemicals found on the COI list.

Action Taken by Institutional Compliance:

- Institutional Compliance continues to partner with Risk Management Services to identify opportunities to enhance Chemicals of Interest processes and procedures.

High-Risk #4: Emergency Planning & Preparedness and Business Continuity (Risk Management Services - RMS)

Action Taken by Management:

Emergency Planning & Preparedness and Business Continuity

- All state agencies are required to have business continuity plans in place by October 31, 2014. A Business Continuity Planning Committee (BCPC) was formed to identify Mission Essential Functions for the university.
- The BCPC identified eight (8) functions that are critical to maintaining the mission of the university, the safety of UNT personnel, and the protection of university property. By identifying these critical functions, resources can be prioritized to restore specific operations when normal operations are disrupted. These functions are Academics; Research; Public Safety; Mass Care (Food/Shelter); Public Information; Public Works/Property Maintenance; Student Support Services; and, Health and Wellness. Meetings and interviews are currently being conducted with responsible divisions/departments to prioritize efforts for each function.
- UNT and the City of Denton partnered to coordinate a full scale exercise which was held on May 2, 2014. This exercise included first responders from UNT, the City of Denton, the FBI, and various other local response agencies. The UNT Emergency Operations Center was activated to simulate operations and address challenges the university would face following an active shooter/mass casualty event at UNT. An after action report is being generated by UNT and the City of Denton for distribution to exercise participants.
- RMS Emergency Management continues to work with UNTPD, Facilities Management, and the Office of the Provost in conducting a campus-wide building safety assessment. The assessment is scheduled to be completed in the early fall of 2014 and will provide a basis for mitigation and planning efforts. To date, 67 of approximately 100 buildings have been assessed.

International Risk Management

- UNT International (UNT-I) and RMS Emergency Management continue to address risk management oversight for international travel. International travel includes study abroad programs, faculty led programs, and individual faculty and staff travel.
- The primary concerns are the ability to track all travelers, providing increased levels of safety, health, and security for personnel traveling abroad, and ensuring plans are in place in the event of a crisis or emergency situation. Other than study abroad and faculty led programs, there is no mechanism in place that requires individual faculty and staff to notify the University of proposed international travel.
- UNT-I and RMS' Emergency Management are developing a draft policy that will standardize how international travel is tracked and implement safety measures to maintain an acceptable level of risk. Additional support, insight, and guidance may be required to accomplish an effective UNT-I Risk Management plan.

Safety and Awareness Programs

- On April 10th, Emergency Management personnel, UNTPD, and Dean of Students conducted a Safety and Security Seminar for staff and faculty. The seminar addressed a number of issues including:

- a. How to recognize and respond to disruptive and concerning behavior
- b. An overview of the CARE Team
- c. Clery Act reporting requirements
- d. The Campus Sexual Violence Elimination Act (SaVE Act)
- e. Personal safety tips
- f. Emergency Management resources

Action Taken by Institutional Compliance:

- Institutional Compliance continues to partner with Risk Management Services and other applicable UNT units to identify opportunities to enhance Emergency Planning & Preparedness and Business Continuity processes and procedures.

High-Risk #5: Research Conflict of Interest (Office of Research Integrity & Compliance – ORI&C)

Action Taken by Management:

- Research Integrity & Compliance continued the process of requesting FY 2014 financial conflict of interest disclosures from Principal Investigators, Co-Investigators, and others classified as “Investigators” with proposed or awarded external funding for research projects at both UNT and UNT Dallas.
- The online questionnaire directs a different set of questions to Investigators depending on whether or not funding from the U.S. Public Health Service (PHS) is involved, due to extensive changes to the PHS conflict of interest regulations.

Action Taken by Institutional Compliance:

- Institutional Compliance continues to partner with the Office of Research Integrity & Compliance and the Office of Research Services to identify opportunities to enhance Research Conflict of Interest processes and procedures.

High-Risk #6: Time and Effort Reporting (Office of Research Services - ORS)

Action Taken by Management:

- Effort reports covering fall 2014 were distributed using the newly implemented Effort Certification Reporting System (ECRS). Around 40% were completed within two days of sending the emails.

Action Taken by Institutional Compliance:

- Institutional Compliance attended the ECRS training and continues to partner with the Office of Research Services to identify opportunities to enhance UNT's Time and Effort processes and procedures and assist in any way with the ongoing use of this system in reporting sponsored project time and effort.

