

Conflicts of Interest Statement

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

**Winston-Salem State University
Board of Trustee Meeting
September 20, 2019**

9:00 a.m.

Roll Call

Name:	Present	Not Present
1. Harris, William		
2. Bailey, L'Tanya		
3. Barr, Robert		
4. Bigelow, Coretta		
5. Clark, Robert		
6. Cullinan, Matthew		
7. Farmer, Kelvin		
8. Gibson, William		
9. Henderson, Sue		
10. Kelly, Kathleen		
11. Moore, Brent		
12. Nostitz, Drewry		
13. Sides, Ricky		
14. Smith, Dave		

Winston-Salem State University
Board of Trustees Meeting
June 14, 2019
DRAFT MINUTES
SUBJECT TO BOARD APPROVAL

CALL TO ORDER

Chairman Harris called the meeting to order at 9:00am.

CONFLICT OF INTEREST STATEMENT

Chairman Harris read the following statement.

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

No conflicts were noted.

ROLL CALL

Mrs. Kluttz-Leach called the roll. A copy of the attendance roster is attached. The voting strength was 9.

ADOPTION OF AGENDA

Trustee Nostitz moved to approve the adoption of the agenda. Trustee Henderson seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees adopts the current agenda as distributed.

APPROVAL OF MARCH 15, 2019 BOARD OF TRUSTEE MEETING MINUTES

Trustee Henderson moved to approve the March 15, 2019 Board of Trustees meeting minutes. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approves the March 15, 2019 meeting minutes.

CONSENT AGENDA*

- A. Course Loan Policy (Revised)
- B. UNC Campus Scholarship Program (Revised)
- C. Office of Audit, Risk, and Compliance Charter (Revised)
- D. On-Campus Residency Policy -(Revised)
- E. Student Code of Conduct (Revised)

F. Resolution for Designer Selection (Rams Commons)

Trustee Sides moved to approve the consent agenda. Trustee Wierman seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approves the consent agenda.

REPORT OF CHANCELLOR ROBINSON

Chancellor Robinson gave an update on the past year and provided an outlook of the upcoming year. He noted that the institution is in year 4 of its strategic plan. Goal is to continue to serve our students at the highest level. Chancellor talked about interconnectivity, synchronicity, and intentionality. Chancellor highlighted commencement activities and the comparison of the CIRP Freshmen Survey data of 2014 and 2018. He also presented our accomplishments under the UNC Metrics agreement. He also provided an update on student community service hours, students engaged in high-impact practices (internships, clinical, etc.), on-campus student employment, and students receiving 1-5 job offers. Chancellor provided a gift summary of 2019 donors. The university raised over \$4 million dollars for 2019 thus far.

Student Enrollment: First time freshman applications, admitted students, and students who intend to enroll are up. Information was also provided about transfer students and graduate students. A copy of the presentation can be found in the archived June 14, 2019 board materials.

He gave a special recognition that Dr. Wanda Brown will be the next president of the American Library Association, the oldest and largest library association in the world.

REPORT OF BOARD CHAIR

Chairman Harris first gave thanks to all members of the board for their service. He pointed out that board work is unpaid and service. He noted that they could use their time to do other things but were committed to WSSU. He also thanked the staff for its work and commitment to WSSU and gave thanks for our presence. Chairman Harris congratulated Chancellor, Trustee Nostitz, and Trustee Clark on the arrival of their new grandchildren. He appealed to the members to be supportive of the efforts of faculty and staff, especially Advancement. He challenged trustees to put resources towards the university. We do not have 100% giving by trustees and we cannot ask of corporations and other foundations to give to WSSU if we are not supporting our mission. He highlighted to the Board that it will operate differently going forth with more intentionality and be more active using the Governance, Advocacy, Trusteeship, and Ethics Committee with a focus and emphasis on advocacy. The GATE Committee is currently chaired by Trustee Kelly.

REPORT OF THE COMMITTEES

- A. Academic Affairs (Trustee Henderson)
- B. Student Affairs (Chairman Harris)
- C. University Advancement (Trustee Farmer)
- D. Finance and Administration (Trustee Shortt)
- E. Audit, Risk, & Compliance (Trustee Clark)

- F. Governance, Advocacy, Trusteeship & Ethics Committee (Trustee Kelly)
- G. Board of Trustees of the Endowment (Chairman Harris)

A copy of committee materials can be found in the archived June 14, 2019 board materials.

ADOPTION OF COMMITTEE MEETING REPORTS*

Trustee Sides moved the adoption of the committee meeting reports. Trustee Henderson seconded the motion.

Motion: Resolved, that the Winston-Salem State University Board of Trustees adopts the committee reports.

FORMER BUSINESS

No former business was noted.

NEW BUSINESS

- A. Resolution Honoring Mrs. Sue Henderson. Chairman Harris and Chancellor Robinson presented a plaque resolution and gifts to Trustee Henderson in recognition of her service on the Winston-Salem State University Board of Trustees.

- B. Resolution Honoring Mr. Scott Wierman. Chairman Harris and Chancellor Robinson presented a plaque resolution and gifts to Trustee Wierman in recognition of his service on the Winston-Salem State University Board of Trustees.

