

Appendix - August 12-13, 2021 Regular Board of Regents Meeting

UNTS Acronym List

UNTS Acronym List FINAL 6.24.20.docx

AUDIT AND FINANCE COMMITTEE

UNTS Quarterly Financial Update Backup Materials

UNTS Quarterly Financial Update - Backup Materials

UNTS FY22 Consolidated Operating Budget Backup Materials

UNTS FY22 Consolidated Operating Budget Presentation -
Backup

UNTS Consolidated Compliance Background Report

UNTS Consolidated Compliance Q3 Background Report

UNT System Acronym List

ACT	American College Testing: a standardized test used for college admissions
ASF	Assignable Square Feet
AUX	Auxiliary Reserves
BOR	Board of Regents
BSC	Business Service Center
BSS	Business Support Services
CAE	Chief Audit Executive
CAFR	Comprehensive Annual Financial Report
CIA	Chief Internal Auditor
CIP	Capital Improvement Plan
CIP	Construction in Progress
CM	Construction Manager
CMAR	Construction Manager at Risk
CO	Change Order
COL	College of Law
CP	Commercial Paper
DEI	Diversity, Equity and Inclusion
FTE	Full Time Equivalent: generally used in reference to Full Time Student Equivalent (FTSE) but can also be used in reference to Full Time Faculty Equivalent (FTFE). See FTSE or FTFE below for definitions.
FTIC	First Time in College: a student who has never enrolled in a college or university. Students who have earned college credits only through dual credit courses are still considered FTIC.

FTSE	Full Time Student Equivalent: is computed by dividing headcount enrollment by a set number of semester credit hours based on the rank of the student (Undergraduate FTSE = 15 SCH; Masters and Special Professional FTSE = 12 SCH; Doctoral FTSE = 9 SCH). FTSE is generally lower than headcount enrollment because of part time students.
FTFE	Full Time Faculty Equivalent: a measure of instructional faculty calculated from the percent of time directly related to teaching.
FY	Fiscal Year
GAI	General Academic Institution
GMAT	Graduate Management Admission Test: a standardized test for admission into graduate programs of business schools.
GME	Graduate Medical Education: clinical training following graduation from medical school leading to specialty certification. Texas, like most states, requires one year of graduate medical education to be eligible for state licensure. Also called residency training.
GSF	Gross Square Feet
HEAF	Higher Education Assistance Fund (also known as HEF)
HERRF	Higher Education Emergency Relief Fund
HR	Housing Reserve
HR	Human Resources
HRI	Health-Related Institution
HSC	Health Science Center
HUB	Historically Underutilized Business
IA	Internal Audit
LAR	Legislative Appropriations Request
MCAT	Medical College Admission Test: a standardized test for admission into medical school
MP	Master Plan

OBS	Office of the Board Secretary
OGC	Office of General Counsel
OGCA	Office of Grants & Contract Administration
OFPC	Office of Facilities Planning and Construction
P3	Public-Private Partnership (also known as PPP)
PM	Project Manager
PP	Private Placement
PUF	Permanent University Fund: a sovereign wealth fund created by the State of Texas to support higher education at the University of Texas System and Texas A&M System, but not other public higher education systems or institutions in Texas
PSAT	Preliminary Scholastic Aptitude Test: used to prepare high school students who plan to take the SAT for admission to college. (See SAT below)
QEP	Quality Enhancement Plan: required for reaffirmation of accreditation by SACSCOC. The QEP describes a carefully designed and focused course of action that addresses a well-defined topic or issue(s) related to enhancing student learning.
RB	Revenue Bonds
RFP	Request for Proposal
RFQ	Request for Qualifications
RFS	Revenue Financing System Bonds
RPTC	Reappointment, Promotion, and Tenure Committee
RR	Regents Rules
SACS	Southern Association of Colleges and Schools: a shortened abbreviation for “SACSCOC.” (See below).
SACSCOC	Southern Association of Colleges and Schools Commission on Colleges: the recognized regional accrediting body for institutions of higher education that award associate, baccalaureate, masters or doctoral degrees in eleven U.S. Southern states.

SAT	Scholastic Aptitude Test: A standardized test for college admissions.
SCH	Semester Credit Hour: the unit of measuring educational credit, usually based on the number of classroom/instructional hours per week throughout a term.
SF	Student Fees
SF	Square Feet
SFP	Statement of Financial Position
SRECNP	Statement of Revenues, Expenses and Changes in Net Position
STEM	Science, Technology, Engineering and Math
THC	Texas Historical Commission
THECB	Texas Higher Education Coordinating Board: a nine member board appointed by the Governor that provides coordination of higher education in Texas and was created by the Texas Legislature in 1965.
TRB	Tuition Revenue Bond
T/TT	Tenured/Tenure Track Faculty: faculty who hold the ranks of assistant professor, associate professor, and professor prior to or after the awarding of tenure.
VC	Vice Chancellor



Backup Materials



FY 2021 Performance: UNT



All \$ presented as thousands

Q3 Revenue

3.4% increase

- Total revenue increased by \$21.7m/3.4%.
 - Tuition and Fees increased by \$5.7m/1.9%; spring enrollment up 2.3% in SCH;
 - Sale of Goods and Services decreased by \$14.7m/16.7%; housing & dining, parking, and on-campus retail lower due to reduced campus presence for COVID-19;
 - Grants and Contracts increased by \$33.6m/44.6% due to Governor's Emergency Education Relief fund (GEER) and CARES Act funding.

Q3 Expenses

2.1% decrease

- Total expenses decreased by \$10.2m/2.1%.
 - Personnel Costs slightly decreased;
 - Maintenance & Operation Costs decreased by \$17.0m/20.9% due to COVID-19 related cost curtailment;
 - Scholarships and Financial Aid increased by \$8.1m/11.9% due to awards via GEER and CARES funding.

	FY21 Q3 Budget	FY21 Q3 Actuals	FY20 Q3 Actuals	21 Actuals vs. 20 Actuals	
				Variance (\$000's)	Variance (%)
REVENUES					
Net Tuition and Fees	294,832	310,645	304,949	5,695	1.9%
Sales of Goods and Services	88,115	65,554	80,302	(14,748)	-16.7%
Grants and Contracts	75,269	110,986	77,394	33,592	44.6%
State Appropriations	129,476	135,989	137,961	(1,972)	-1.5%
All Other Revenue	51,064	54,805	55,648	(844)	-1.7%
Total Revenues	638,755	677,978	656,255	21,723	3.4%
EXPENSES					
Personnel Costs	322,402	327,999	328,140	(141)	0.0%
Maintenance & Operation Costs	81,731	68,132	85,185	(17,053)	-20.9%
Scholarships, Exemptions and Financial Aid	67,780	73,554	65,496	8,059	11.9%
All Other Expenses	10,386	11,216	12,265	(1,049)	-10.1%
Total Expenses	482,300	480,902	491,086	(10,184)	-2.1%
TRANSFERS					
Total Net Transfers	(89,023)	(105,697)	(91,427)	(14,270)	16.0%
Estimated Budgeted Impact on Fund Balances	67,432	91,379	73,741	17,637	26.2%

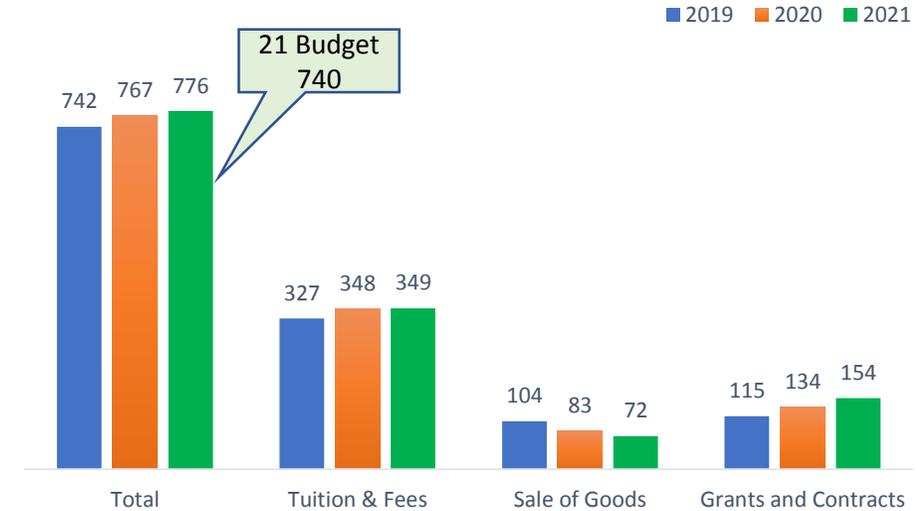


FY 2021 prior years vs. actuals: UNT (\$m)

*Note: These are the main drivers, and do not total

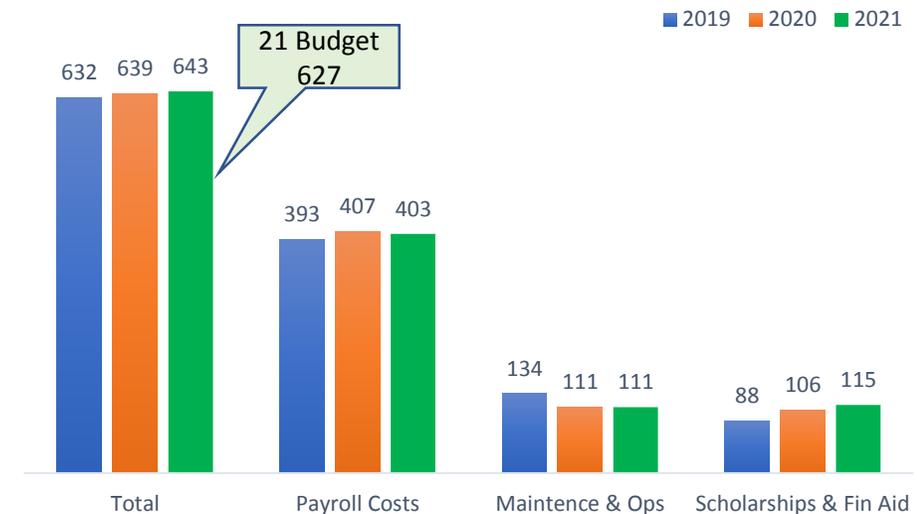
• Projected Revenue:

- Revenue above prior year by \$9m;
- Tuition and Fees above FY20 by \$1m;
- Sale of Goods \$11m less than prior year due to continued COVID-19 impact on campus presence;
- Contracts & grants \$20m more than prior year due to state and federal funding.



• Projected Expenses:

- Expenses above prior year by \$4m;
- Payroll costs projected \$4m less than prior year due to COVID-19 cost curtailment;
- Maintenance & Operations flat to FY20;
- Scholarships & Aid above FY20 by \$9m due to awards via GREER and CARES act funding.





FY 2021 Performance: UNTHSC



5.5%
increase

Q3 Revenue

- Total revenue increased by \$12.0m/5.5%.
 - Tuition and Fees increased by \$2.0m/7.4%;
 - Sales of Goods and Services increased by \$5.6m/17.3% due to 1115 Waiver revenue;
 - Grants and Contracts increased by \$1.9m/6.4% due to new grant activity.

4.4%
increase

Q3 Expenses

- Total expenses increased by \$7.2m/4.4%.
 - Personnel Costs increased by \$3.2m/3.0%;
 - Maintenance & Operations slightly increased due to drug purchases for the Image Center;
 - All Other Expenses ahead of plan by \$3.5m/71.7% due to higher grant activity.

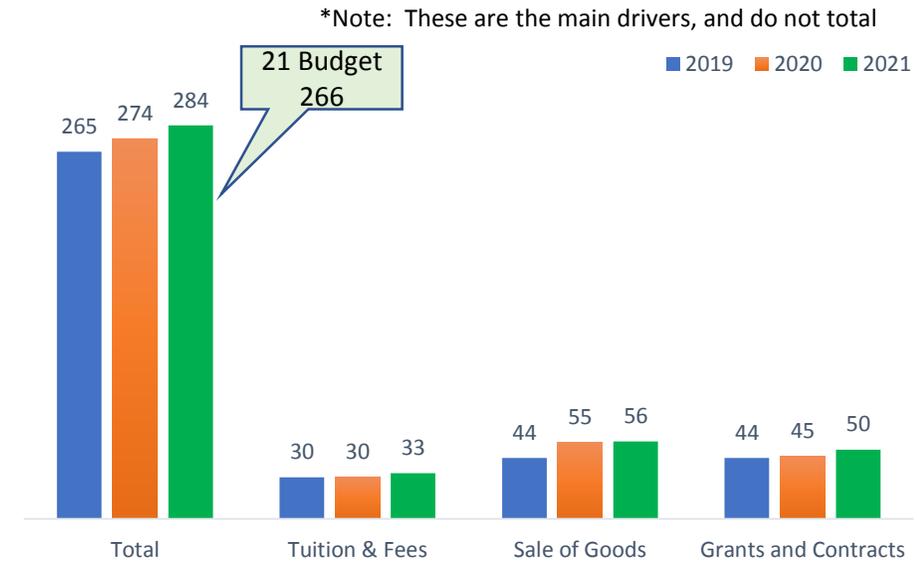
All \$ presented as thousands

	FY21 Q3 Budget	FY21 Q3 Actuals	FY20 Q3 Actuals	21 Actuals vs. 20 Actuals	
				Variance (\$000's)	Variance (%)
REVENUES					
Net Tuition and Fees	27,663	25,885	23,830	2,055	7.4%
Sales of Goods and Services	32,100	38,816	33,256	5,560	17.3%
Grants and Contracts	29,525	35,549	33,649	1,900	6.4%
State Appropriations	102,422	103,623	103,888	(265)	-0.3%
All Other Revenue	28,398	35,439	32,691	2,749	9.7%
Total Revenues	220,107	239,312	227,314	11,998	5.5%
EXPENSES					
Personnel Costs	109,463	108,277	105,043	3,235	3.0%
Maintenance & Operation Costs	48,181	50,806	50,287	519	1.1%
Scholarships, Exemptions and Financial Aid	413	0	52	(52)	-12.7%
All Other Expenses	4,875	8,154	4,659	3,495	71.7%
Total Expenses	162,930	167,237	160,041	7,196	4.4%
TRANSFERS					
Total Net Transfers	(21,761)	(36,098)	4,199	(40,297)	185.2%
Estimated Budgeted Impact on Fund Balances	35,416	35,976	71,471	(35,495)	-100.2%