High-Risk #7: Export Controls (Office of Research Integrity & Compliance – ORI&C)

Action Taken by Management:

- During this reporting period, at the request of UNT-International, the Director of Research Integrity & Compliance conducted ten (10) reviews of visa petitions for proposed H-1B beneficiaries to determine whether or not an export control license would be needed for the release of any controlled technology or technical data by UNT to each H-1B beneficiary. The review procedure includes obtaining a completed checklist from each

beneficiary as well as a statement from the department Chair. No licenses were needed as a result of these reviews and no issues related to this review process were noted.

- On May 6, 2014, the Bureau of Industry & Security of the U.S. Department of Commerce issued an Export License to UNT for the transport of certain UNT-owned camera equipment to Cuba for the UNT Cuba Study Abroad Program (May 28 -June 11, 2014). The UNT System Office of General Counsel assisted with the filing of the license application.

Action Taken by Institutional Compliance:

- Institutional Compliance continues to partner with the Office of Research Integrity & Compliance and other applicable UNT units to identify opportunities to enhance UNT's Export Control processes and procedures and comply with applicable Export Control regulatory requirements.

High-Risk #8: Electronic Information Handling (University Information Technology and Information Technology Shared Services - ITSS)

Action Taken by Management:

- The ITSS information security office submits security reports each month to the Texas Department of Information Resources (DIR) in fulfillment of Texas Administrative Code (TAC) 202.76. Reports include instances of security violations involving UNT System component resources. Three required monthly reports were submitted to DIR this quarter.
- Texas Administrative Code 202.77e requires institutions of higher education to use new employee orientation to introduce information security awareness and inform new employees of information security policies and procedures. Security awareness training was provided to three hundred ninety-five (395) new employees as part of the online onboarding process.
- IT support is provided to UNT through University Information Technology.

Action Taken by System and/or Institutional Compliance:

- System and Institutional Compliance continues to partner with University Information Technology and ITSS to identify opportunities to enhance the processes and procedures associated with information security and Electronic Information Handling.

High-Risk #9: Health Insurance Portability and Accountability Act (HIPAA) Compliance (Office of Institutional Compliance)

Action Taken by Management:

- Institutional Compliance continues to partner with the UNT System Office of General Counsel to follow-up with UNT personnel that completed the survey that was designed to identify which UNT units should be designated as a health care provider or employ other privacy protections in accordance with applicable HIPAA and Health Information Technology for Economic and Clinical Health (HITECH) Act requirements.

Action Taken by Institutional Compliance:

- Institutional Compliance and the UNT System Office of General Counsel continue to identify units that are designated as a health care provider. Institutional Compliance is following-up with personnel that completed the survey in order to determine if they should comply with the HIPAA Rules or the HITECH Act requirements.

High-Risk #10: Individual Conflict of Interest (Office of Institutional Compliance)

Action Taken by Management:

- Institutional Compliance (IC) continues to identify key elements of other higher education non-research conflict of interests programs. IC has had conversations with the UNTHSC's Institutional Compliance Office to discuss their plan for implementing a non-research related conflict of interest program.

Action Taken by Institutional Compliance:

- Institutional Compliance will meet further with HSC Institutional Compliance to discuss their plan for implementing their non-research related conflict of interest program. UNT IC still plans to have discussions with the Office of General Counsel, UNT executive management, following evaluating whether this risk is determined to be a priority as compared to other institutional risks identified during the FY 2015 risk assessment process.

High-Risk #11: Records Management and Retention (Office of Institutional Compliance)

Action Taken by Management:

- The UNT Compliance Officer (and Chief Records Management Officer) and Institutional Compliance Office Manager (and Chief Records Management Representative) are working with ITSS and UNT IT resources to make the UNT System consolidated records retention schedule available to Records Management Representatives electronically.

Action Taken by Institutional Compliance:

- The UNT Compliance Officer (and Chief Records Management Officer) and Institutional Compliance Office Manager (and Chief Records Management Representative) continue to coordinate with the Texas State Library and Archives Commission in order to direct the day to day duties, responsibilities, and operations associated with the Institutional Records Management program.

Section III. Compliance Training

- UNT System and Institutional Compliance reviewed the new UNTHSC's general compliance/ethics awareness training which is assisting in finalizing compliance awareness training being designed for UNT System, UNT, and UNT Dallas employees.
- System/Institutional Compliance and UNT's Risk Management Services are also planning to meet with a third party vendor that the HSC is coordinating with to discuss and demonstrate the vendor's inventory of compliance related training, tracking of training, and other services (which may include compliance awareness and/or standards of conduct training). UNT System HR is participating in this process.