MOTION TO GO INTO CLOSED SESSION*

Trustee Wierman moved that the board go into closed session pursuant to North Carolina law to: (1) prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), specifically state employee personnel records, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes; (2) to prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award under N.C. Gen. Stat. 143-318.11(a)(2); (3) consult with our attorney under N.C. Gen. Stat. 143-218.11(a)(3)(2) to protect the attorney-client privilege, to consider and give instructions concerning potential and actual claims, administrative procedures, or judicial actions, privilege and (4) consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6).

Trustee Farmer /seconded the motion. The motion passed.

Motion: Resolved, that the Board of Trustees meeting proceed in Closed Session.

RESUME BOARD MEETING IN OPEN SESSION

REPORT OF THE CHAIR REGARDING CLOSED SESSION

Chair Harris reported that while in closed session, the board approved closed session minutes, received an update from our attorney, discussed an employee evaluation, and approved the naming of a space.

ADOPTION OF ACTIONS TAKEN IN CLOSED SESSION*

Trustee Nostitz moved to adopt the actions taken in closed session. Trustee Sides seconded the motion.

UPCOMING EVENTS

September 26 Rolling Red Tour (Atlanta, GA).

NEXT MEETING DATE- September 20, 2019

ADJOURNMENT*

Trustee Henderson moved that the meeting be adjourned. The meeting adjourned.

**WINSTON-SALEM STATE UNIVERSITY
MINUTES OF THE BOARD OF TRUSTEES MEETING
TUESDAY, JULY 30, 2019
DRAFT PENDING BOARD APPROVAL**

CALL TO ORDER

Dr. Harris called the meeting to order at 3:02pm.

CONFLICT OF INTEREST STATEMENT

Chairman Harris read the following statement:

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

There were no conflicts noted.

ROLL CALL

Mrs. Kluttz-Leach conducted roll call. A copy of the attendance roster is attached.

MOTION TO GO INTO CLOSED SESSION

Trustee Bigelow moved that we go into closed session to: (1) prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), specifically state employee personnel records, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes; and consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6). Trustee Wierman seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees shall convene in Closed Session.

CLOSED SESSION

A copy of the Closed Session minutes are available.

RESUME IN OPEN SESSION

REPORT FROM THE CHAIR REGARDING CLOSED SESSION

While in closed session, the board discussed and completed the Chancellor's Comprehensive Review.



RESOLUTION HONORING Mr. Jerry M. Shortt

WHEREAS, Mr. Jerry M. Shortt, was appointed to the Board of Trustees of Winston-Salem State University by the Governor of North Carolina in 2013;

WHEREAS, Mr. Shortt served with much distinction and provided sound leadership throughout his service as a member of the Board of Trustees of Winston-Salem State University; and

WHEREAS, Mr. Shortt served as Chair of the Finance and Administration Committee, Chair of the Personnel and Tenure Committee, Chair of the Grievance and Appeals Committee, Chair of the Nominating Committee, a member of the Audit Risk and Compliance Committee; and a member of the Executive Committee;

NOW, therefore, be it resolved that the Winston-Salem State University Board of Trustees expresses its gratitude to Mr. Shortt for his valuable commitment and devoted service.

This the 20th day of September, 2019

William U. Harris

Chair, Board of Trustees, Winston-Salem State University

Elwood L. Robinson

Chancellor, Winston-Salem State University



Policy Submission Form

Policy Title:

Is this policy mandated by federal or state law, UNC Board of Governors or UNC Office of the President? If so, please identify the policy, law, or mandate.

Is this an amendment to an existing policy? Yes

If yes, are other policies affected by this amendment (i.e. will a different policy need to be repealed/amended with the approval of this policy)? No

If yes, does this amendment change the name of an existing policy? No

Are there additional resources related to this policy that would help with implementation of and compliance with the policy (i.e. procedures, forms, policies, or external resources)? Yes, smart time calendar If so, please attach the additional resources or include web addresses for internet resources. https://www.wssu.edu/administration/human-resources/leave-administration/_Files/documents/smart-time-calendar.pdf

Equity Assessment

Answering positively to one of the three questions below will require detailed discussion of the policy and potential implications at the Executive Staff level

- 1. Could this policy disadvantage students because of socially determined circumstances? No**
- 2. Could this policy disadvantage students because of the previous knowledge/experience of the student or parent? No**
- 3. Could this policy negatively impact the academic progress of the student? No**

Suggested Policy Chapter: 100

BOT Reviewing Committee: Finance & Administration

Email address to receive policy feedback from online posting: mallettec@wssu.edu



Overtime Compensation

I. Policy Statement

This policy governs the award of overtime compensation.

II. Guidelines

1. Exempt Employees

No SHRA employee whose position is designated as **Exempt** under the Fair Labor Standards Act from overtime compensatory provisions shall be paid overtime. SHRA Exempt employees shall earn compensatory time for hours worked in excess of forty in a work week on an hour-for-hour basis. Compensatory time may be accumulated to a maximum of 160 straight time hours. Compensatory time shall be taken within twelve months from the date the work is performed. If not taken within 365 days, the time shall be forfeited. SHRA Exempt employees, who transfer to an EHRA position or separate from the University, shall forfeit the remaining balance of compensatory time.