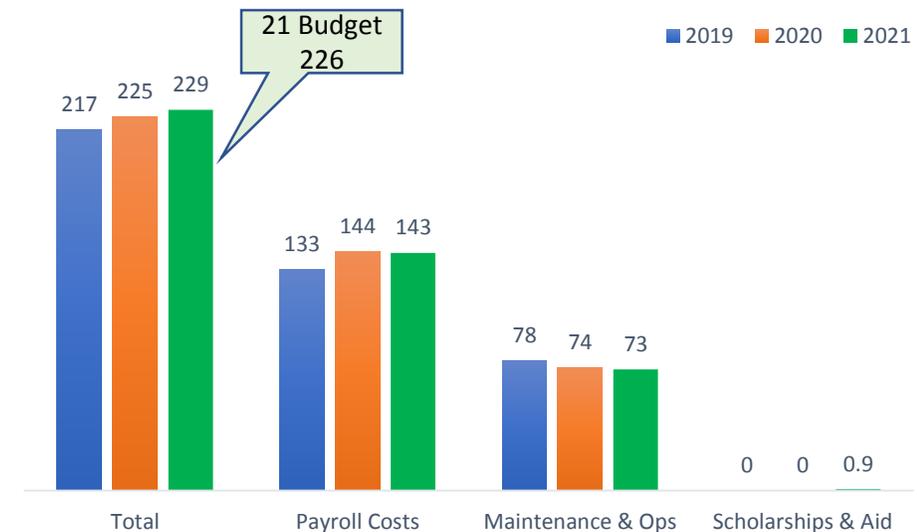


FY 2021 prior years vs. actuals: UNTHSC (\$m)

- Projected Revenue:
 - Total Revenue projecting \$10m above prior year;
 - Tuition & Fees are slightly above prior year;
 - Sale of Goods and Services projecting slightly above prior year;
 - Grants and Contracts projecting \$5m above prior year due to new grant activity.



- Projected Expenses:
 - Total Expenses projecting \$4m above prior year;
 - Payroll Costs are slightly below prior year;
 - Maintenance & Operations projecting to be slightly below prior year due to further cost control measures.





FY 2021 Performance: UNTD

All \$ presented as thousands

Q3 Revenue

10.8%
increase

- Total revenue increased by \$7.3m/10.8%.
 - Tuition and Fees increased by \$2.1m/8.6% despite negative impacts due to COVID-19;
 - Grants and Contracts increased \$4.0m/33.8% due to CARES II funding;
 - All other revenue increased by \$1.2m/27.8%.

Q3 Expenses

3.2%
increase

- Total expenses increased by \$1.6m/3.2%.
 - Personnel Costs increased by \$1.9m/6.6% in order to support enrollment growth;
 - Maintenance & Operations decreased due to continued cost curtailment from COVID-19;
 - Scholarships and Financial Aid increased by \$0.9m/8.2% due to increased CARES funding.

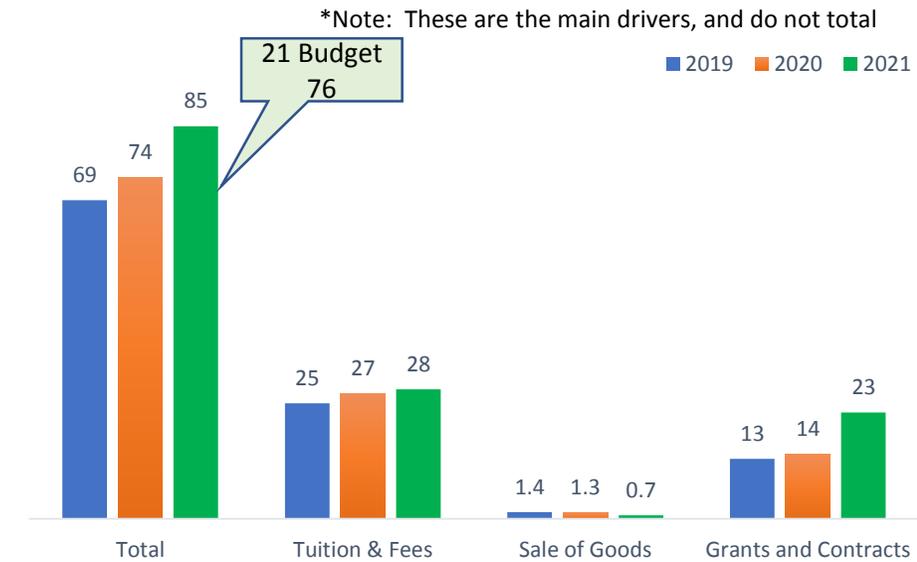
	FY21 Q3 Budget	FY21 Q3 Actuals	FY20 Q3 Actuals	21 Actuals vs. 20 Actuals	
				Variance (\$000's)	Variance (%)
REVENUES					
Net Tuition and Fees	24,654	26,398	24,285	2,114	8.6%
Sales of Goods and Services	783	747	1,210	(464)	-59.2%
Grants and Contracts	11,919	14,204	10,173	4,032	33.8%
State Appropriations	25,858	28,204	27,764	439	1.7%
All Other Revenue	4,248	4,174	2,994	1,180	27.8%
Total Revenues	67,462	73,727	66,427	7,301	10.8%
EXPENSES					
Personnel Costs	28,761	30,404	28,503	1,901	6.6%
Maintenance & Operation Costs	8,545	6,326	7,107	(781)	-9.1%
Scholarships, Exemptions and Financial Aid	11,382	10,949	10,020	928	8.2%
All Other Expenses	1,382	82	544	(463)	-33.5%
Total Expenses	50,071	47,761	46,176	1,585	3.2%
TRANSFERS					
Total Net Transfers	(12,131)	(14,001)	(12,022)	(1,980)	16.3%
Estimated Budgeted Impact on Fund Balances	5,260	11,965	8,229	3,736	71.0%



FY 2021 prior years vs. actuals: UNTD (\$m)

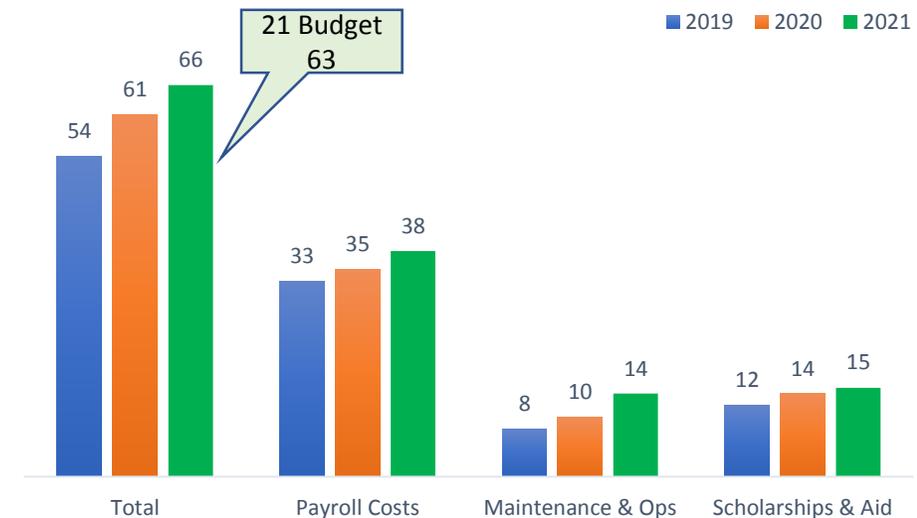
• Projected Revenue:

- Total Revenue above prior year by \$11m;
- Tuition & Fees revenue projecting above prior year despite COVID-19 impact;
- Sales of Goods & Services negatively impacted by COVID-19 in student housing;
- Grants & Contracts above prior year due to CARES Act relief funds for student aid.



• Projected Expenses:

- Total Expenses over FY20 actuals by \$5m;
- Payroll Costs higher than prior year by \$3m anticipating needs for a rapidly growing institution;
- Maintenance & Operations projecting higher than prior year by \$4m due to growth of institution and recovery from COVID-19;
- Scholarships & Aid increased slightly from prior year.





FY 2021 Performance: UNT System Administration

UNT | SYSTEM™

All \$ presented as thousands

Q3 Revenue

3.9%
increase

- Total revenue increased by \$0.4m/3.9%.
 - Sales of Goods and Services increased by \$0.5m/25.2% due to Dallas ISD revenue.

Q3 Expenses

7.4%
decrease

- Total expenses decreased by \$3.3m/7.4%.
 - Personnel Costs decreased by \$1.5m/4.4% due to open vacancies;
 - Maintenance Costs decreased by \$2.6m/27.6% due to COVID-19 cost containment actions.

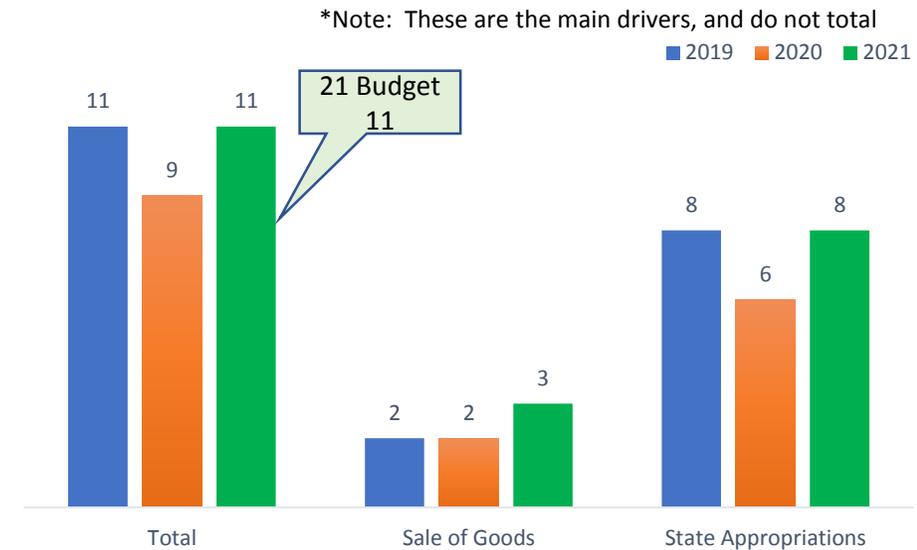
	FY21 Q3 Budget	FY21 Q3 Actuals	FY20 Q3 Actuals	21 Actuals vs. 20 Actuals	
				Variance (\$000's)	Variance (%)
REVENUES					
Net Tuition and Fees	0	0	0	0	
Sales of Goods and Services	2,143	2,134	1,593	541	25.2%
Grants and Contracts	0	0	0	0	
State Appropriations	7,563	7,582	7,682	(100)	-1.3%
All Other Revenue	305	317	368	(51)	-16.7%
Total Revenues	10,011	10,034	9,643	390	3.9%
EXPENSES					
Personnel Costs	32,853	32,072	33,525	(1,453)	-4.4%
Maintenance & Operation Costs	9,406	8,957	11,549	(2,592)	-27.6%
Scholarships, Exemptions and Financial Aid	0	0	0	0	
All Other Expenses	1,854	2,379	1,612	767	41.4%
Total Expenses	44,112	43,407	46,686	(3,278)	-7.4%
TRANSFERS					
Total Net Transfers	34,499	38,507	36,367	2,140	6.2%
Estimated Budgeted Impact on Fund Balances	397	5,134	(675)	5,809	1461.8%



FY 2021 prior years vs. actuals: UNT System Administration

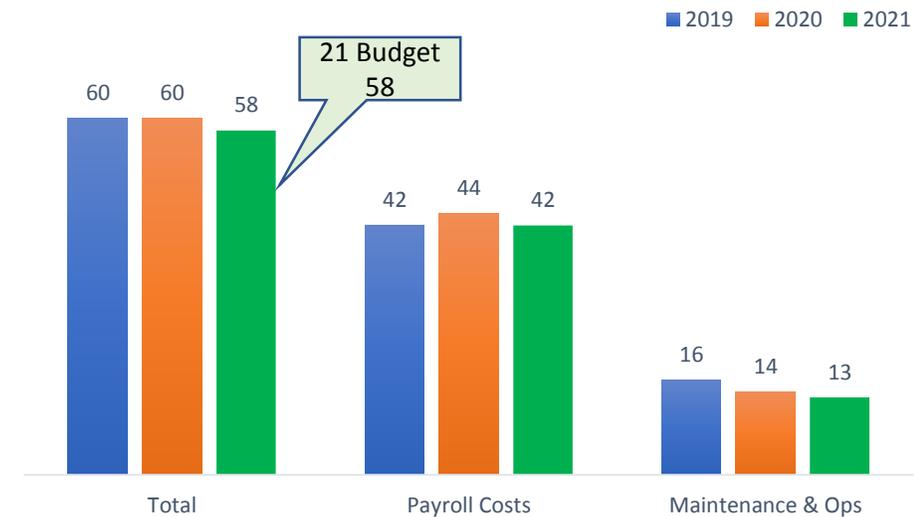
- Projected Revenue:

- Total Revenue above prior year by \$2m;
- Sale of Goods & Services projecting above prior year due to additional revenue from Dallas ISD;
- State Appropriations higher than FY20 actuals by \$2m due to adjustment from the state on benefit reimbursements in FY20.