Section IV. Confidential and Other Complaint Reporting for UNT

- UNT maintains a web-based Compliance Hotline that allows anonymous or confidential reporting as required by the U.S. Federal Sentencing Guidelines.
- An analysis of the **three (3) reports (1-walk-in, 1-telephone, and 1 hotline)** received by UNT Institutional Compliance (IC) during this quarter reveals the following breakdown of complaints:

- **One walk-in complaint was received pertaining to an allegation of inappropriate employee behavior.** This report was being handled by UNT Human Resources.
- **One telephone complaint was received pertaining to an alleged missing laptop.** This report was handled by IT Shared Services Information Security.
- **One hotline report tracking number was used for testing purposes by Institutional Compliance and the President's Office.**

Section I. Organizational Actions

This section reflects organizational actions for this reporting period:

The actions taken by the UNT Health Science Center (UNTHSC) Executive Management to address the UNTHSC Management Risks identified during the fiscal year 2014 risk assessment are reported below.

Management Risk #1: Reduction in state funding from lack of support for tuition revenue bonds ("TRB") for a new building to support labs and other necessary space requirements

Action Taken by Executive Management:

- (a) Reviewed program prioritization, including the financial impact of dollars invested, and made recommendations that improved efficiency and effectiveness for mission-centric areas; (b) Set revenue expectations for clinical practice and extramural research; (c) Set enrollment expectations for student enrollment for the five schools; and (d) Identified funding to repurpose for support of new strategic initiatives. In the absence of TRB funding and in view of pressing needs for space renovation or expansion related to increasing enrollment, research growth and meeting accreditation guidelines, a portion of reserve funds were invested in select renovation/expansion projects.

Management Risk #2: Reduction in research funding from: (i) Loss/inability to reach institutional goal for extramural research funding; (ii) Minimal current clinical and translational research capability

Action Taken by Executive Management:

- (a) Reviewed current portfolio, evaluated opportunities for expanding external funding and developed a strategic plan to place more emphasis on private sector and philanthropic funding sources; (b) Recruited individuals with expertise in scientific business development and extensive private sector experience; one of these individuals will be pursuing business contracts for UNTHSC's DNA sequencing services; (c) Established a new position for Research Development Specialist to assist faculty in identifying atypical funding sources and to coordinate grantsmanship training for faculty; (d) Prioritized philanthropic fund raising for endowed professorships and seed/bridge funding; (e) Discussed new federal funding strategies with the UNT System representative in Washington D.C.; (f) Continued to recruit faculty to increase our translational and clinical capacity; and (g) Supported the expansion of translational/clinical research activity initiated in the Institute for Aging and Alzheimer's Disease and TCOM. The unique human subject cohort originally established for brain aging studies is also being used for other translational/clinical projects and to strengthen our competitiveness for external funding.

Management Risk #3: Reduction in clinical revenues from: (i) Reduction in rate of clinical reimbursement from Center for Medicare and Medicaid Services (CMS) and other insurance providers or clinical contracts; (ii) Reduction in clinical volume

Action Taken by Executive Management:

- (a) Monitored developments in Congress and developed financial models that outline impact of potential reimbursement reductions; (b) Reviewed marketing plans and

physician metrics; (c) Reviewed faculty clinical performance to budget with Department Chairs to reinforce performance expectations; (d) Reviewed Patient Revenue Cycle functions to improve efficiencies, reduce costs and evaluate opportunities for improvement relative to charge capture, claims submission and follow-up; (e) Identified practices with shortage of clinical support staff impacting provider productivity and patient satisfaction and added staff where indicated; and (f) Participated in Meaningful Use and the Physician Quality Reporting System (PQRS) programs to receive eligible Medicare/Medicaid incentive payments.

Management Risk #4: Clinical education: (i) Increased costs of supporting student clinical rotations; (ii) Inadequate funding of residency positions (GME) may limit growth of medical school positions (seats)

Action Taken by Executive Management:

- (a) Planned growth through secured contracts for near term; (b) Planned for FY 2014 budget to account for increased clinical rotation costs; and (c) Monitored residency position developments at federal and state levels.

Management Risk #5: Failure to reach shared services agreements to define and implement: (i) service goals of reducing administrative costs and addressing utilization of resources; and (ii) service goals of maintaining or improving service quality and complying with state and federal regulations

Action Taken by Executive Management:

- (a) Continued collaboration with all UNT System Shared Services functions including the Business Services Center, IT Shared Services, and UNT System HR through active participation in monthly collaborative oversight meetings and implementation of Service Level Agreements. A similar approach is in place and will continue with the development of a unified controller function at the System level in conjunction with campus Financial Accounting Services, excluding UNT Health. Management has worked with leadership of the shared services functions to establish performance measures related to the Business Services Center and IT Shared Services. These will be monitored to ensure performance-to-expectations are achieved.