2. Non-Exempt Employees

The payment of premium time and one-half rates is required for hours worked in excess of 40 within a week, with the exception of those considered exempt. University supervisors shall limit hours worked by employees to the university established 40-hour work week standard except in those cases where excessive hours of work are necessary because of weather conditions, necessary seasonal activity or emergencies. Each supervisor is responsible for controlling the use of overtime. Before overtime is approved, the supervisor must be sure that there are sufficient departmental funds to pay the overtime.

The availability of funds must be reviewed and approved by the Budget Department before the overtime is worked. The Winston-Salem State University request for overtime form must be completed and signed before the overtime is worked. Pre-approval may be waived in the event of callbacks or other emergency situations. However, the supervisor must document the reason why pre-approval was waived. See WSSU Budget procedures and steps for approval

The following provisions apply to Overtime Compensatory Time:

- Overtime compensatory time shall only be paid as follows (see chart below), with the exception of exceeding maximum balances designated by Office of State Human Resources..

Pay Cycle
January
March
May
July
September
November

**Disclaimer: Pay cycles are determined by the annual Smart-time Biweekly Leave calendar. The calendar can be reviewed on WSSU Human Resources Website under Leave Administration.*

- Overtime compensatory time may be accumulated up to a maximum of 240 hours (160 hours straight time). Any overtime worked above this amount shall be paid in the employees' next regular paycheck.
- If an employee separates before taking overtime compensatory time, it shall be paid in a lump sum along with unused vacation.
- If an employee transfers from an FLSA non-exempt position to an FLSA-exempt position or to another state agency before taking overtime compensatory time, it shall be paid in the current or next regular paycheck by the University.
- Overtime compensatory time shall be taken by an employee before any vacation or bonus leave. (Exceptions may be made for retirees who may need to exhaust vacation leave prior to retirement.)
- An employee request for overtime compensatory time off cannot be denied unless the compensatory time off will unduly disrupt university operations

3. Salary

The annual and monthly salary rates of an employee are established under current personnel policy for each position. This salary is to represent the employee's straight-time pay for a standard 40-hour workweek.

4. Compensation

An employee is to receive straight—time pay for a standard 40-hour work week, with the provision that an additional amount equal to time and one-half the employee's regular rate times the number of hours worked in excess of 40 will be added to the base pay. The University's policy is, whenever possible, to give compensatory time off, in lieu of monetary compensation for hours worked in excess of 40 hours per week. Supervisors should schedule compensatory time off with reasonable effort made to accommodate the employee's preference.

An employee will be given compensatory time off on the basis of one and one-half times the amount of time worked beyond 40 hours during a week. An employee will be able to take the compensatory time earned within 12 months from the date the overtime is performed. If not taken within 365 days, the time shall be paid out in the next paycheck.

At the time of hire, each successful candidate for employment in a position subject to hours of work and overtime pay standards must sign a form acknowledging that the policy has been explained to him/her. Agreement to this is a condition of employment with the University; failure or refusal to sign an agreement will prevent employment of that person. This signed form shall be a part of the employee's personnel file; it must be kept for at least three (3) years following that person's separation.

Upon termination of employment, an employee will be paid for unused compensatory time off at a rate of compensation not less than either the average regular rate received by such employee during the last three years of the employee's employment or the final regular rate received by such employee, whichever is higher.

5. Hours Worked

All time during which an employee is required or permitted to be on the university's premises on duty or at a prescribed work place (except for meals or other periods when the employee is free from duty) is considered as hours worked. This is so even if the duties are pleasurable rather than burdensome and even if no productive work is actually performed.

6. Unauthorized Work

Hours worked by an employee without **prior approval** will not be considered as hours worked. Hours worked by an employee without the employer's permission or contrary to instructions may or may not be considered as hours worked. Unrecorded hours worked during a workweek by an employee at the job site or at home must be counted as hours worked if the employer knows or has reasons to know of such practice. The employer must enforce the no-work rule and may not unjustly benefit from work performed without knowledge of it.

No supervisor or employee is to record overtime worked or compensatory time taken except on the Employee Electronic Time Record. Any private arrangements for recording overtime worked and compensatory time taken is strictly forbidden.

Compensatory time taken is administered according to guidelines as required by the Fair Labor Standards Act and according to guidelines for overtime and compensatory time as required by State Personnel policies.

7. Training Time

Required attendance at training sessions, workshops and other meetings, whether before, during or after the employee's regular work schedule, is work time.

A. Home to Work

An employee who travels from home before the regular workday and returns home at the end of the workday is engaged in ordinary home to work travel that is a normal incident of employment. This is true whether the employee works at a fixed location or at different job sites. Normal travel from home to work is not work time.