- Projected Expenses:

- Total expenses under prior year by \$2m;
- Payroll Costs slightly under prior year;
- Maintenance & Operations significantly under prior year due to further cost control measures.





Backup Materials



Revenues

FY21 Est				
FY21 Budget	Actuals	FY22 Budget	Δ in \$	Δ as %
\$ 1,093.6	\$ 1,161.4	\$ 1,210.6	\$ 117.0	10.7%

Δ in \$ (Variance in dollars) and Δ as % (Variance as a percent) are calculated using FY21 Budget vs. FY22 Proposed Budget

Note: Dollars in millions

Current Funds Revenues by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$274,045,649	\$320,050,803	\$ 91,023,231	\$ 153,409,493	\$ 838,529,176
UNT Health Science Center	\$ 138,759,238	\$ 82,592,693	\$ 653,170	\$ 45,759,136	\$ 267,764,237
UNT Dallas	\$ 45,159,342	\$ 23,493,538	\$ 1,466,530	\$ 22,946,380	\$ 93,065,789
UNT System Administrator	\$ 8,117,692	\$ 986,583	\$ 2,126,800	\$ -	\$ 11,231,075
					\$ 1,210,590,278



Expenses & Net Transfers

FY21 Est				
FY21 Budget	Actuals	FY22 Budget	Δ in \$	Δ as %
\$ 1,073.5	\$ 1,135.0	\$ 1,204.5	\$ 131.0	12.2%

Δ in \$ (Variance in dollars) and Δ as % (Variance as a percent) are calculated using FY21 Budget vs. FY22 Proposed Budget

Note: Dollars in millions

Current Funds Expenses by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$236,465,406	\$ 261,446,139	\$ 65,555,353	\$155,400,493	\$ 718,867,390
UNT Health Science Center	\$ 113,588,445	\$ 86,781,112	\$ 480,000	\$ 35,500,042	\$ 236,349,600
UNT Dallas	\$ 35,829,595	\$ 20,702,819	\$ 1,059,156	\$ 22,946,380	\$ 80,537,949
UNT System Administrati	\$ 10,987,397	\$ 48,552,966	\$ 1,249,315	\$ -	\$ 60,789,678
					\$ 1,096,544,617

Current Funds Transfers by UNTS Component

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Total Current Funds
University of North Texas	\$ (37,580,243)	\$ (55,888,846)	\$ (25,243,527)	\$ 1,991,000	\$ (116,721,615)
UNT Health Science Center	\$ (24,298,607)	\$ 4,551,424	\$ (173,170)	\$ (8,200,000)	\$ (28,120,353)
UNT Dallas	\$ (9,329,748)	\$ (2,544,649)	\$ (407,375)	\$ -	\$ (12,281,772)
UNT System Administrati	\$ 2,869,705	\$ 47,092,005	\$ (877,485)	\$ -	\$ 49,084,225
					\$ (108,039,515)



UNTS Consolidated Income Statement

Condensed Comparative Statement of Revenues, Expenses and Changes in Net Position
 2020 Actuals Through 2026 Plan
 (in millions of dollars)

	Actuals 2020	Projected 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025	Plan 2026
Operating Revenues	\$ 668.2	\$ 666.1	\$ 714.6	\$ 745.8	\$ 777.6	\$ 788.3	\$ 818.9
Operating Expenses	1,071.8	1,080.2	1,169.7	1,138.6	1,168.3	1,194.9	1,224.5
Operating Income (Loss)	\$ (403.5)	\$ (414.1)	\$ (455.2)	\$ (392.9)	\$ (390.8)	\$ (406.5)	\$ (405.6)
Nonoperating Revenues (Expenses)	400.9	416.4	443.5	411.9	419.1	423.2	429.5
Income (Loss) Before Other Rev, Exp & Transfers	\$ (2.7)	\$ 2.3	\$ (11.6)	\$ 19.0	\$ 28.4	\$ 16.7	\$ 23.9
Other Revenues, Expenses and Transfers	72.3	62.5	62.5	60.5	60.5	60.5	60.5
Change in Net Position	\$ 69.6	\$ 64.8	\$ 50.9	\$ 79.5	\$ 88.9	\$ 77.2	\$ 84.4
Net Position, Beginning of Year	\$ 1,023.7	\$ 1,093.4	\$ 1,158.2	\$ 1,209.0	\$ 1,288.5	\$ 1,377.4	\$ 1,454.6
Restatement	-	-	-	-	-	-	-
Restated Net Position, Beginning of Year	1,023.7	1,093.4	1,158.2	1,209.0	1,288.5	1,377.4	1,454.6
Net Position, End of Year	\$ 1,093.4	\$ 1,158.2	\$ 1,209.0	\$ 1,288.5	\$ 1,377.4	\$ 1,454.6	\$ 1,539.0



UNTS Consolidated Balance Sheet

Condensed Comparative Statement of Net Position

2020 Actuals Through 2026 Plan

(in millions of dollars)

	Actuals 2020	Projected 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025	Plan 2026
Assets and Deferred Outflows of Resources							
Current Assets	\$ 587.8	\$ 603.8	\$ 600.5	\$ 638.2	\$ 691.5	\$ 728.6	\$ 762.7
Non-Current Assets:							
Capital Assets, Net	195.0	199.9	204.6	204.8	214.1	220.6	226.3
Other Non-Current Assets	1,620.1	1,653.1	1,706.0	1,741.6	1,874.5	1,938.0	1,983.3
Deferred Outflows of Resources	7.2	9.0	29.4	29.4	29.4	29.4	29.4
Total Assets and Deferred Outflows of Resources	\$ 2,410.1	\$ 2,465.9	\$ 2,540.5	\$ 2,614.0	\$ 2,809.5	\$ 2,916.6	\$ 3,001.6
Liabilities and Deferred Inflows of Resources							
Current Liabilities	\$ 499.2	\$ 510.6	\$ 524.6	\$ 522.7	\$ 544.4	\$ 543.5	\$ 554.4
Non-Current Liabilities:							
Bonded Indebtedness	782.7	762.0	756.9	753.0	837.3	861.4	856.4
Other Non-Current Liabilities	33.7	33.9	35.8	35.5	36.1	36.8	37.5
Deferred Inflows of Resources	1.2	1.2	14.2	14.2	14.2	14.2	14.2
Total Liabilities and Deferred Inflows of Resources	\$ 1,316.8	\$ 1,307.7	\$ 1,331.5	\$ 1,325.4	\$ 1,432.1	\$ 1,456.0	\$ 1,462.6
Net Position							
Net Investment in Capital Assets	\$ 529.0	\$ 546.0	\$ 581.1	\$ 665.4	\$ 664.6	\$ 681.6	\$ 652.9
Restricted:							
Funds Held as Permanent Investments:							
Non-Expendable	58.5	60.5	62.6	62.6	62.6	62.6	62.6
Expendable	51.1	52.3	50.5	49.8	56.1	57.5	58.9
Other Restricted	61.7	67.6	63.8	68.5	68.3	69.9	71.4
Total Restricted	171.3	180.4	176.9	180.9	187.0	190.0	192.9
Unrestricted	393.0	431.8	451.0	442.3	525.8	589.0	693.3
Total Net Position	\$ 1,093.4	\$ 1,158.2	\$ 1,209.0	\$ 1,288.5	\$ 1,377.4	\$ 1,460.6	\$ 1,539.0
Total Liabilities and Net Position	\$ 2,410.1	\$ 2,465.9	\$ 2,540.5	\$ 2,614.0	\$ 2,809.5	\$ 2,916.6	\$ 3,001.6

Background Report



Committee: Audit & Finance

Date Filed: July 21, 2021

Title: UNT System Consolidated Quarterly Compliance Report March 2021-May 2021

Background:

This report presents the quarterly compliance program activities 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, 2021 through May 31, 2021. Regular reporting of compliance program content and operations 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 activities for all UNT System components. This report reflects the actions that management and each compliance function has taken to manage their highest compliance risks.

Financial Analysis/History:

This is a report item only.

Dan Tenney

Digitally signed by Dan Tenney
Date: 2021.07.28
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Vice Chancellor for Finance

Legal Review:

This item has been reviewed by General Counsel.

Alan Stucky

Digitally signed by Alan Stucky
Date: 2021.07.28 09:30:25
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Vice Chancellor/General Counsel

Schedule: N/A

No action required. Information only. Submitted by:

Tim Willette

Chief Compliance Officer

Ninette Caruso

Digitally signed by Ninette Caruso
Date: 2021.07.30
12:52:10 -05'00'

Chief Audit Executive

Lesa B. Roe

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Date: 2021.07.28 16:34:27
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Chancellor

Attachments Filed Electronically:

- UNT System Consolidated Quarterly Compliance Report: March 2021-May 2021



OFFICE OF INSTITUTIONAL COMPLIANCE

QUARTERLY COMPLIANCE REPORT

FY21 Q3

SUBMITTED BY
TIM WILLETTE
CHIEF COMPLIANCE OFFICER



BOARD OF REGENTS MEETING
AUGUST 12TH & 13TH, 2021

Unless Otherwise Noted: Activities reflected are as of May 31st, 2021



Introduction

The Office of Institutional Compliance (OIC) at the University of North Texas (UNT) System Administration functions to assist in regulatory oversight, a compliance program that fosters a culture of ethical, lawful, and responsible conduct of every employee. To that end; the OIC identifies, assesses, and monitors a wide range of existing and emerging compliance risks. Working closely with leadership is critical, requiring the Chief Compliance Officer (CCO) to actively engage each of the organizational leaders serving on the Chancellor's Cabinet, as well as key stakeholders at each of the three institutions. The organizational structure of the UNT System Administration Compliance and Integrity Program is provided in Appendix A.

Executive Summary

Each Chief Compliance Officer (CCO) reports to the Board of Regents (Board), at a minimum, quarterly. These reports update Board members on the effectiveness of the Compliance and Integrity Program at each of the institutions, as well as their own unique compliance concerns.

This report summarizes key compliance activities that have taken place during the third quarter (Q3) of Fiscal Year 2021 (FY21) at UNT System Administration. It is divided into six sections with one appendix.

- Introduction
- Executive Summary
- Compliance and Integrity Program
- FY21 Compliance Risk Work Plan (CRWP) Overview
- FY21 Q3 CRWP Updates
- FY21 Q3 Investigative Activities
- Emerging Risks for FY21

Compliance and Integrity Program

The OIC at UNT System Administration is responsible for maintaining an effective Compliance and Integrity Program that includes, but is not limited to:

1. serving as a resource to address compliance concerns and communicate emerging risks;
2. facilitating the identification, prioritization, and mitigation of compliance risks;
3. assisting in determining risk mitigation strategies and how to measure their effectiveness;
4. continuously monitoring compliance requirements of applicable external authorities and periodically reviewing Regents rules and System regulations;



5. assisting in identifying, assessing, and monitoring training requirements; and
6. pro-actively engaging leadership in post-incident reviews to determine the need to implement corrective actions.

The primary objective of the Compliance and Integrity Program is to foster a culture of collaborative compliance. The CCO is responsible for managing and overseeing the Compliance and Integrity Program at UNT System Administration.

Since mid-March of 2020, the OIC has focused primarily on those compliance risks associated with the impact of the COVID-19 pandemic. During this quarter, most operations continue to function remotely. UNT System Chancellor Roe continues to hold daily briefings with key stakeholders, sharing information about emerging federal, state, and local requirements. All these requirements affect operations. Having an informed and engaged organization has been key in continuing to meet the mission of the University. This includes communicating an on-going awareness of and adherence to UNT System Regulation 02.1000; Compliance and Integrity Program, as well as the seven Federal Sentencing Guideline Objectives (FSGOs) listed below.

- **Active Oversight**

The OIC strives to engage leadership in promoting a culture of compliance throughout the University. Meeting weekly, the Chancellor's Cabinet identifies, communicates, and assesses emerging risks. These meetings may include periodic discussions touching on key elements of the CIP, as well as the annual CRWP. Quarterly, the Chancellor's Cabinet, Chancellor's Council, and the Board of Regents, are provided updates of the annual CRWP, along with emerging compliance concerns.

Since mid-March of 2020, the OIC has focused primarily on those compliance risks associated with the impact of the COVID-19 pandemic at UNT System Administration. During this most recent quarter from March through the end of May, most operations continue to be conducted remotely. UNT System Chancellor Roe leads daily briefings with key stakeholders, keeping members of System Administration informed of evolving federal, state, and local guidance. Having an informed and engaged organization remains key in continuing to effectively serve the mission of UNT World. This includes communicating an on-going awareness of and adherence to UNT System Regulation 02.1000; Compliance and Integrity Program, as well as the seven Federal Sentencing Guideline Objectives (FSGOs) listed below. The OIC is confident that leadership continues to recognize their key role in an effective Compliance and Integrity Program.



- **Policies, Standards, and Code of Conduct**

UNT System Administration is committed to implementing and maintaining rules, regulations, and policies that facilitate the detection and prevention of unethical and illegal conduct throughout the UNT System. The rules, regulations, and policies promote integrity, principled behavior, and compliance with federal, state, and local regulations, Regents rules, System regulations, and the standards of all applicable accrediting bodies.

During FY21 Q3, the CCO continues to work closely with the System Administration Policy Manager to fully implement the Policy Tech application. This application will be used by all four institutions. The System Administration Policy Manager and the CCO are closely collaborating in establishing a policy review process that will be more expeditious and timelier. The migration of the policies is ongoing. Policy management is a risk focus area with a great deal of upside to all institutional operations. All UNT World institutions, by the fall of 2021, will use the Policy Tech application. The CCO continues to work closely with the Policy Manager, as processes and procedures are refined.