Management Risk #6: Failure to follow the compliance program including: (i) Non-compliance with significant state and federal regulations with an emphasis on health care and grant recipient regulations; (ii) Non-compliance with accrediting requirements (including failure to maintain regional and program-specific accreditation); (iii) Inadequate accountability for non-compliance; (iv) Inadequate compliance training

Action Taken by Executive Management:

- (a) Continued the development of robust institutional and clinical compliance programs; (b) Provided specific compliance training to UNTHSC employees; (c) Suspected Wrongdoing policy finalized and posted; (d) Complied with SACS substantive change reporting and approval and submitted the annual Institutional Profile to SACS on schedule; the Academic Program Assessment Review Team (APART) completed review of all existing program outcomes for academic programs (FY 2013 assessment reports and FY 2014 assessment plans); (e) Developed an online database to track Institutional conflict of interest attestations. (f) Conducted Risk Assessment with Internal Audit for FY 2015.

Management Risk #7: Threats to health and safety of faculty, staff, students and general public

Action Taken by Executive Management:

- (a) Supported safety programs, policies, procedures, educational programs, inventories and inspections; (b) Safety Coordinator Training; (c) Participation on CARE Team, which identifies people on campus that may pose a threat to themselves or to the campus and decides what actions to take; and (d) Developing a food safety program to protect the campus from food borne illnesses.

Management Risk #8: Inability to obtain accurate and reliable data and information to support optimal decision-making and reporting requirements

Action Taken by Executive Management:

- (a) Supported multiple approaches to ensure accuracy and reliability of data received from academic and non-academic units, which included on-going communication with Cabinet and Executive Team members; and (b) Continued utilizing secured data storage online with secured tape backups.

Management Risk #9: Reputational risk: (i) Due to not obtaining MD Program approval including risk from solicitation burnout and failure to maintain excitement about institutional vision

Action Taken by Executive Management:

- (a) Continued to make improvements in database management; (b) Continued discussions with key legislators of the Tarrant County Delegation and legislative leadership; and (c) Revisited all donors and listed supporters concerning their continued support of the MD Program.

Management Risk #10: Having policies, procedures, and/or practices in place that may not provide comprehensive protection of minors participating in UNT Health Science Center related activities

Action Taken by Executive Management:

- a) Continued to review programs to identify individuals who routinely worked with visiting minors; (b) Approved a policy on minors on campus; (c) Created Minors – Abuse and Neglect training; (d) Trained identified individuals who worked with visiting minors; (e) Created an intake system to document and track programs involving minors on campus, training of individuals, and background completions; (f) Completed reporting requirement to Department of State Health Services for minors programs.

Management Risk #11: Failure of 1115 waiver projects to meet required CMS milestone targets to receive CMS matching funds, and meet other CMS program requirements; and optimize institutional funds cash flow

Action Taken by Executive Management:

- (a) The Steering Committee and the Cabinet have been kept informed about the implementation and progress of the 1115 Waiver projects; (b) Office of Strategy and Measurement (OSM) staff meet on a bi-weekly basis with project PIs and their teams to ensure appropriate progress towards milestones and operational issues such as contract negotiations with partners. This approach has resulted in all milestones being met for all reporting periods during the first two fiscal years (10/1/11-9/30/13); and (c) Received payments for the first fiscal year and second fiscal year milestones.

Section II. Risk Assessment Monitoring Activities Conducted by Individual Compliance Divisions

High-Risk #1: Physicians at Teaching Hospitals (PATH) (Clinical Division)

Definition: Review of sample medical records of Medicare and Medicaid patients to confirm that the attending physician has documented his/her presence and participation when a resident is involved in the care of a patient.

Action Taken by Management:

- The following clinical departments were audited for PATH compliance:
 - Family Medicine:
 - Evaluation and Management Services: 100% Compliance
 - Procedures: 100% Compliance
 - Psychiatry:
 - Evaluation and Management Services: 6.72% occurrence rate
 - Physical Therapy:
 - Evaluation and Management Services: 100% Compliance
 - Procedures: 100% Compliance
 - Pediatrics:
 - Evaluation and Management Services: 100% Compliance
 - Procedures: 100% Compliance
 - Internal Medicine:
 - Evaluation and Management Services: .82% occurrence rate
 - Orthopedics:
 - Evaluation and Management Services: .25% occurrence rate
 - Osteopathic Manipulative Medicine:
 - Evaluation and Management Services: 100% Compliance
 - Procedures: 100% Compliance
- Annual training is required for all providers. Targeted education is required for any provider who does not achieve 100% compliance on a PATH audit.