B. Home to Work on Special One-Day Assignments in another City

When an employee who regularly works at a fixed location in one city is given a special one-day assignment in another city, such travel cannot be regarded as home-to-work travel. For example, an employee who works in Raleigh with regular working hours from 8:30 a.m. to 5:30 p.m., may be given a special assignment in another city, with instructions to leave Raleigh at 7:00 a.m. The employee arrives at 12 noon, ready for work. The special assignment is completed at 3:00 p.m., and the employee arrives back in Raleigh at 8:00 p.m. Such travel cannot be regarded as ordinary home-to-work travel occasioned merely by the fact of employment. It was performed for the State's benefit and would, therefore, qualify as an integral part of the "principal" activity that the employee was hired to perform on that particular workday. All the time involved, however, need not be counted as work time. Since, except for the special assignment, the employee would have had to report to the regular work site, the travel between home and the airport, or the usual time required to travel from home to work may be deducted, such time being in the "home-to-work" category. Also, of course, the usual mealtime would be deductible.

C. Travel That Is All in the Day's Work

Time spent by an employee in travel, as part of the employee's principal activity, such as travel from job site to job site during the workday, must be counted as hours worked. When an employee is required to report at the employer's premises, or at a meeting place, to receive instructions or to perform other work there, the travel time for this designated place to the work place is part of the day's work and must be counted as hours worked. If an employee normally finished work at a particular job site at 5:00 p.m., and is required to go to another job that is finished at 8:00 p.m., and is required to return to the employer's premises arriving at 9:00 p.m., all of the time is working time. However, if the employee goes home instead of returning to the employer's premises, the travel after 8:00 p.m. is home-to-work travel and is not hours worked.

D. Travel Away From Home Community

Travel that keeps an employee away from home overnight is travel away from home. Travel time away from home community is work time when it cuts across the employee's regular scheduled workdays. The time is not only hours worked on regular working days during normal working hours but also during the corresponding hours on nonworking days. Therefore, if an employee regularly works from 8:30 a.m. to 5:30 p.m., from Monday through Friday, the travel time during these hours is work time on Saturday and Sunday as well as the other days. Regular meal period time is not counted. That time spent in travel away from home outside of regular working hours (8:30 - 5:30) as a passenger on airplane, train, bus, or automobile is not considered as work time. The example below will help explain the accountability for travel time away from home community.

8. Record Keeping

Records of hours worked and wages paid are required to be kept for each employee subject to this policy. The Employee Time Record is the document required for reflection of hours and overtime compensation. Each department head and supervisor is responsible for ensuring the use of this document as well as for the accuracy of the record of hours recorded on this document. No overtime will be granted unless an approved Winston-Salem State University Request for Overtime form is attached to the Employee Time Record.

9. Enforcement

Employees may bring actions in Federal and State courts against their employers to enforce their rights and recover any back wages which may be due under provisions of the Fair Labor Standards Act. The U.S. Department of Labor enforces the FLSA.

III. Applicability

Applies to all SHRA employees of Winston Salem State University.

William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Secretary, Board of Trustees
Winston-Salem State University

Responsible Division: Vice Chancellor & Chief of Staff
Authority: Board of Trustees
History: Adopted June 6, 2014
Amended September xx, 2019

**Winston-Salem State University
Winston-Salem, North Carolina**

**Academic Affairs Committee Meeting
Board of Trustees**

September 19, 2019

AGENDA

1. Call to Order- Committee Chairperson
2. Roll Call—Recorder
3. Approval of Agenda*
4. Approval of Minutes from June 13, 2019 Committee Meeting*
5. Academic Affairs Report—Dr. Anthony Graham, Provost and Vice Chancellor for Academic Affairs
6. Adjournment

*Items requiring approval

WINSTON-SALEM STATE UNIVERSITY
Office of the Provost
Academic Affairs Division

MEETING MINUTES

Academic Affairs Committee of the Board of Trustees
June 13, 2019

Board members present: Sue Henderson, Drewry Nostitz, Scott Wierman, Anthony Graham (ex-officio), A quorum was present.

University staff present:Carolynn Berry, James Bullock, Stephanie Dance-Barnes, Forrest Foster, Joel Lee, Derrick Murray, Melvin Norwood, Elwood Robinson, Darryl Scriven, Mesia Steed, Peggy Valentine, Letitia Wall, Wanda White

Sue Henderson called the meeting to order at 12:04 p.m.

1. Letitia Wall completed the roll call. A quorum of board members was present.
2. Scott Wierman motioned and Drewry Nostitz seconded approval to accept the revised agenda. The motion was approved.
3. Ms. Nostitz motioned and Mr. Wierman seconded the motion to approve the minutes from the March 14, 2019 committee meeting. The motion was approved.
4. There were three policies on the agenda for discussion and approval recommendation. The Course Load Policy for undergraduate students specifies maximum course loads allowed for students during the regular semesters and summer. Mr. Wierman motioned and Mrs. Nostitz seconded the recommended approval. The On Campus Residency Requirement Policy provides clarifying language about what classification of students are required to live on campus. Mrs. Nostitz motioned and Mr. Wierman seconded the recommended approval. The revised *Student Code of Conduct* aligns the authority of the chancellor with the *UNC Policy Manual*. Mr. Wierman motioned and Mrs. Nostitz seconded the recommended approval. These recommendations will be presented on the consent agenda.
5. Provost Graham shared the revised program update for the UNC Campus Scholarship Program to broaden eligibility of students for the program, formerly known as the Minority Presence Grants program. With approval of this revised program, the university has broader flexibility to consider factors other than race while continuing to value diversity in the student body. Mrs. Nostitz motioned and Mr. Wierman seconded the recommended approval.