- **Education and Training**

All UNT System Administration employees must successfully complete training related to the CIP, as well as compliance elements that are key in the effective conduct of their position. Additionally, all UNT World employees must successfully complete training and be reminded twice a year of the ways to report suspected misconduct.

From the Internal Audit Review of Senate Bill 20, UNT System Administration took steps to:

- ***Coordinate development of an annual compliance and ethics training curriculum; and***
- ***Establish a process to assign certain compliance and ethics training modules to designated employees, with tools in place to monitor and record compliance.***

During FY21 Q3, UNT System Administration, working with UNT Dallas and the UNT flagship, developed a Compliance & Ethics training module. Every UNT System Administration employee was charged with completing the annual course before the end of May. The completion percentage is being tracked on a monthly basis. Those employees who have yet to successfully complete the training, are being sent reminders with follow up from the CCO.



- **Open Communications**

All UNT System Administration employees must not only be aware of, but also understand the rules that govern their respective roles and the values underpinning UNT World. Stakeholders, both, internal and external, need assurances that UNT System Administration is committed to ethical and responsible behavior. Communication is key to a culture of compliance.

Throughout FY20 and into FY 21 Q3, the OIC is working closely with Marketing & Communications in providing timely compliance information, including announcements regarding upcoming mandated training.

- **Monitoring and Auditing**

UNT System Administration is committed to continuous monitoring by implementing internal controls that allow for early detection and remediation of non-compliance within an organization. Audit activities serve to help ensure that operational management has in place internal controls that do not improperly bias the assessment of business processes. ***During FY21 Q3, the Office of Internal Audit met on several occasions with each institutional CCO to discuss:***

- ***the status of audits;***
- ***emerging risks impacting operations;***
- ***the risk assessment process; and***
- ***current and upcoming engagements by, both, private and public enterprises.***

The OIC continues to work closely with key stakeholders at System Administration to assist in successfully addressing audit findings and recommendations in a timely and thorough manner.

- **Enforcement Tools**

UNT System Administration, through the CIP, incorporates measures that help ensure employees understand the consequences of engaging in unethical behavior or participating in non-compliant activities. This includes procedures for enforcing and disciplining employees who violate compliance standards or fail to report non-compliant activities. Disciplinary provisions equitably enforced are critical to the credibility and integrity of the CIP. A summary of investigational activity for FY20 is provided in this report. ***A review of investigation processes continues to be an on-going risk focus area to be included in the campus FY21 CRWP.***

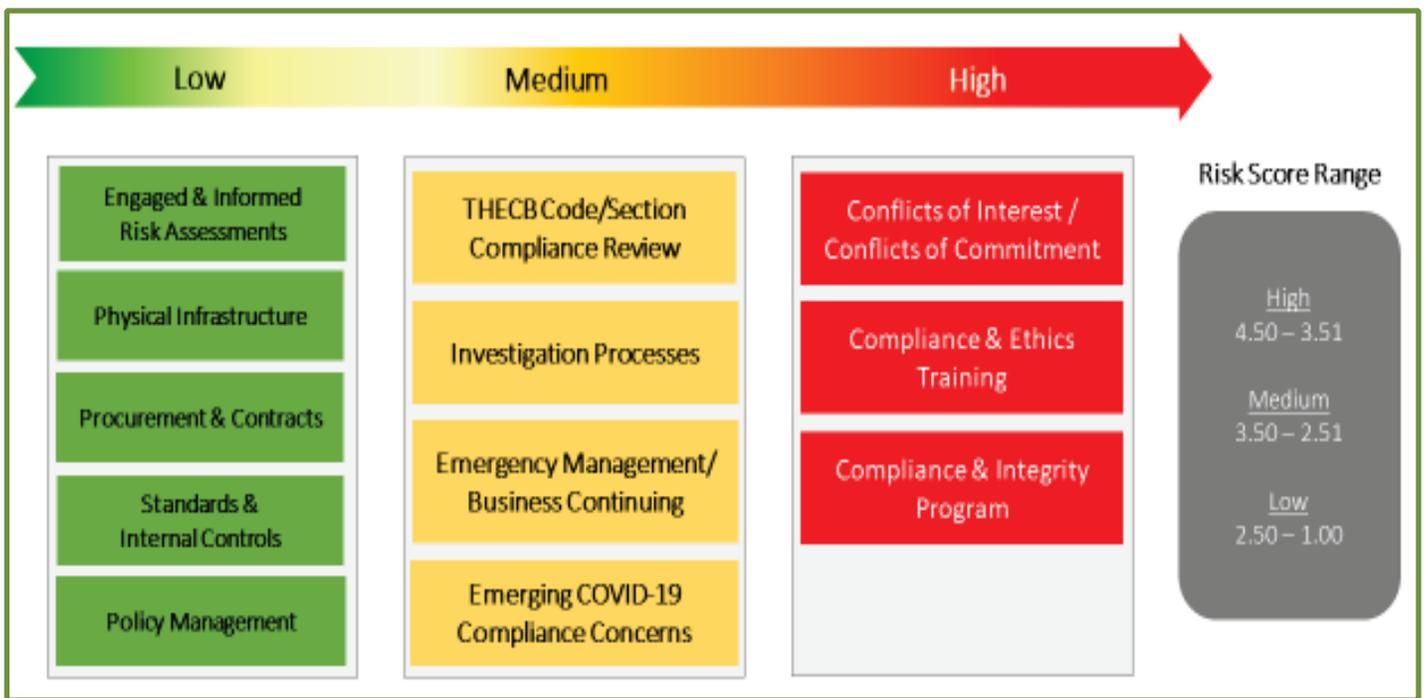


- **Responsive Initiatives**

Keeping in mind an effective compliance program should be scalable, affordable, feasible, and enforceable, the OIC evaluates the effectiveness of its Compliance and Integrity Program and the seven FSGOs on a regular basis. This evaluation also examines emerging compliance challenges. Providing information to leadership that is relevant and timely is an on-going concern as the OIC continues its efforts to identify and communicate emerging compliance concerns to not only key stakeholders, but all UNT System Administration employees.

For FY21, all aspects of the Compliance and Integrity Program continue to be reviewed for gaps, with action plans being drafted in those areas in need of strengthening, including efforts to refine key components of the Compliance and Integrity Program. A draft compliance assessment survey is being reviewed.

CRWP FY21 Overview



Comments:

The 12 UNT System Administration-specific compliance risks reviewed for FY21 are displayed in their respective categories. Details of each of the risks are available by contacting the OIC. An update of the efforts in addressing the three compliance risks categorized as “High” follows.



FY21 Q3 CRWP Updates

Risk Focus Area: Compliance and Integrity Program

Key Risk Category: Compliance

Key FSGO: Active Oversight

Commitment & Focus:

The Compliance and Integrity Program is designed to:

- Ensure compliance with applicable laws, Regents rules, and System regulations and policies; and
- Encourage every System employee to conduct themselves lawfully, honestly, and with integrity.

Goal	Initiatives	Progress				Comments
		Q1	Q2	Q3	Q4	
Enhance Effectiveness of Compliance & Integrity Program	<ul style="list-style-type: none"> • Review applicable federal & state regulations, THECB sections, Regent rules, System regulations & policies • Identify gaps in System Administration regulations, policies, & processes • Implement plans to address areas of improvement & establish metrics to track progress • Assess Effectiveness of CIP • Develop, maintain, & publish annual compliance calendar • Update Compliance website to be more interactive with links to additional resources 					<p>Regents Rules: 04.120; Compliance & Ethics Programs</p> <p>System Regulations: 02.100; Compliance & Integrity Program</p> <p>System Policies: 02.403; Compliance & Integrity Program 02.403.2; Mandatory Compliance & Integrity Program Policies 02.403.4; Compliance & Integrity Program Education & Training 02.403.12; Assessment of Compliance & Integrity Program</p> <p>Survey of Compliance/FSGO Questions Drafted & Under Review</p> <p>Developing List of Compliance Requirements & Due Dates</p> <p>Review of other IHE Compliance websites conducted Coordinate efforts with Communications & Marketing</p>



Risk Focus Area: Compliance and Ethics Training

Key Risk Category: Compliance

Key FSGO: Education & Training

Commitment & Focus:

The Compliance and Integrity Program requires:

- System employees to complete compliance education and training related to policies identified in System Regulation Section 02.105, as well as emerging compliance areas.
- Education and training also shall inform employees, students, & other individuals of the ways to report suspected misconduct.

Goal	Initiatives	Progress				Comments
		Q1	Q2	Q3	Q4	
Review & Update Compliance & Ethics Training	<ul style="list-style-type: none"> • Assess education & training efforts & resources • Tailor Compliance & Ethics Training module for UNTSA employees • Enhance quality & increase number of course offerings • Engage Communications & Marketing in messaging training requirements • Ensure mandatory training is assigned & tracked • Identify resources to translate course offerings to meet the needs of our diverse staff • Coordinate development & publishing of list of Compliance training modules offered in LMS • Collaborate with other institutions to share resources • Update Compliance website to be more interactive with links to additional resources 					<p>Compliance Training Guidance</p> <p>System Regulation 02.1005.4; Mandatory Education & Training</p> <p>All employees are required to complete ethics & compliance training, as well as training related to their positions</p> <p>There are emerging compliance topics, as well as other compliance training related to their positions</p> <p>UNTSA Compliance & Ethics Training module drafted in March & to be included in UNTW LMS in April</p> <p>Procurement Task Force exploring Bridge contract to serve all institutions with each maintaining own training library</p> <p>CCOs working together to ensure compliance requirements for training are properly vetted</p> <p>UNTSA & UNTD collaborating with guidance from UNT to build training library</p>



Risk Focus Area: Conflicts of Interest/Conflicts of Commitment (COI/COC) g

Key Risk Category: Compliance

Key FSGO: Active Oversight

Commitment & Focus:

Develop a Conflict of Interest Disclosure Statement form and procedures to ensure the following:

- Form and detailed instructions are distributed to all individuals required to report financial IAW TGC Section 2261.252 (b.).
- Each Disclosure Statement is reviewed for potential conflict of interest is identified and recorded.
- UNT System Procurement receives reports on potential conflicts of interest for reference during vendor selection procedures.
- Review applicable TEC Chapter 51. *Provisions Generally Applicable to Higher Education* sections to identify and address potential gaps in System Administration policies and processes.

Implement a centralized system for the processing and maintenance of COI/COC disclosure statements. The steps above are on-going and provide an effective response to that recommendation.

Goal	Initiatives	Progress				Comments
		Q1	Q2	Q3	Q4	
Institute COI/COC Disclosure Statement & Process	<ul style="list-style-type: none"> • Implement comprehensive online application to include accessible database • Distribute standardized forms with detailed instructions to report financial interests • Review & update, as required, System regulations &/or System policies that address COI/COC Disclosures • Develop & Implement COI/COC Training Modules for inclusion into LMS • Update processes to review Disclosure Statements for potential COI/COC conflicts • Generate reports for Procurement to identify potential COI concerns during vendor selection procedures • On-going collaboration with other institutions, ITSS, & Procurement 					<p>All four institutions are using an approved form as the standard & working together to continue standardizing processes. ITSS is working closely with all stakeholders.</p> <p>UN TSA & UNTD is collaborating with UNTHSC & UNT to parallel distribution processes, as well as review processes used to flag & report potential COI/COC concerns.</p> <p>Throughout this initiative, Regents rules, System regulations & policies are being reviewed.</p> <p>Regents Rules: 03.301.2; Board Ethics & Conduct/COI 03.912; DA for Contracts & Agreements 05.700; SA & Institution Ethics & Standards of Conduct</p> <p>System Regulations: 08.1600; Transparency & Avoidance of COI in Fiscal Management Contracting & Procurement of Goods and Services</p> <p>System Policies: 03.701.V; Ethics and Standards of Conduct, COI/COC, & Outside Activities</p>



FY21 Q3 Investigation Summary Log (March - May 2021)