(Refunds are processed when overpayments are identified.)

Action Taken by Compliance:

- The Clinical Division Director of Regulatory Compliance reports to the Chief Compliance and Enterprise Risk Management Officer.

High-Risk #2: Procedures – for inpatient and outpatient (Clinical Division)

Definition: Review of sample medical records of Medicare and Medicaid patients to confirm that the physician's documentation supports the procedures performed and billing requirements.

Action Taken by Management:

- The following clinical departments were audited for inpatient and outpatient procedures:
 - Family Medicine:
 - CPT Bundling/Unbundling: 3% occurrence rate
 - Incorrect Units: .94% occurrence rate
 - Missed Procedure (Missed Revenue): .94% occurrence rate
 - Documented is Different Than Procedure Billed: .47% occurrence rate
 - Non-Billable (No Documentation): 4.72%
 - Psychiatry:
 - Incorrect Units: 1.98% occurrence rate
 - Documented is Different Than Procedure Billed: 1.19% occurrence rate
 - Non-billable (No Documentation): 1.58% occurrence rate
 - Pediatrics:
 - CPT Bundling/Unbundling: .47% occurrence rate
 - Missed Procedure (Missed Revenue): .47% occurrence rate
 - Documented is Different Than Procedure Billed: .37% occurrence rate
 - Non-Billable (No Documentation): 1.10% occurrence rate
 - Physical Therapy:
 - Incorrect Units: 4.47% occurrence rate
 - Non-billable:
 - No Documentation: 2.98%
 - No Reference to Time for Time Based Code: 10.45% occurrence rate
 - Internal Medicine:
 - Billed Date of Service Differs from Documented DOS: .55% occurrence rate
 - Documented is Different Than Procedure Billed: .55% occurrence rate
 - Orthopedics:
 - Administrative Error – Billing Provider Differs from Documenting Provider: .49% occurrence rate
 - Incorrect Units: .24% occurrence rate
 - Missed Procedure (Missed Revenue): .99% occurrence rate
 - Documented is Different Than Procedure Billed: .50% occurrence rate
 - Non-Billable (No Documentation): .25% occurrence rate
 - Osteopathic Manipulative Medicine:
 - Missed Procedure (Missed Revenue): 1.60% occurrence rate
 - Documented is Different Than Procedure Billed: 1.60% occurrence rate
 - Non-Billable (No Documentation): .80% occurrence rate

- Annual training is required for all providers. Targeted education is required for any provider who does not achieve 90% compliance on a procedures audit.

(Refunds are processed when overpayments are identified.)

Action Taken by Compliance:

- The Clinical Division Director of Regulatory Compliance reports to the Chief Compliance and Enterprise Risk Management Officer.

High-Risk #3: Evaluation and Management Codes (E&M): inpatient and outpatient (Clinical Division)

Definition: Review of sample medical records of Medicare and Medicaid patients to confirm that the physician's documentation supports the E&M code(s) billed.

Action Taken by Management:

- The following clinical departments were audited for E&M Codes:
 - Family Medicine:
 - Incorrect Category: .47% occurrence rate
 - Missed E&M (Missed Revenue): .94% occurrence rate
 - Over-Coded by Two or More levels: .94% occurrence rate
 - Under coded by two or more levels: 2.35% occurrence rate
 - This represents a missed revenue opportunity
 - Psychiatry:
 - Billed Date of Service Differs From documented date of service: .79% occurrence rate
 - Incorrect Category: 4.35% occurrence rate
 - Non-Billable:
 - No documentation: .79% occurrence rate
 - No reference to time for time based codes: 1.58% occurrence code
 - Over coded by two or more levels: 2.76% occurrence rate
 - Under coded by two or more levels: 1.58%
 - This represents a missed revenue opportunity
 - Pediatrics:
 - Bundling/unbundling: .47% occurrence rate
 - Over coded by two or more levels: 1.10% occurrence rate
 - Under coded by two or more levels: 1.10% occurrence rate
 - This indicates a missed revenue opportunity
 - Internal Medicine:
 - Incorrect Category: 1.92% occurrence rate
 - Non-Billable: No Reference to Time for Time based codes: .55% occurrence rate
 - Over coded by Two or More levels: 1.64% occurrence rate
 - Under coded by two or more levels: 12.91% occurrence rate
 - This represents a missed revenue opportunity