6. Interim Director of Athletics, Mr. George Knox shared the great academic success statistics for the student athletes this year. The freshman cohort graduation rate this year was 75%, which is higher than overall Division II graduation rates. Mr. Knox says there is still room to improve and the athletics staff is always looking at continued collaboration with the academic departments and academic support to support that improvement.
7. The committee welcomed the new chair of the faculty senate, Dr. Mesia Steed, an associate professor in the Department of Biological Sciences. She introduced herself to the committee, shared her research interest in hypertension and vascular research. In her report, Dr. Steed reflected on the 2018-2019 accomplishments of the faculty in areas of research, campus service, and system-level committee and workgroup engagement. She also shared that the faculty senate will focus its attention on some key areas that need attention as noted in the faculty and staff engagement survey. Those areas include increased communication, modeling and practicing shared governance and looking at long-range strategies to support strategic plan goal one: strengthening liberal education. We are glad to welcome Dr. Steed to the table as we see a continued forward shift in the engagement with faculty and governance leadership.
8. During the Report of the Provost, Dr. Graham reviewed key focus areas of impact this academic year. Those areas are: continued implementation and assessment of the restructure of academic and student affairs, student enrollment, persistence, retention data, and graduation data, implementation of the EAB Student Success Collaborative, and high impact practices such as internships and community service this year. We discussed the ways that trustees can support and engage paid internship opportunities for our students and we need to actively commit to these efforts so that 100% of our students have an opportunity for an internship. He also reported that in the area of extramural funding, WSSU has procured \$12.8m in grants so far this year. Looking forward to next year, Dr. Graham is focused on increasing collaborations with community colleges to support enrollment, implementing more shared governance in the areas of student success like scholarships, first year experiences, and male mentoring, and continued scale and sustainable high impact practices for our students. These priorities will require continued professional development for faculty, resources, and using all of these priorities as opportunities for continuous improvement.
9. Dr. Berry provided an update on WSSU's preparation for the SASCOC reaffirmation visit next spring. Many of the standards have a draft completed for second-level review and edit.

The next steps are to provide the evidence required to support the narratives with the goal to have all standards to the editor by the end of June. The completed report is still on track to be sent by August 15.

10. The meeting was adjourned at 1:43 p.m.

Respectfully submitted,

Letitia Wall



WINSTON-SALEM
STATE UNIVERSITY

WINSTON-SALEM STATE UNIVERSITY
Board of Trustees: Student Affairs Subcommittee Meeting
304 Thompson Center – Conference Room
Thursday, June 13, 2019
10 a.m.

MINUTES

Members Present: Dr. William Harris-Chair, Mr. David Smith

University Staff: Dr. Anthony Graham, Dr. Mel C Norwood, II, Dr. Cheraton Love, Mr. Orlando Mitchell, Camille Kluttz-Leach, Ms. Chantal Bouchereau, Dr. Natasha Jeter, Mrs. Deona-Cureton-Summers, Ms. Heather Davis, Mr. Stephen Powell, Dr. Zebedee Tally, Mrs. LaMonica Sloan-Wilhelmi and Ms. Angela Blue

The meeting was called to order at 10:00 a.m. and roll was called.

Approval of the Minutes-December 13, 2018 and March 14, 2019

As we did not have a quorum, approval of the December 13, 2018 and March 14, 2019 minutes will need to be executed at the next committee meeting in September 2019.

Report of the Vice Chancellor – Dr. Mel C Norwood, II, Vice Chancellor

Dr. Norwood welcomed the Board and opened the meeting by providing the below highlights from the Division following Mrs. Sloan Wilhelmi's Career Expo report.

- The Wellness Center experienced a revenue increase during the 2018-2019 year
- USAE closed out a year of successful programming by taking our SGA Leaders to the 2019 NASAP Conference in May
- Miss WSSU Taylor Walker will be featured as one of 100 HBCU Queens in Ebony Magazine's June 2019 issue
- Housing & Residence Life is preparing to open the WSSU Flats this Fall, finalizing application placements and working on summer hall improvements like those in Rams Commons Buildings I & III

- Dr. Norwood shared the recommended policy changes for the Student Code of Conduct Policy Revisions and On Campus Residency Requirement and noted both will be reviewed for approval by the Academic Affairs Committee due to the Student Affairs Subcommittee not having a quorum

Career Development Services-Career Expo

Mrs. LaMonica Sloan-Wilhelmi, Director of Career Development Services greeted the Board and spoke to the following updates regarding the Career Expo from Spring 2019:

Senior Staff provided the below critical feedback from March 2019 to consider when looking at events like the Career Expo

Takeaway #1: Articulate goals and intended outcomes for these initiatives – What is it that we seek to achieve when we execute these initiatives and how do they connect to the institution’s strategic plan, which provides the rationale for why we implement them.