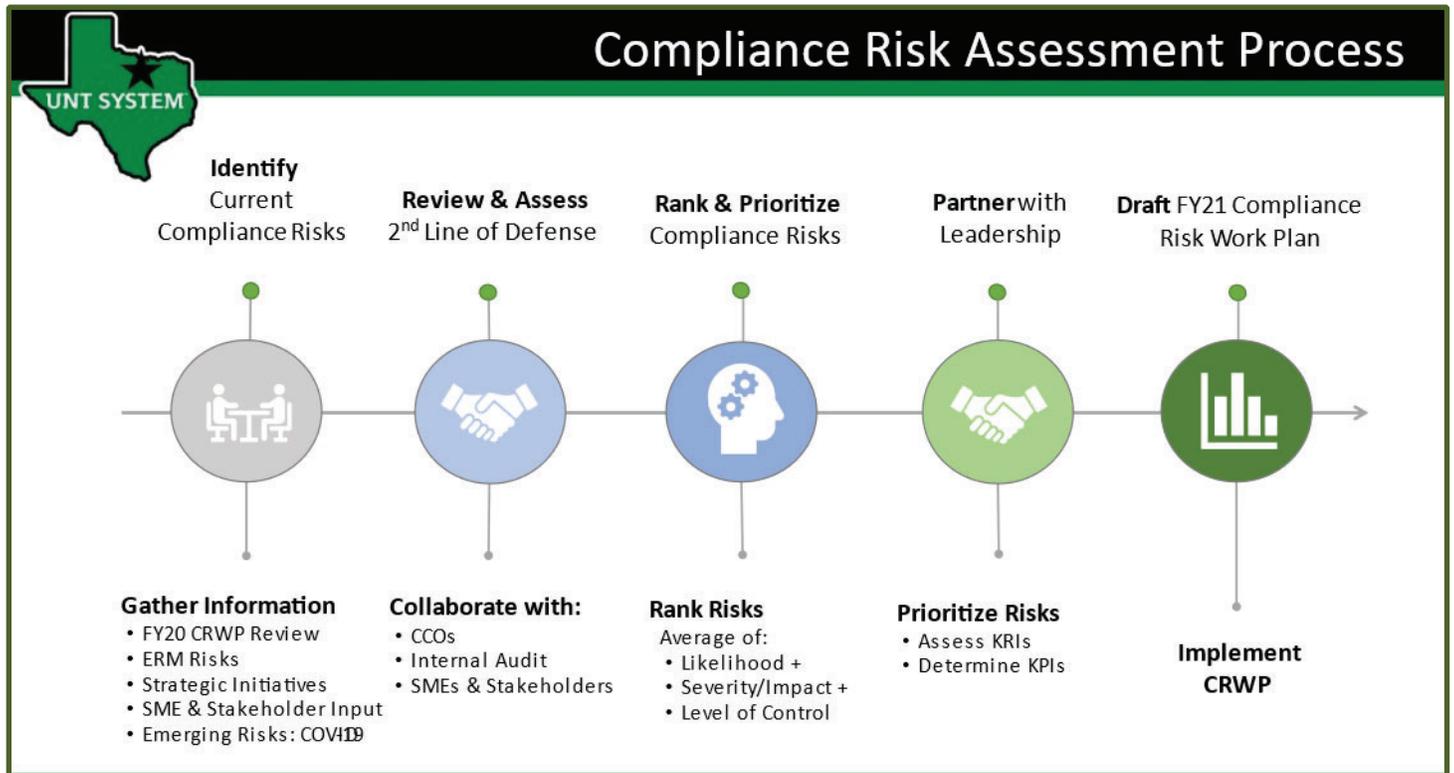
Source					
Type/Period	03-2021	04-2021	05-2021	Total	%
Anonymous	0	3	6	9	90%
Identified	0	0	1	1	10%
Intake Method					
Type/Period	03-2021	04-2021	05-2021	Total	%
Trust Line Web	0	3	7	10	100%
Other Means	0	0	0	0	NA
Issue Type Summary (If Multiple, Predominate Cited)					
Type/Period	03-2021	04-2021	05-2021	Total	%
Fraud/Waste/Abuse	0	2	7	9	90%
Misconduct	0	1	0	1	10%
Discrimination	0	0	0	0	NA
Outcome					
Type/Period	03-2021	04-2021	05-2021	Total	%
Substantiated	0	0	0	0	NA
Unsubstantiated	0	1	0	1	10%
Referred to Other	0	2	0	2	20%
In Progress	0	0	7	7	70%
Closed	0	3	0	3	30%
Open	0	0	7	7	70%



Emerging Risks

Assessing the Impact of COVID-19 Moving Forward

In drafting the FY21 CRWP, UNT System Administration has remained vigilant in identifying and assessing emerging risks brought to bear by the COVID-19 pandemic. Below provides an overview of the process and the mapping of risks for the FY21 CRWP.



Compliance Risk Assessment for FY22

Commitment & Focus:

- Review FY21 CRWP: (Update 3Q Risks (2021-[05-07]))
- Collaborate with Other CCOs/IA/Risk Services: (2021-[04-07])
- Review Risk Registry: Update Risks (2021-[05-08])
- Meet with Stakeholders: Survey Units (2021-[05-07])
- Review Strategic Plan: Strategic Planning Retreat (2021-09)



Appendix A: Compliance and Integrity Program Organizational Overview





UNIVERSITY OF NORTH TEXAS®

UNIVERSITY COMPLIANCE AND
ETHICS

QUARTERLY COMPLIANCE REPORT

3RD QUARTER FY21

SUBMITTED BY

CLAY SIMMONS
CHIEF COMPLIANCE OFFICER

OVERVIEW

FY2021 Compliance Program Projects and Deliverables	Target
Develop metrics for each compliance risk priority	Q4
Develop metrics that effectively measure key aspects of the compliance and ethics program	Q2
Develop tool for reporting CEP metrics to ECC and board	Q3
Complete ethics and compliance training module	Q1
Work with HR to develop training module on frequent compliance-related management issues (e.g. FMLA, ADA, etc.)	Canceled
Engage UBSC in internal marketing campaign for trust line and compliance program, including revisions/additions to website	Q2
Revise all UCE policies	Q3
Conduct and complete annual risk assessment	Q4
<div style="display: flex; justify-content: space-between; width: 100%;"> Not started On time Delayed Missed Target Complete </div>	

EXECUTIVE SUMMARY

- UCE completed revisions to System Regulation 02.1000 in cooperation with all UNT World CCOs and OGC.
- UNT is assuming administration of the Bridge Learning Management System and will provide compliance and other types of training to UNT, UNT-Dallas, and UNT System employees.
- UCE, with the advice of Internal Audit, made changes to the treatment of repeated, unsubstantiated Trust Line allegations
- COVID-19 response activities are still ongoing as we plan for full reopening in the fall.

INTRODUCTION

Our main efforts during the quarter included working with System and Dallas partners to transfer the management of the Bridge LMS to UNT, revising university policies, and participating in various groups around safety, research, leadership, and communications. UCE also began efforts to expand our office as our responsibilities have grown.

COMPLIANCE PROGRAM

Policies and Procedures

UCE will be revising all UCE-owned policies this year in support of a general review of all UNT policies. To enable UNT policy revisions, UCE is working with the two other UNT World CCOs to revise System Regulation 02.1000 Compliance and Integrity Program. UNT World CCOs met with the General Counsel to finalize revisions to this policy and it will now go to the next stage of the regulation amendment process.

UCE has gained approval for the revision of UNT Policy 04.010 Reporting Suspected Abuse and Neglect of Children and Elderly or Disabled Individuals and it has been implemented. UCE will continue review of other UCE managed policies in the 4th quarter.

Compliance Officer and Compliance Committee

COVID-19 related tasks continued to be a major effort for UCE in the 3rd Quarter. Focus has shifted to re-opening and related communication and health-related issues.

UCE has also experienced growth in the office's responsibilities. Responsibility for PCI Compliance and Records Retention compliance has been transferred to UCE, along with three FTEs. These programs and their personnel will be integrated with current UCE activities and we will ensure continued attention of those programs, both of which support all UNT World institutions.

Education and Training

UCE assisted the Dean of Students' Office and Registrar's Office in developing a new FERPA training module which will address common FERPA issues. This module is complete and undergoing field tests now. We anticipate this training will be assigned to employees in August 2021.

UNT 3rd Quarter Compliance Report

UCE has worked closely with UNT System Purchasing, UNT Dallas, and UNT System Compliance and Human Resources to transition responsibility for managing the Bridge Learning Management System to UNT. This action will allow UNT World to realize substantial cost savings within the contract with Bridge and in support personnel. UNT will then be responsible for providing support to UNT System and UNT Dallas, including Bridge-based compliance training. Plans for this include an approval process whereby the responsible compliance officer reviews any training intended for their campus' personnel to ensure it contains campus-specific information. This should improve the applicability of the training modules and make sure they meet the needs of each specific institution.

Effective Communication/Trust Line

UCE received 37 reports for the 3rd Quarter (see Appendix for chart). This is a massive increase over the 6 from last quarter, and most were related to the same unit. Based on our analysis of the reports, which were all anonymous, we believe that they were submitted by the same party. Many were also repeated reports of allegations that were already investigated. UCE referred all allegations to the appropriate offices for investigation. None were substantiated. Subsequently, UCE consulted with Internal Audit to revise UCE's approach to certain compliance Trust Line reports in order to preserve resources in the case of repeated, unsubstantiated allegations. This process is designed to avoid wastage of UNT resources while still ensuring valid reports are not being overlooked. The new process will be reviewed periodically to ensure it is functioning properly.

Auditing and Monitoring

UCE's review of HIPAA covered components at UNT for compliance with UNT's Protected Health Information Privacy policy is still on hold. The UCE compliance manager in charge of the project left the university due to a reduction in force and necessitated the pause. Initial review indicates that UNT covered components are compliant with the policy at this time, and OGC has been informed of our findings of new covered components. We will complete this project as time is available, but before the end of the 4th Quarter.

UCE also began working with investigative units across the university to improve communication of investigatory activity and to advance oversight of those activities. More detail on this action will be reported in the 4th quarter.

Disciplinary Guidelines

No new information to report this quarter.

Response and Corrective Action

No new information to report this quarter.

FY20 RISK ASSESSMENT- Q3 PROGRESS

UCE has modified its work plan for the additional burden involved with the COVID-19 pandemic response. However, the University’s response to the COVID-19 pandemic may require changes in risk priorities. The office will continue to prioritize significant compliance issues. Currently, all activities are on target.

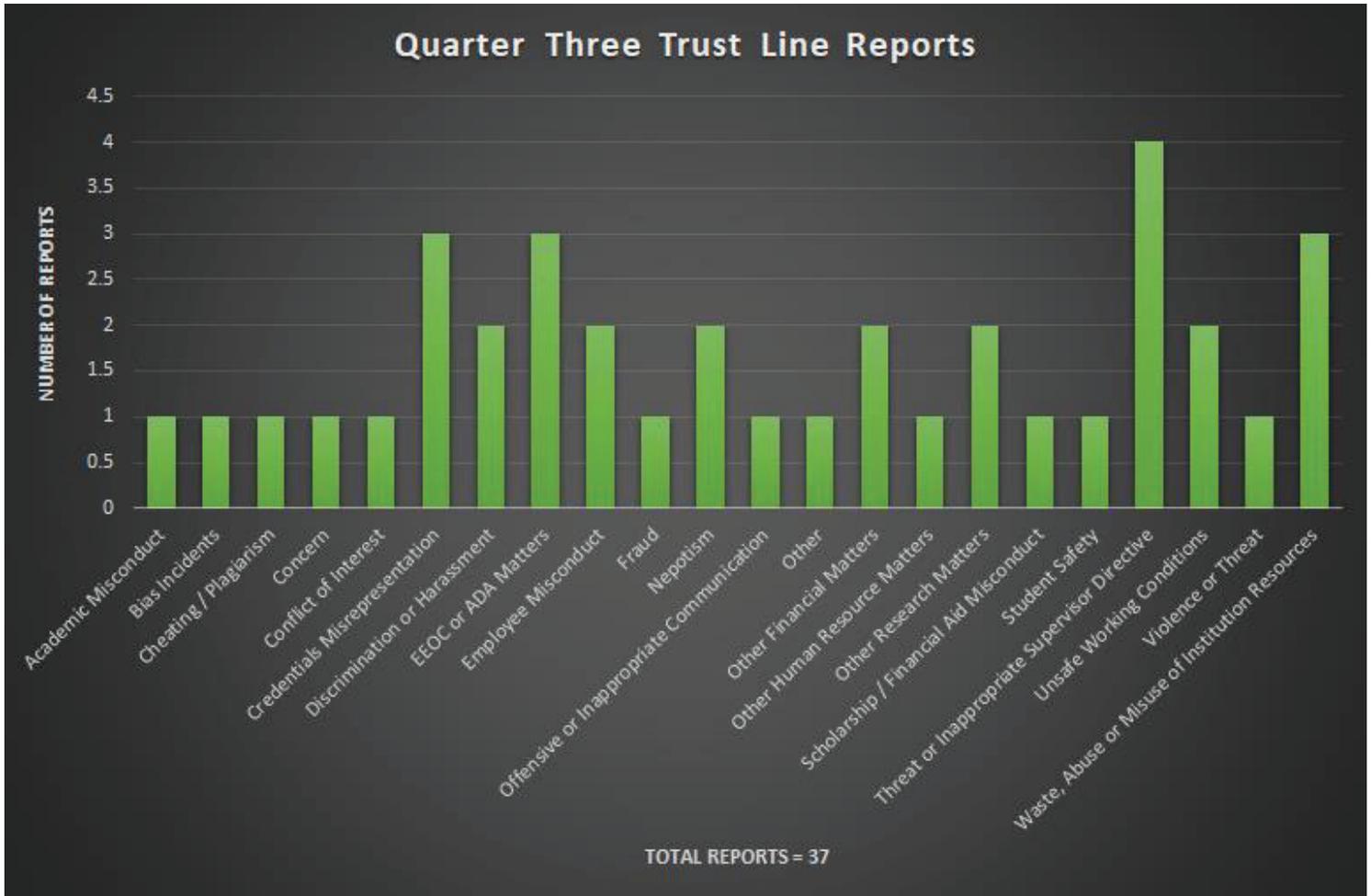
FY2021 Risk Priorities	Q1	Q2	Q3	Q4
1. Employee training				
2. University policies				
3. International regulatory compliance				
4. Accessibility of online programs				
5. Conflicts of interest and commitment				
6. Prevention of sexual discrimination and violence & Title IX compliance				
7. COVID-19 related compliance				