- Orthopedics:
 - Administrative Error: Billing Provider Differs from Documenting Provider: .24% occurrence rate
 - Bundling/Unbundling: .24% occurrence rate
 - Incorrect Category: .50% occurrence rate
 - Over coded by Two or More levels: .99% occurrence rate
- Osteopathic Manipulative Medicine:
 - Over coded by two or more levels: .80% occurrence rate
 - Missed EM: .80% occurrence rate
- Annual training is required for all providers. Targeted education is required for any provider who over codes an E&M code by 2 or more levels, and for any provider who does not achieve 90% on an E&M Codes audit.

(Refunds are processed when overpayments are identified.)

Action Taken by Compliance:

- The Clinical Division Director of Regulatory Compliance reports to the Chief Compliance and Enterprise Risk Management Officer.

High-Risk #4: Billing versus Performing Provider (Clinical Division)

Definition: Review of sample billed claims and medical records of Medicare and Medicaid patients to confirm that the physician who billed for the service is the same physician who actually performed the billed service.

Action Taken by Management:

- This is a semi-annual scheduled review which was completed in quarter two.

Action Taken by Compliance:

- The Clinical Division Director of Regulatory Compliance reports to the Chief Compliance and Enterprise Risk Management Officer.

High-Risk #5: Notice of Privacy Practices (Clinical Division)

Definition: The Notice of Privacy Practices ("NPP") is a document outlining UNTHSC's use of protected health information and the patient's rights pertaining to his/her protected health information. A review of sample UNTHHealth medical records of Medicare and Medicaid patients is completed to assess if an NPP document was signed by the patient, witnessed and placed within the medical record.

Action Taken by Management:

- Patients' medical records from UNTHHealth Family Medicine, Pediatrics, Psychiatry, Physical Therapy, and Orthopedic clinical departments were audited. The common findings across both departments were as follows:
 - No signature from the patient
 - No witness signature by clinical staff
 - Not found in the medical record

- Clinical supervisors are required to provide training to staff on the NPP process of obtaining patient signature, signing as a witness to patient signature and placement of NPP within the medical record.

Action Taken by Compliance:

- The Clinical Division Director of Regulatory Compliance is in receipt of training sign-in logs from clinic supervisors indicating that training was performed on proper procedures for completing and filing the Notice of Privacy Practices. The Clinical Division Director of Regulatory Compliance reports to the Chief Compliance and Enterprise Risk Management Officer.

High Risk #6: Risk Management Program for Texas State Agencies – Life Safety, Workers Compensation (Safety Division)

Action Taken By Management:

- Performed infrared thermography scanning of the campus to identify potential electrical system failures.
- Coordinated with Office of Research to streamline occupational health invoices for research employees.

Action Taken by Compliance:

- The Institutional Compliance Office works closely with the Safety Officer to provide support for compliance activities as needed. The Chief Compliance and Enterprise Risk Management Officer participated in the Safety Division's departmental review and assessment.

Section III. Compliance Training

- Code of Ethics/Standard of Conduct training was given to 100% of new employees by the Institutional Compliance Office.
- HIPAA training was given to 59% of new employees by the Clinical Division Director of Regulatory Compliance.
- Minors on Campus training was instituted by the Office of Institutional Compliance.

Section IV. Compliance Reports

UNTHSC maintains a Compliance Hotline system with a third party vendor that allows a person to report a compliance matter or file a complaint anonymously and confidentially. The Compliance Hotline is managed by the Institutional Compliance Office. In addition, the Institutional Compliance Office receives complaints or becomes aware of compliance matters through email, by telephone or in person.

Second Quarter Outstanding Reports

- **One** Research matter (1-In Person)
 - *Expired animals in lab/fabricated data – Resolved, with merit–Student Employee expelled and employment terminated*

- **Two** Human Resources complaints (2-Hotline)
 - *Both alleged discrimination, retaliation, nepotism – **Resolved, no merit***
- **One** Clinical matter/ complaint (2-In Person)
 - *One UNTHHealth lease agreement matter – **Resolved, with merit–lease executed***
 - *One UNTHHealth medical director agreement matter – **In Process (Agreement drafted and processing)***

Third Quarter Reports - UNTHSC received the following twelve (12) reports during this quarter:

- **Six** Human Resources complaints – **All Resolved** (4 –Hotline, 2 – In Person)
 - *Sexual harassment allegation – **Resolved, no merit (Hotline)***
 - *Employee relations – **Resolved, with merit–employee counseling (Hotline)***
 - *No Comp time given for holidays – **Resolved, with merit–remedied (In Person)***
 - *Employee relations – **Resolved, with merit–employee counseling (Hotline)***
 - *Gift policy and merit program violation allegation – **Resolved, with merit–program eliminated (In Person)***
 - *Discrimination allegation – **Resolved (Hotline)***
- **Four** Clinical matters – **Three resolved and one in process.** (1–Hotline, 3 –In Person)
 - *Incorrect payment posting allegation – **Resolved, no merit (In Person)***
 - *Billing error for co-payment – **Resolved, with merit–error corrected (Hotline)***
 - *Billing issue – Referred to the Office of General Counsel – **In Process (In Person)***
 - *Payment owed from vendor – **Resolved***
- **Two** complaints were investigated by the Institutional Compliance Office. **Two resolved** (1 –In Person, 1–Hotline)
 - *Incorrect offer letter sent to student applicant– **Resolved, with merit–party notified (In Person)***
 - *Violation of policy related to use of password and computer – **Resolved, with merit–employee counseled (Hotline)***
- Internal Audit results with action plans – monitoring responses

Section I. Organizational Actions

This section reflects organizational actions for this reporting period:

Effective with the FY 2015 Risk Assessment and Work Plan process, System and Institutional Compliance will focus its risk identification, monitoring, and reporting efforts exclusively on Compliance Risks. This action revises the previous practice of the Compliance function also identifying, monitoring, and reporting on Management Risks, which were exclusively managed by executive level cabinet members. The documenting and reporting of actions taken to address Management Risks will no longer be reflected in the UNT Dallas section of this report after this quarter.

Management Risk #1: Inadequate budget resources to balance enrollment growth, ensure student success, and achieve the goals of the University's Strategic Plan

Action Taken by Executive Management:

- Continues to identify additional opportunities to reallocate resources by streamlining support services and reducing their related cost.
- Continues to proactively monitor revenue and expense budgetary goals to allow for timely adjustments as needed.
- Developed sixty-one (61) online courses that have been offered for spring 2014 through fall 2014. Hired a new Director for Distance Learning and Instructional Technology. Submitted Substantive Change to SACS for online degree delivery. Received approval from THECB for online Criminal Justice and Sociology degrees.
- Developing agreements with several area high schools for offering dual credit degrees, most notably with Grand Prairie ISD to send approximately 40 students by bus to UNT Dallas.
- Working with Lancaster ISD, UNTD has developed masters-level curriculum to develop their faculty teaching in STEM areas. UNTD has developed a transition to teaching program offering a masters with initial certification in cooperation with Dallas Teacher Residency program and Dallas ISD. A few classes began in summer 2014. UNT Board of Regents has approved the degrees.
- Working with UNTHSC on newly developed curriculum in Public Health. At concluding stages of hiring a Director for the program. Following the HSC's suggestions, the faculty will develop a BS in Biology to serve students preparing for professional school so that UNTD may set up 3+3 degrees with UNTHSC.
- Tutoring is being increased and trained by using a nationally-recognized program (College Reading and Learning Association - CRLA). Writing Center tutoring is working in cooperation with English faculty. Plan is also developed for Mathematics tutoring.
- Advising continues transformation to greater customer service and data-gathering.
- People Soft transition is underway. Adopting the advising module, new to UNT system.

Management Risk #2: Finalizing and sustaining the transition of UNT Dallas as an independent institution

Action Taken by Executive Management:

- A Post-Accreditation Transition Task Force consisting of relevant administrators and functional team members from UNT, UNT Dallas, and facilitated by UNT System Academic Affairs defined working groups that are identifying and addressing the remaining issues to be addressed in the separation of UNT Dallas from UNT. The Task Force is meeting monthly to monitor progress.
- UNT Dallas has secured its own federal financial aid number.
- People Soft conversion is resulting in further changes and communications.

Management Risk #3: Lack of experienced leadership and high staff turnover in key functional areas

Action Taken by Executive Management:

- The UNT Dallas Controller is currently serving as the Interim Vice President for Finance and Administration and Chief Financial Officer. The university is working to fill this executive vacancy.
- UNT Dallas continues to participate, support, and assist in the successful implementation of the Unified Controllershship at UNT System.
- The newly hired Director of Advising and Tutoring is making significant changes to make the program more student centered and include career advising.
- The Vice President for Enrollment Management search is still on-going.