Takeaway #2: Evaluation of these initiatives – Are we asking the appropriate questions on our instrumentation based on what we seek to achieve?

Takeaway #3: Identify the primary audience(s) and assess how we market and advertise to those groups based on the ways in which they receive information

Takeaway #4: Plan early and articulate dates for these events prior to the close of the spring 2019 semester, making visits to Provost Council, Academic Council, General Faculty meeting, departmental meetings, and other faculty-laden spaces

Takeaway #5: Plan a communication plan for students partnering closely with Jaime Hunt in IMC as well as Dr. Norwood and our Student Development and Engagement area to leverage student-laden spaces (e.g., residence halls, dining facilities, so forth)

Takeaway #6: Where possible, expand the Planning Committees for these initiatives to include appropriate faculty representatives

Career Expo Dates:

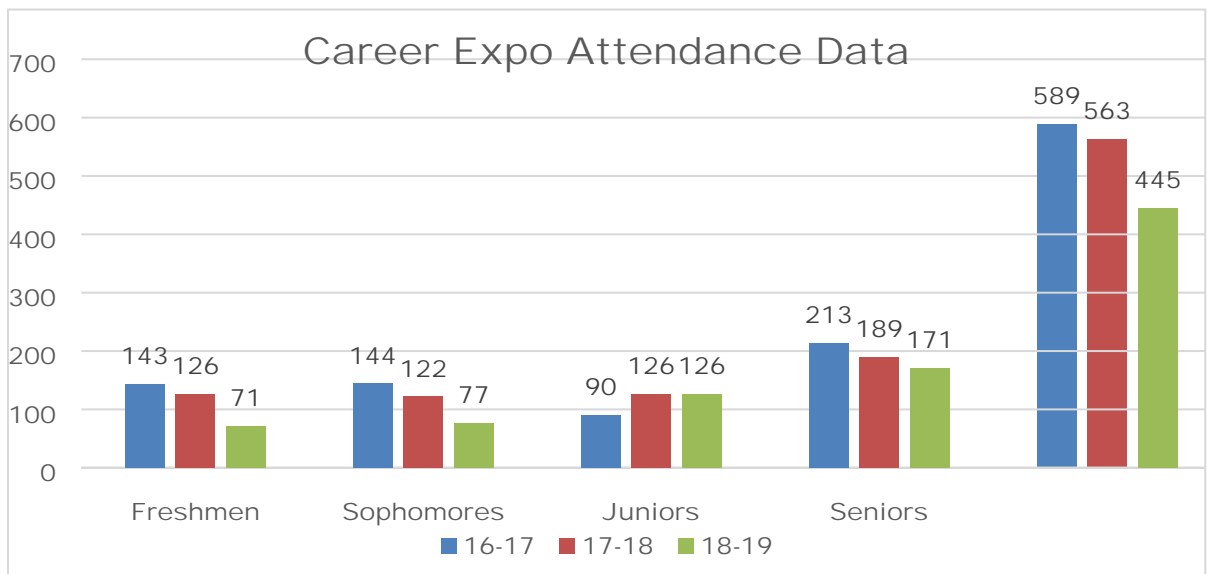
Fall Career & Graduate School Expo: September 12th, 2019
12 p.m. – 3 p.m.

Spring Career & Graduate School Expo: February 19th, 2020
12 p.m. – 3 p.m.

The top benefits of hosting a Career Expo were outlined as follows:

- Give students access to a large number of employers
- Promote your school as a source of good candidates to employers
- Give employers access to high-quality job candidates
- Educate students on how to conduct their job search
- Educate students on the school resources available to them

It is an expressed goal to increase our student and employer participation in future career expos in effort to provide the maximum connections and job placements for our students



Report of the SGA President

Mr. William Gibson-SGA President, was unable to attend and thus his report highlights were provided by Dr. Norwood as outlined below:

A. Executive Branch- Newly Elected Student Leadership for 2019-2020 as follows:

- Kyndal Dodd / *Student Body Vice-President*
- Torando Young / *Attorney General*
- Anijah Carter / *Executive Secretary*
- Kendrick Pittman / *Executive Treasurer*
- Nalexus Stocks / *Public Relations Director*
- Tremon Frink / *Public Relations Director*
- Bria Roddy / *Secretary of Commuter Affairs*
- Jasmin Williams / *Campus Activities Board President*
- Je'den Clark / *UNCASG Campus Liaison*

Vacant Appointments: Interviews will commence in the fall for Chief of Staff and Secretary of Veterans Affairs

1. *National Association of Student Affairs Professionals*

- WSSU Student Government Association, participated in the 2019 Student Leadership Institute from May 28, 2019-June 3, 2019. The Student Leadership Institute (SLI) is an intensive, interactive, and stimulating learning program, designed for newly elected HBCU student leaders (Student Government Associations, Class Officers, Greek Councils, Student Ambassadors, and Programming Boards) who are committed to uplifting their organizations and their university. This institute was hosted on the campus of Savannah State University in Savannah, Georgia.