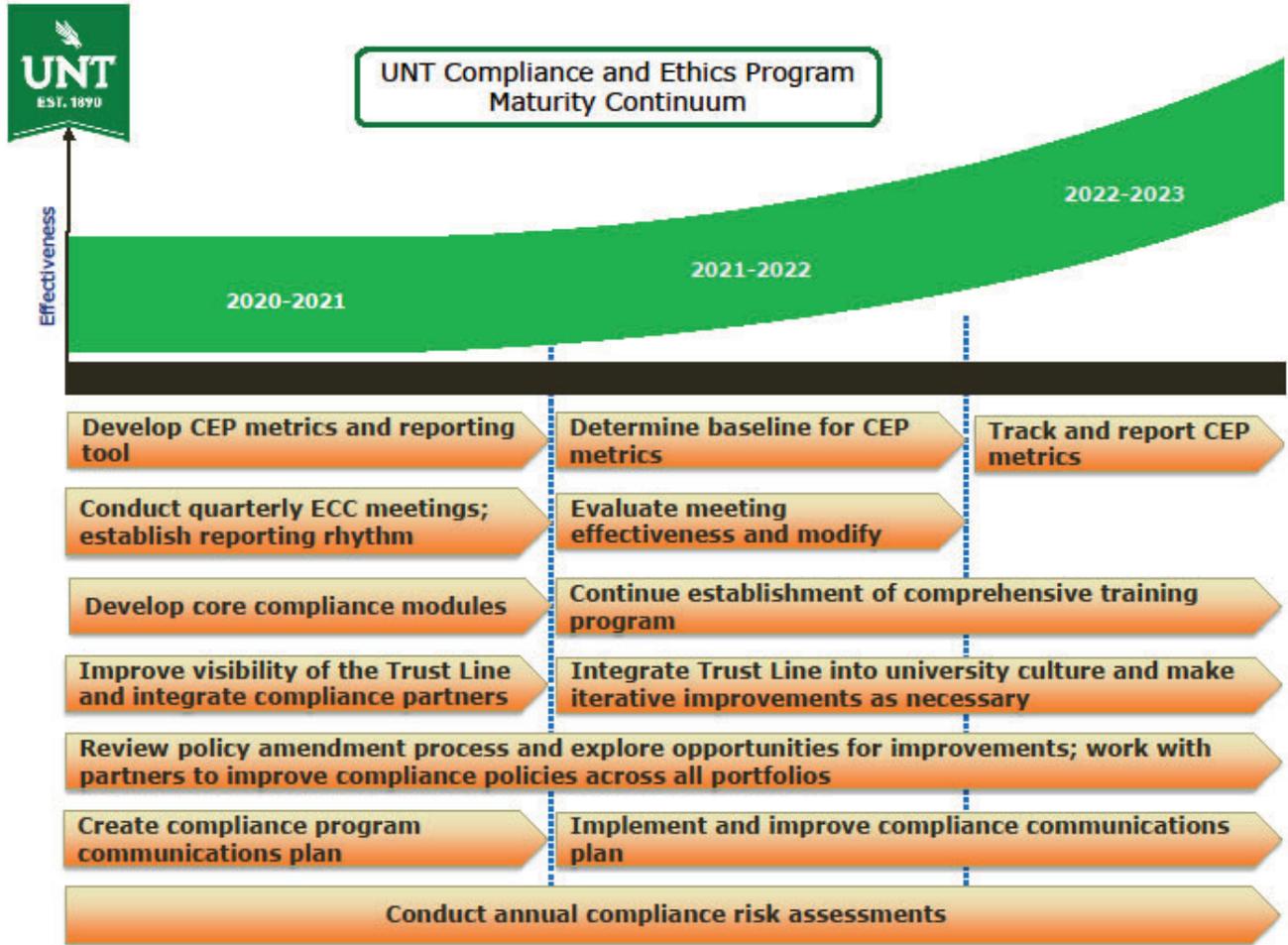
ADDITIONAL CAMPUS INFORMATION

A. COVID-19 Response

UCE has been heavily involved in the University’s COVID-19 response, working with policy, safety, research, and athletics groups to modify work and learning environments on campus. UCE continues to be very involved in re-opening planning and in planning for contingencies for the fall. This heavy volume of work may result in delays to planned program improvements.

ASSOCIATED CHARTS/APPENDIX





QUARTERLY COMPLIANCE REPORT

THIRD QUARTER FY2021

SUBMITTED BY

DESIREE RAMIREZ, CCEP, CHC
SENIOR VICE PRESIDENT AND CHIEF INTEGRITY OFFICER



OFFICE OF INSTITUTIONAL INTEGRITY AND AWARENESS

Code of conduct reinvention, evaluation and policy simplification help an organization improve its compliance program. However, having established values and a strong organizational culture is key to any compliance program for an organization.

The Office of Institutional Integrity and Awareness (formerly known as the Office of Institutional Compliance and Integrity) creates an integrity-based approach program that emphasizes responsibility for ethical behavior and commitment to our Code of Culture. By utilizing this proactive approach, we demonstrate the consistency of our values in action with choices and decisions as an institution and individually.

An integrity-based approach to compliance evolves in three stages:

- 1) Establish a set of common standard rules to which individuals must comply (*Compliance*).
- 2) Promote a set of positive shared principles (*Values*).
- 3) Combine and promote shared values with the compliance program that demonstrates consistent actions and commitment (*Institutional Integrity*).

Integrity is indispensable. The key to progress and success of a compliance strategy is to effectively and successfully introduce the integrity-based approach to the compliance program. An integrity-based approach creates an emphasis on responsibility for ethical behavior in alignment with compliance:

- *Understanding the difference between right and wrong*
- *Choosing to do the right thing*
- *Making values driven choices*
- *Being rooted in culture and embedded values*
- *Being proactive and aspirational*
- *Aligning values with performance*

This approach will result in changes that solidify HSC as a diligent and ethical partner, encourages employee loyalty, amplifies positive brand recognition, helps ensure financial stewardship and attracts top talent. This concept also demonstrates consistency of actions, values, principles, expectations and outcomes.

Our actions must be consistent with words and intentions. Accepting responsibility and accountability for those words and actions is what sustains the trust. Trust and how we conduct ourselves, sustains the culture.

Like all values-based organizations, HSC is a collection of individuals; the behavior of those individuals establishes the culture of the institution. The continued evolution of HSC's organizational culture will produce stronger, sustainable performers and performance that leaves a lasting legacy for our campus and the communities we serve.

COMPLIANCE PROGRAM

Policies and Procedures

With the recent update to HSC policies, The Office of Institutional Integrity and Awareness will move to assisting departments and schools with creating procedures that complement these policies. Policies and procedures are a crucial element of an effective compliance program. These documents must clearly state the prohibition of conduct that goes against our values and the law. However, robust policies are almost worthless if they are not read and effectively understood. Procedures help to define the expected behaviors and processes in relation to adherence to our policies. This ensures good governance, best practices and compliance

Compliance Officer and Compliance Committee

As HSC continues to expand our research activities and initiatives, our diligence and commitment to international compliance also increases. Therefore, Mr. Monte Cason has assumed the full-time duties as the International Compliance Officer (ICO). Mr. Cason previously served as the Deputy Compliance Officer. In his new role, he will assist, advise, and teach all personnel on campus regarding international compliance efforts in the following areas:

- Export Control
- International Travel
- Foreign Engagements
- Restricted Parties

He will initiate methods and measures to mitigate our foreign risks in order to keep HSC compliant with U.S. regulations and protect the institution from external threats as part of the institutional compliance program.

The Office of Integrity and Awareness will be revising the Deputy Compliance Officer position to have a more healthcare focus which aligns with our Whole Health Initiative and strategies regarding health systems and clinical affairs. The expanded duties also include assisting the education and growth of the integrity-based compliance program.

Education and Training

Training is assigned to new employees with 90 days to complete the training. With 54 new hires during the third quarter, the overall completion for the Integrity Education Suite was 67%, and the

Code of Culture Certificate of Commitment had an 84% completion rate. Note, employees are still within their 90-day completion cycle during the quarter.

Effective Communication/Trust Line

HSC received **10** Trust Line calls/inquiries during the third quarter. 100% of the cases were reviewed with five cases closed. In comparison, there were six cases and one closed in the third quarter of 2020. We will continue to monitor trends and changes for proactive intervention. *(See Associated Charts for additional details)*

Auditing and Monitoring

Every November, the Center for Medicare and Medicaid Services (CMS) publishes the Final Rule of Medicare Physician Fee Schedule for the upcoming calendar year in the Federal Register. The FY2021 Final Rule updated policies affecting the calculation of payment rates and includes misvalued codes. It also adds services to the telehealth list including a third temporary category for services added under the PHE, as well as certain other revisions to telehealth services. It also addresses direct supervision as it relates to interactive technology, payment for teaching physicians, and provides clarification on medical record documentation. Additionally, this final rule includes several regulatory actions regarding professional scope of practice for non-physician practitioners

A focused audit was requested to provide guidance on medical decision-making and time-based billing in relation the new codes and services. The findings revealed common errors including: bundling/unbundling; overcoding/undercoding; incomplete/no documentation; documentation containing a discrepancy; and the teaching physician rule not being met.

Disciplinary Guidelines

No new information to report this quarter. Disciplinary guidelines are adhered according to policy.

Response and Corrective Action

No new information to report this quarter. Response and corrective action are adhered according to policy.

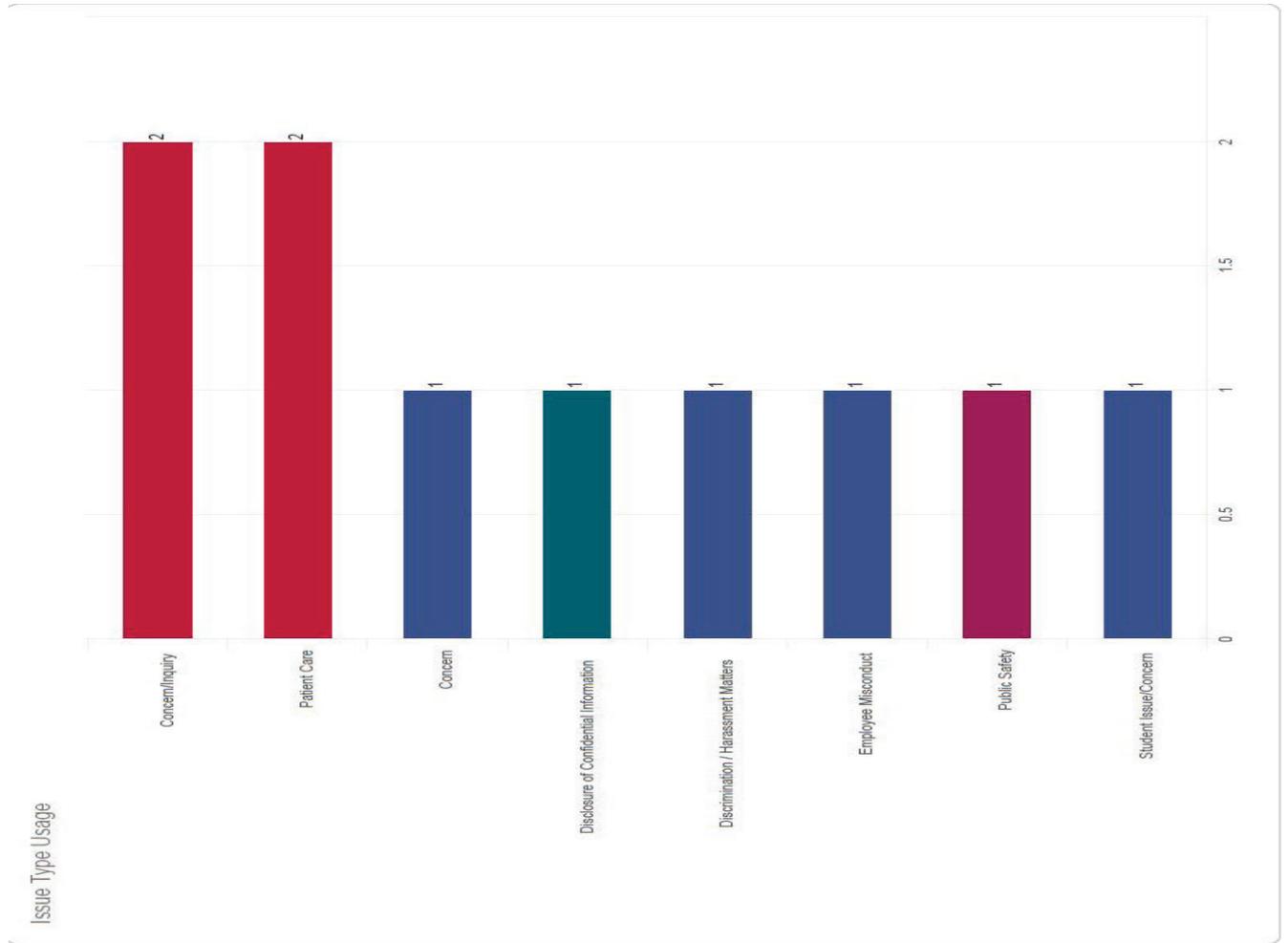
ASSOCIATED CHARTS

Investigations Dashboard



Investigations- Issues Type

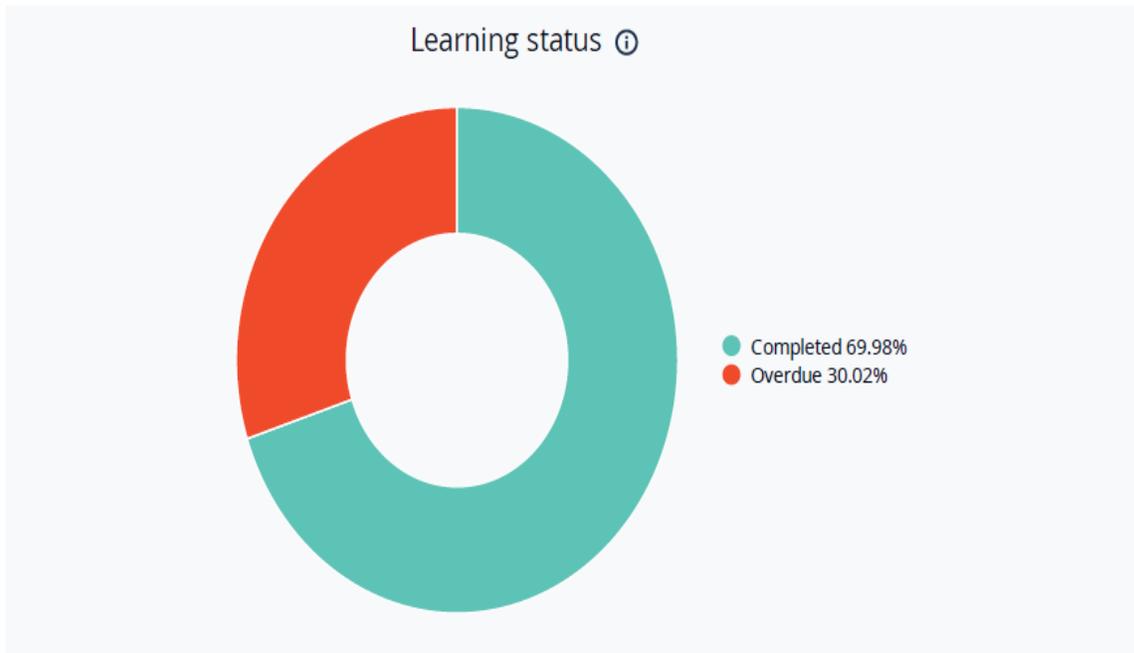
Note: Concern and Concern/Inquiry are the same. Issue types were consolidated during the 3rd quarter