Management Risk #4: How the transition of the Controller function from UNT effects the support UNT Dallas requires from UNT and appropriately addressing external audit recommendations

Action Taken by Executive Management:

- Excellent cooperative effort continues to exist between UNT Dallas and UNT's financial teams in working towards perfecting external audit recommendations.

Management Risk #5: Having policies, procedures, and/or practices in place that may not protect minors participating in UNT Dallas related activities

Action Taken by Executive Management:

- UNT Dallas developed campus versions of UNT System Administration Policies 02.1400, Reporting Suspected Wrongdoing and 02.1500, Reporting of Child Abuse and Neglect, which comply with Regents Rule 04.1100.
- UNT System/Institutional Compliance are working with management to ensure that formal processes are in place to document and track camps, programs, and activities involving minors on and off the UNT Dallas campus; state required training is completed by applicable personnel; appropriate criminal history background checks are completed on personnel involved in activities that involve minors; and, proof of insurability is demonstrated as applicable.

Section II. Compliance Risks

High-Risk #1: Emergency Planning & Preparedness and Business Continuity (UNT Dallas Police Chief and UNT Risk Management Services, as applicable)

Action Taken by Management:

- UNT Dallas conducted a severe weather drill that included faculty, staff, students, and visitors, during the 3rd Quarter of 2014.
- UNT Dallas Police Chief conducted a 3rd Quarter Tabletop Training Exercise (Tornado strike with building destruction and mass casualties).
- UNT Dallas Police Chief continues to work with UNT System Emergency Management/Risk Management Services in the development of the Campus' Continuity Plan.

Action Taken by System and/or Institutional Compliance:

- System and Institutional Compliance continue to partner with the UNT Dallas Police Chief and UNT Risk Management Services as applicable to identify opportunities to enhance emergency planning & preparedness and business continuity processes and procedures at UNT Dallas.

High-Risk #2: Electronic Information Handling (Information Technology Shared Services - ITSS)

Action Taken by Management:

- The ITSS information security office submits security reports each month to the Texas Department of Information Resources (DIR) in fulfillment of Texas Administrative Code (TAC) 202.76. Reports include instances of security violations involving UNT System component resources. Three required monthly reports were submitted to DIR this quarter.
- Texas Administrative Code 202.77e requires institutions of higher education to use new employee orientation to introduce information security awareness and inform new employees of information security policies and procedures. Security awareness training was provided to seven (7) new employees as part of online onboarding process.
- IT support is provided to UNT Dallas through Campus Technology Support Services.

Action Taken by System and/or Institutional Compliance:

- System and Institutional Compliance continues to partner with Campus Technology Support Services and ITSS to identify opportunities to enhance the processes and procedures associated with information security and Electronic Information Handling.

High-Risk #3: Grants Management (Principal Investigator and Co-PI on Mountain View Grant)

Action Taken by Management:

- Continuing to fill the position of Grants Director.
- Provost named as PI on Mountain View grant with Dr. Choe as Co-PI to assure compliance.

- The grant funds that support the institution's tutoring programs will expire in 2015. UNTD must acquire Hispanic Serving Institution (HSI) and/or TRIO student support services in order to continue services. The staff continues to narrow their focus to four possible grant topics. This process will become much easier once a Grants Director is hired.

Action Taken by System and/or Institutional Compliance:

- System/Institutional Compliance plans to meet with the new UNT AVP for Research Sponsored Programs to discuss the unit's reorganization and impact on services to UNT Dallas.

Section III. Compliance Training

- UNT System and Institutional Compliance reviewed the new UNTHSC's general compliance/ethics awareness training which is assisting in finalizing compliance awareness training being designed for UNT System, UNT, and UNT Dallas employees.
- System/Institutional Compliance and UNT's Risk Management Services are also planning to meet with a third party vendor that the HSC is coordinating with to discuss and demonstrate the vendor's inventory of compliance related training, tracking of training, and other services (which may include compliance awareness and/or standards of conduct training). UNT System HR is participating in this process.

Section IV. Confidential and Other Complaint Reporting for UNT Dallas

- UNT Dallas maintains a Compliance Hotline reporting system that allows anonymous or confidential reporting as required by the U.S. Federal Sentencing Guidelines.
- An analysis of the **two (2) reports (via hotline)** received by UNT Dallas during this quarter reveals the following breakdown of the complaints:
 - **One complaint was received pertaining to an allegation of inappropriate organization spending practices.** This report is being handled by Internal Audit.
 - **One complaint was received pertaining to an allegation of inappropriate employment practices.** This report is being handled by the AVC for HR.