2. *SGA will focus on the below 3 Pillars for the 2019-2020 Academic Year*

- Community Empowerment
- Social Activism
- Mental Health & Wellness

There being no further business before the committee, the meeting adjourned at 10:40 am.

Angela Blue

Recording Secretary



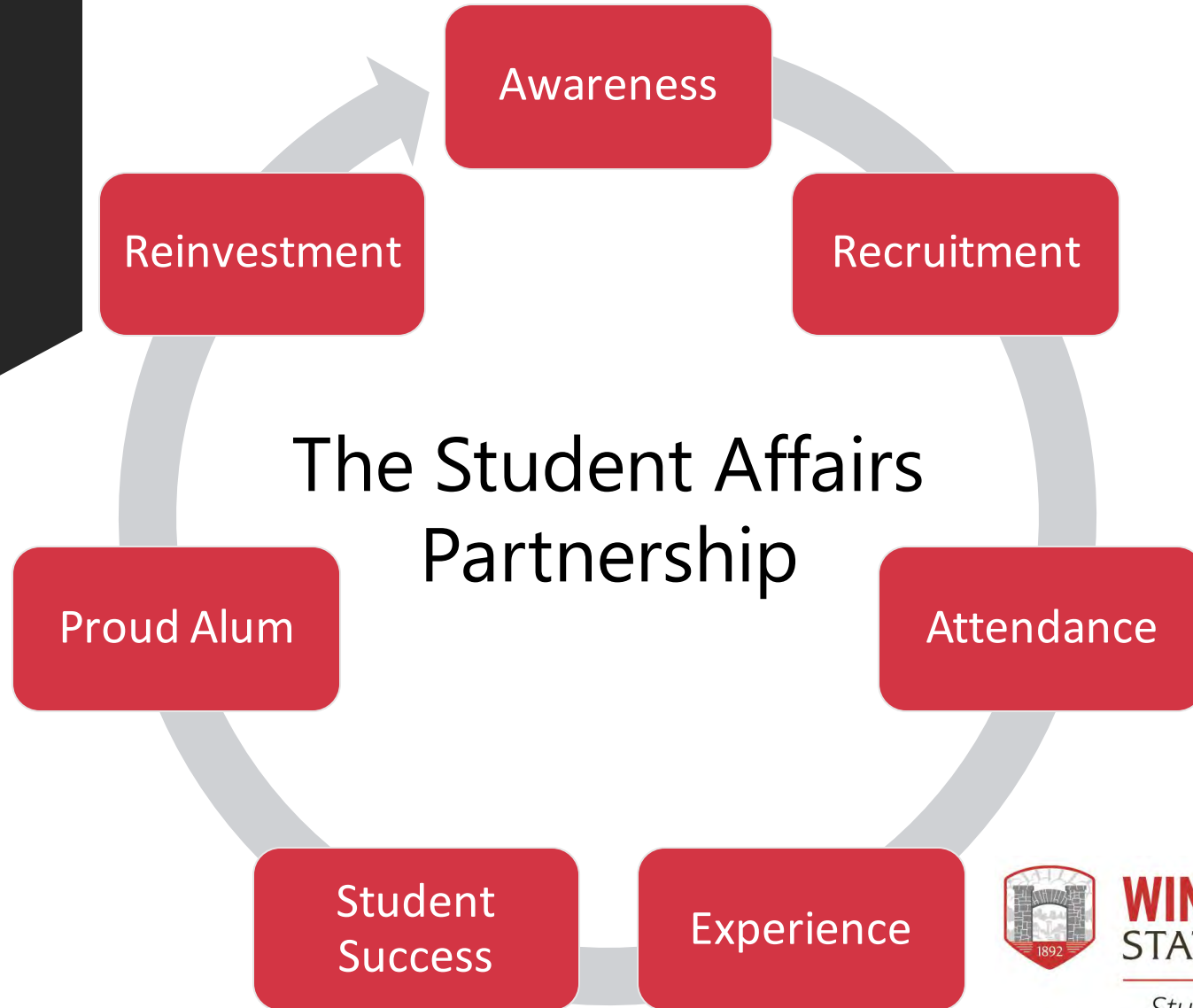
WINSTON-SALEM STATE UNIVERSITY

*Student Development &
Engagement*

Board of Trustees Orientation

September 19, 2019

What's It All About?