Cases per Issue Type

Issue Type	Cases
Concern/Inquiry	2
Patient Care	2
Concern	1
Disclosure of Confidential Information	1
Discrimination / Harassment Matters	1
Employee Misconduct	1
Public Safety	1
Student Issue/Concern	1
Total	10

Integrity Suite Education



Integrity Suite Education	Completion Percentage
Active Shooter Awareness	70%
Code of Conduct: Combined	77%
FERPA Basics	75%
Harassment and Discrimination Prevention	62%
HIPAA Privacy and Security	68%
Protecting Minors on Campus	63%
Hazard Communication Training	68%
Workplace Violence Prevention	76%

OFFICE OF INSTITUTIONAL COMPLIANCE
QUARTERLY REPORT
FY21 Q3

SUBMITTED BY
TIM WILLETTE
CHIEF COMPLIANCE OFFICER



BOARD OF REGENTS MEETING
AUGUST 12TH & 13TH, 2021

Introduction

Reporting directly to the University of North Texas at Dallas (UNT Dallas) Office of the President, the Office of Institutional Compliance (OIC) is charged with the implementation of a compliance program that fosters a culture of ethical and responsible conduct by all individuals serving the mission of the University. The OIC, in collaboration with the Office of General Counsel (OGC), also provides regulatory oversight. To that end; the OIC identifies and analyzes a wide range of existing and emerging compliance risks.

As the spring of 2021 begins, UNT Dallas continues to blaze new trails in its commitment to our students, faculty, staff, and members of the local community, committed to emerging “COVID-19” strong. The OIC is a vested partner and, as we all adjust to an evolving and expanding landscape, this collaboration grows stronger.

In this overview of the efforts undertaken by the OIC during the third quarter (Q3) of Fiscal Year 2021 (FY21), updates of the top four compliance risk focus areas are highlighted. Working closely with key campus stakeholders, the Chief Compliance Officer (CCO) continues to partner with each of the organizational leaders serving on the President’s Cabinet, as well as key stakeholders throughout the UNT World. The organizational structure of the UNT Dallas Compliance and Integrity Program is provided in Appendix A.

Executive Summary

This quarterly report is a summary of compliance activities that have taken place during FY21 Q3 at UNT Dallas. It is divided into seven sections.

- Introduction
- Executive Summary
- Compliance and Integrity Program
- FY21 Compliance Risk Work Plan (CRWP) Overview
- FY21 Q3 CRWP Updates
- FY21 Q3 Investigative Activities
- Emerging Risks for FY21 Q4 & Beyond

Compliance and Integrity Program

The OIC at UNT Dallas is responsible for the implementing and maintaining of an effective Compliance and Integrity Program that includes, but is not limited to:

1. serving as a resource to address compliance concerns and communicate emerging risks;
2. facilitating the identification, prioritization, and mitigation of compliance risk focus areas;

3. assisting in determining risk mitigation strategies and how to assess their effectiveness;
4. reviewing and-as needed-updating campus policies;
5. assisting in identifying and monitoring training requirements; and
6. helping with corrective actions, as appropriate.

The Compliance and Integrity Program identifies, assesses, monitors, oversees, and helps ensure UNT Dallas complies with applicable laws and regulations, Regents rules, System regulations, and campus policies. The CCO is responsible for implementing a robust and engaging Compliance and Integrity Program at UNT Dallas.

Since mid-March of 2020, the OIC has focused primarily on those compliance risks associated with the impact of the COVID-19 pandemic at UNT Dallas. During this most recent quarter from March through the end of May, most operations continue to be conducted remotely. UNT Dallas President Mong leads daily briefings with key stakeholders, keeping members of the University community informed of evolving federal, state, and local guidance. Having an informed and engaged organization remains key in continuing to effectively serve the mission of UNT Dallas. This includes communicating an on-going awareness of and adherence to UNT System Regulation 02.1000; Compliance and Integrity Program, as well as the seven Federal Sentencing Guideline Objectives (FSGOs) listed below.

- **Active Oversight**

All members of the President’s Cabinet and key stakeholders are updated on the overall effectiveness of the Compliance and Integrity Program with the OIC providing quarterly updates of the annual CRWP. There remains a strong commitment to fostering a culture of ethical behavior throughout all operations at UNT Dallas. In their roles as a leader, each member of the President’s Cabinet is committed to championing an environment of personal integrity. This has never been more apparent than during these first three quarters of FY21 when the majority of staff and faculty members have worked remotely.

During FY21 Q3, the UNT Dallas Executive Council continues to be actively engaged in supporting a remote work environment that is focused on the well-being of all Trailblazers. Additionally, members of the President’s Cabinet are actively engaged in the identification, prioritization, and tracking of the four risk focus areas identified in the campus FY21 CRWP. This has included an effort to match the CRWP to elements of the UNT Dallas Strategic Plan for FY21. Early in April the COVID-19 vaccine began to be distributed throughout the nation. Leadership at UNT Dallas recognized the need to communicate information about the availability of the vaccine, as well as provide the resources to respond to myriad questions from all members of the UNT Dallas and surrounding communities.

- **Policies, Standards, and Code of Conduct**

UNT Dallas is committed to the implementation and maintenance of policies that facilitate the detection and prevention of unethical and illegal conduct at the University. These policies promote integrity, principled behavior, and compliance with federal and state laws, Regents Rules, System Regulations, and the standards of all applicable accrediting bodies. Additionally, there is a concerted effort to actively collaborate with the other UNT World institutions to share best practices and effective protocols.

During FY21 Q3, the CCO continues to work closely with the campus Policy Director to identify and implement a revised and updated policy review process, driven by an initiative to migrate all campus from the existing database to the Policy Tech application. This application will be used by all four institutions. The campus Policy Director and the CCO are closely collaborating in establishing a policy review process that will be more expeditious and timelier. The migration of the campus policies is on-going and the support from UNT System Administration has helped. Policy management is a risk focus area with a great deal of upside to all campus operations. To that end; the UNT Dallas Policy Director meets weekly with the Chief Compliance Officer. The Policy Advisory Committee, chaired by the Policy Director, meets on a bi-weekly basis.

- **Education and Training**

Every UNT Dallas employee is required to complete training identified in the Compliance and Integrity Program, as well as compliance elements that are key in the conduct of their position. Additionally, every employee must be trained and periodically reminded of the ways to report suspected misconduct.

From the Internal Audit Review of Senate Bill 20, UNT Dallas took steps to:

- ***Coordinate development of an annual compliance and ethics training curriculum; and***
- ***Establish a process to assign certain compliance and ethics training modules to designated employees, with tools in place to monitor and record compliance.***

During FY21 Q3, UNT Dallas, with assistance from UNT System Administration and the UNT flagship, developed a Compliance & Ethics training module. Every UNT Dallas employee was charged with completing the annual course before the end of May. The completion percentage is being tracked on a monthly basis. Those employees who have yet to successfully complete the training, are being sent reminders with follow up from the CCO.

- **Open Communications**

All UNT Dallas employees must not only be aware of, but also understand the rules that govern,

their respective roles and the values underpinning UNT World. Stakeholders, both, internal and external, need assurances that UNT Dallas is committed to ethical and responsible behavior. Communication is key to a culture of compliance.

Throughout FY20 and into FY 21 Q3, the OIC is working closely with Marketing & Communications in providing timely compliance information, including announcements regarding upcoming mandated training.

- **Monitoring and Auditing**

UNT Dallas is committed to continuous monitoring by implementing internal controls that allow for early detection and remediation of non-compliance within an organization. Audit activities serve to help ensure that operational management has in place internal controls that do not improperly bias the assessment of business processes.

During FY21 Q3, UNT Dallas has made a strong effort to respond to all outstanding recommendations documented in all Internal Audit reports. To that end; UNT Dallas has not had to ask for extensions in the implementation of any recommendations. The OIC continues to work closely with key stakeholders on campus to ensure recommendations by Internal Audit are addressed in a timely and thorough manner.

- **Enforcement Tools**

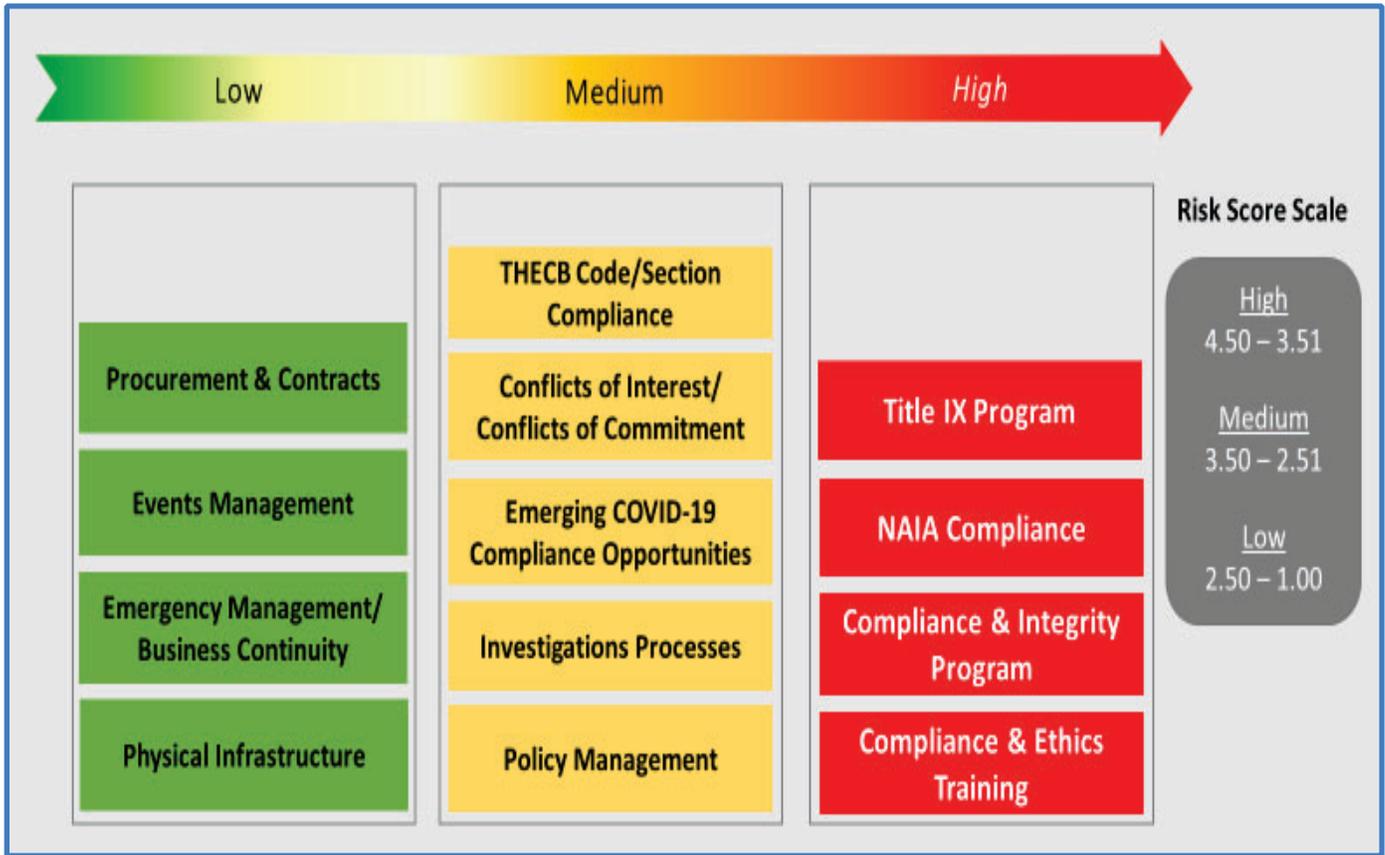
UNT Dallas, through the Compliance and Integrity Program, incorporates measures that help ensure employees understand the consequences of engaging in unethical behavior or participating in non-compliant activities. This includes procedures for enforcing and disciplining employees who violate compliance standards or fail to report non-compliant activities. Disciplinary provisions equitably enforced are critical to the credibility and integrity of the Compliance and Integrity Program. ***A review of the investigation process is an initiative that has included many campus stakeholders during FY21 Q3.***

- **Responsive Initiatives**

Keeping in mind that an effective Compliance and Integrity Program is scalable, affordable, feasible, and enforceable, the OIC is engaged in an effort to draft a variety of surveys to evaluate the effectiveness of the program and the seven FSGOs, as well as emerging compliance challenges.

During FY21 Q3, the OIC began addressing the identified gaps, developing action plans in those areas in need of strengthening.

CRWP FY21 Overview



Comments:

The 13 compliance risks identified and assessed for FY21 are displayed in their respective categories. Details of each of the risks are available through the UNT Dallas CCO. An update of the efforts in addressing the four compliance risks categorized as “High” follows.

FY21 Q3 CRWP Updates

• **Title IX Program**

To ensure compliance with Title IX and other federal and state civil rights laws, the UNT Dallas President has designated a Title IX Coordinator to develop and maintain a program that monitors compliance with Title IX and ensures reports of sexual or gender-based harassment or misconduct are appropriately investigated and addressed.

The Title IX Coordinator is charged with overseeing University compliance with Title IX and Senate Bill 212 requirements; ensuring appropriate education and training for students and employees is successfully completed; coordinating investigations, responses, and resolutions of all Title IX reports, and ensuring appropriate actions are taken to eliminate conduct that violates Title IX, preventing recurrence, remedying adverse effects, and keeping the UNT Dallas President informed.

Key Risk Category: Compliance

Key FSGO: Active Oversight

Goal	Initiatives	Progress				Comments
		Q1	Q2	Q3	Q4	
Enhance Title IX Program Oversight	<ul style="list-style-type: none"> Designate Title IX Coordinator to establish & oversee University Title IX Program Maintain up-to-date education & training resources Coordinate investigations, responses, & resolutions of reported incidents alleging sexual harassment or other sexual misconduct Ensure appropriate actions are taken to eliminate sexual harassment & other sexual misconduct, prevent recurrence, remedy effects, & updates UNTD President Ensure mandatory training is assigned & tracked Identify resources to translate course offerings to meet the needs of our diverse staff Coordinate development & publishing of list of TIX training modules Collaborate with other institutions to share resources Update TIX website to be more interactive with links to additional resources 					<p>Title IX Coordinator meets with members of UNTD community to increase visibility & enhance understanding of program</p> <p>Training modules are being closely reviewed & updated Completion rates are provided below for PDH & TIX training</p> <p>Title IX Coordinator is reviewing files & setting up protocols</p> <p>Title IX Coordinator completed & submitted SB 212 FY21 Q3 report</p> <p>This is on-going evolution with engagement coming from ODE Percentage completion of training (PDH/TIX) is being tracked monthly</p> <p>Title IX Coordinator, working with CCO, compiling list of training</p> <p>This is on-going evolution with all UNT World institutions involved</p> <p>All UNT World institutions committed to sharing best practices & limited resources as required</p> <p>Collaborative effort with Communications is progressing with migration of TIX website & inclusion of links to training tools</p>

• **NAIA Compliance**

With UNT Dallas gaining admission to the National Association of Intercollegiate Athletics (NAIA), President Mong recognized the need to establish an Intercollegiate Athletics Compliance Program and identifying an individual to serve as the Compliance Director. This individual would be charged with establishing an environment of education and adherence to institution, conference, and NAIA regulations, working collaboratively with key campus stakeholders. The position would also serve as the compliance liaison for the campus in working with the NAIA to help ensure all areas of intercollegiate athletics compliance are satisfactorily addressed.

Key Risk Category: Compliance

Key FSGO: Education and Training

Goal	Initiatives	Progress				Comments
		Q1	Q2	Q3	Q4	
Implement Intercollegiate Athletics Compliance Program National Association of Intercollegiate Athletics (NAIA)	<ul style="list-style-type: none"> • UNTD President appoint Intercollegiate Athletics (IA) Compliance Director to work with Athletics Director (AD) 					Completed
	<ul style="list-style-type: none"> • UNTD President establish Athletics Oversight Committee 					Completed
	<ul style="list-style-type: none"> • IA Compliance Director identify & understand NAIA Compliance requirements & protocols 					IA Compliance Director works closely with NAIA Compliance & other IHEs with NAIA programs
	<ul style="list-style-type: none"> • IA Compliance Director work with faculty athletics representative & Athletics Director to establish environment of education & adherence to institutional policies, conference guidelines, & NAIA regulations 					On-going Process
	<ul style="list-style-type: none"> • Athletics Oversight Committee draft Student-Athlete handbook 					UNTD President received draft in early April 2021
	<ul style="list-style-type: none"> • Develop portfolio of NAIA compliance requirements 					IA Compliance Director has created & is building a portfolio of activities with compliance implications
	<ul style="list-style-type: none"> • IA Compliance Director meet with key stakeholders to identify resources to assist student-athletes 					IA Compliance Director meets with student services that provide a host of resources for students
	<ul style="list-style-type: none"> • IA Compliance Director meet with key stakeholders to identify education & training resources 					IA Director meets with CCO, Risk Manager, & other key stakeholders

• **Compliance and Integrity Program**

The OIC will conduct a comprehensive review of applicable federal and state regulations, particularly THECB guidance, Regent Rules, System Regulations, and campus policies to identify gaps and take steps to strengthen the campus Compliance and Integrity Program:

- implementing plans to address areas of improvement and establish metrics to track progress;
- developing and publishing compliance calendar; and
- reviewing and updating the Compliance and Integrity Program website with links to additional resources.

Key Risk Category: Compliance

Key FSGO: Policies and Standards

Goal	Initiatives	Progress				Comments
		Q1	Q2	Q3	Q4	
Enhance Effectiveness of Compliance & Integrity Program	<ul style="list-style-type: none"> • Review federal & state regulations, THECB sections, Regent rules, System regulations, & University policies • Identify gaps in System Administration regulations, University policies, & associated processes • Implement plans to address areas of improvement & establish metrics to track progress • Assess Effectiveness of CIP • Develop, maintain, & publish annual compliance calendar • Update Compliance website to be more interactive with links to additional resources 					<p>Regents Rules: 04.120; Compliance & Ethics Programs</p> <p>System Regulations: 02.100; Compliance & Integrity Program</p> <p>Campus Policies: 04.013; Employee Rights & Responsibilities Under Institutional Compliance & Ethics Program 05.007; Employee Ethics & Standards of Employee Conduct 05.041; Compliance & Integrity Program</p> <p>Survey of Compliance/FSGO Questions Drafted & Under Review</p> <p>Developing List of Compliance Requirements & Due Dates</p> <p>Review of other IHE Compliance websites conducted Coordinate efforts with Communications & Marketing</p>

• **Compliance and Ethics Training**

From the Internal Audit Review of Senate Bill 20, UNT Dallas is taking a closer look at its compliance and ethics training. The report recommended that the campus OIC do the following:

- Coordinate development of an annual compliance and ethics training curriculum; and
- Ensure certain compliance and ethics training modules are assigned as mandatory for designated employees, with tools in place to monitor and record compliance.

Key Risk Category: Compliance

Key FSGO: Education and Training

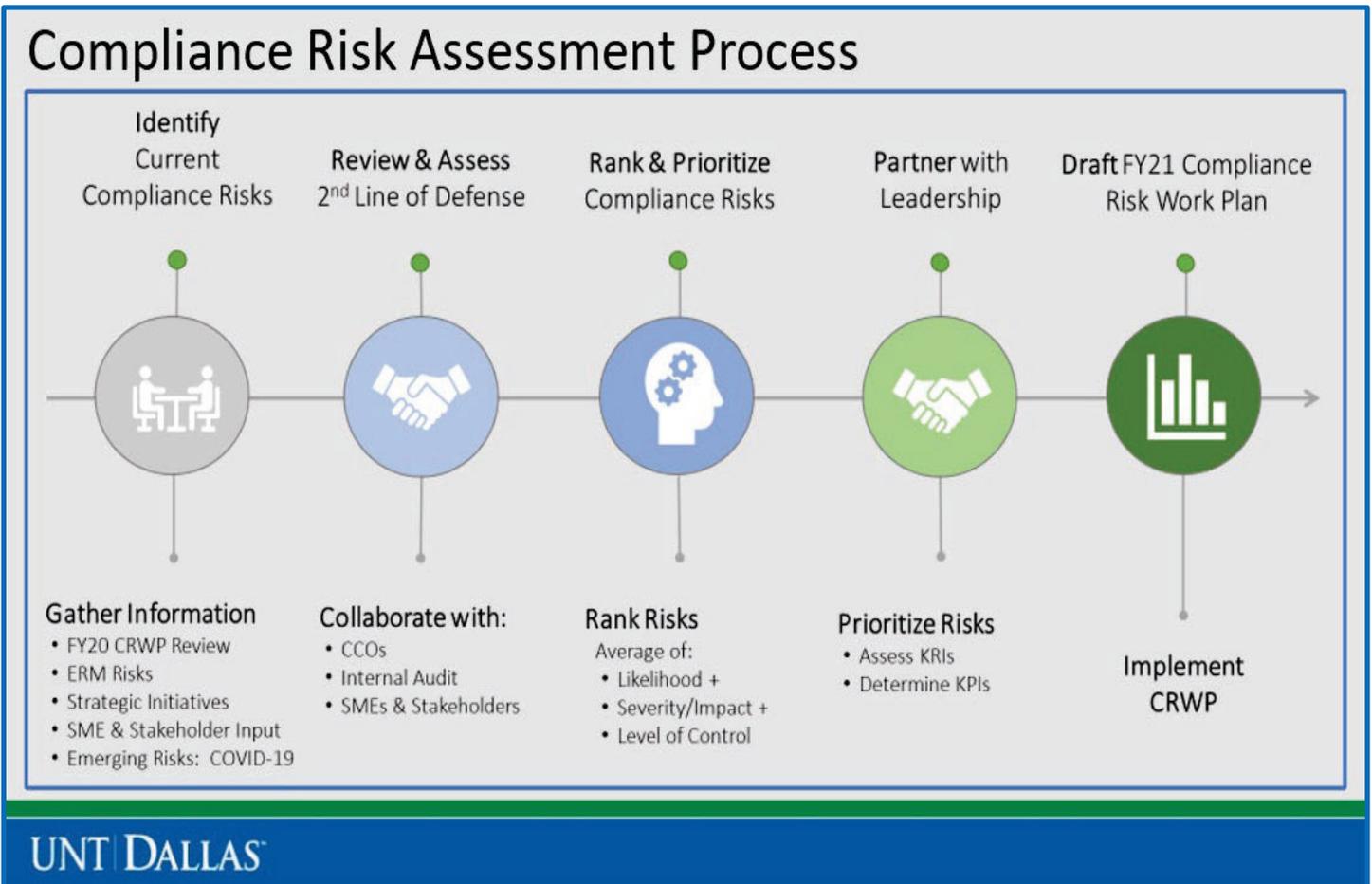
Goal	Initiatives	Progress				Comments
		Q1	Q2	Q3	Q4	
<p>Review & Update Compliance & Ethics Training</p>	<ul style="list-style-type: none"> • Assess education & training efforts & resources • Tailor Compliance & Ethics Training module for UNTD employees • Enhance quality & increase number of course offerings • Communication & Marketing actively engaged in messaging training requirements • Ensure mandatory training is assigned & tracked • Identify resources to translate course offerings to meet the needs of our diverse staff • Coordinate development & publishing of list of Compliance training modules offered in LMS • Collaborate with other institutions to share resources • Update Compliance website to be more interactive with links to additional resources 					<p>Mandatory Compliance Training</p> <p>All employees are required to complete ethics & compliance training, as well as training related to their positions</p> <p>There are emerging compliance topics, as well as other compliance training related to their positions</p> <p>UNT D C&E Training Module created & included in LMS in March</p> <p>Procurement Task Force exploring Bridge contract to serve all Institutions with each maintaining their own training library</p> <p>CCOs working together to help ensure compliance requirements for training are properly vetted</p> <p>UNTS A & UNT D working together & UNT is providing helpful guidance in moving forward</p> <p>Work with Communications as progress is made with the Compliance website to include links to training tools</p>

Investigation Summary Log (March - May 2021)

Anonymous/Identified					
Type	03-2021	04-2021	05-2021	Total	%
Anonymous	0	0	0	0	0%
Identified	0	0	1	1	100%
Intake Method					
Type	03-2021	04-2021	05-2021	Total	%
TrustLine Web	0	0	1	1	100%
Email	0	0	0	0	0%
Phone	0	0	0	0	0%
Issue Type Summary (If Multiple, Predominate Cited)					
Type	03-2021	04-2021	05-2021	Total	%
Discrimination In General	0	0	0	0	0%
EEOC/ADA	0	0	0	0	0%
Conflict of Interest	0	0	0	0	0%
Employee Misconduct	0	0	0	0	0%
Unsafe Work Conditions	0	0	0	0	0%
Misuse of Resources	0	0	0	0	0%
Academic Concern	0	0	1	1	100%
Financial Concerns	0	0	0	0	0%
Outcome					
Type	03-2021	04-2021	05-2021	Total	%
Unsubstantiated	0	0	0	0	0%
In Progress	0	0	0	0	0%
Referred to Other	0	0	1	1	100%
Closed	0	0	1	1	100%
Open	0	0	0	0	0%

Assessing the Impact of COVID-19 Moving Forward

In drafting the FY21 CRWP, UNT Dallas has remained vigilant in identifying and assessing emerging risks brought to bear by the COVID-19 pandemic. Below provides an overview of the process and the mapping of risks for the FY21 CRWP.



Compliance Risk Assessment for FY22

Commitment & Focus:

- Review FY21 CRWP: (Update 3Q Risks (2021-[05-07]))
- Collaborate with Other CCOs/IA/Risk Services: (2021-[04-07])
- Review Risk Registry: Update Risks (2021-[05-08])
- Meet with Stakeholders: Survey Units (2021-[05-07])
- Review Strategic Plan: Strategic Planning Retreat (2021-07)

Appendix A:

Compliance and Integrity Program Organizational Overview