WINSTON-SALEM
STATE UNIVERSITY

Student Development & Engagement

Vice Chancellor
for Student Development & Engagement
and Associate Provost

Associate Vice Chancellor *and*
Dean of Students

Dean of Experiential Education

Executive Assistant
to the Vice Chancellor

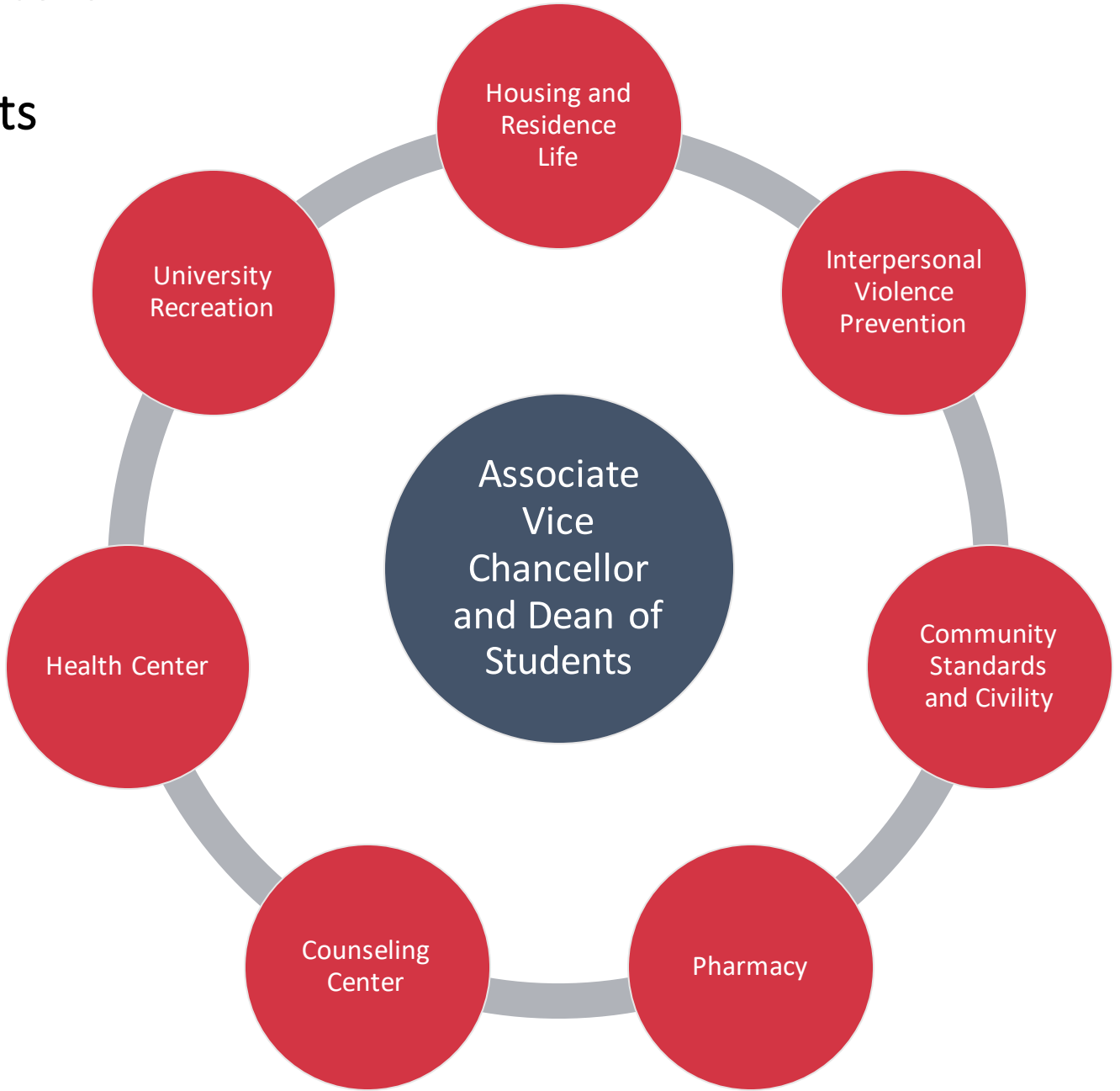
University Program Specialist



WINSTON-SALEM
STATE UNIVERSITY

*Student Development &
Engagement*

Associate Vice Chancellor *and* Dean of Students



WINSTON-SALEM
STATE UNIVERSITY

Student Development & Engagement

Dean of Experiential Education



WINSTON-SALEM
STATE UNIVERSITY

*Student Development &
Engagement*

SDE
Funding
Model

Health Service Fee

Student Activity Fees

State Funding Allocations

Title III

Grants

In-Kind Discretionary Funds



WINSTON-SALEM
STATE UNIVERSITY

*Student Development &
Engagement*

Strategic Divisional Initiatives

- NASPA LEAD Institution
- NC Compact
- EAB Watch Lists
- Facilities and Living Learning Communities
- EverFi
- High Touch and Intentional Engagement
- Expansion of Career Development Services
- Technology and Facility Upgrades
- Graduate Assistants and Graduate Internships
- Student Affairs Fellowships



WINSTON-SALEM
STATE UNIVERSITY

*Student Development &
Engagement*



WINSTON-SALEM
STATE UNIVERSITY

*Student Development &
Engagement*

QUESTIONS?



WSSU

BOARD OF TRUSTEES
ADVANCEMENT COMMITTEE MEETING
THURSDAY SEPTEMBER 19, 2019 ♦ 2:00 – 3:00 P. M.
BLAIR HALL 200, CHANCELLOR'S CONFERENCE ROOM

AGENDA

*** Action Item**

- | | |
|--|--------------------------------|
| 1. Call to Order | Mr. Kelvin Farmer, Chair |
| 2. Roll Call | Mr. Edward Shealy,
Recorder |
| 3. Approval of Today's Meeting Agenda* | Mr. Farmer |
| 4. Approval of June 13, 2019 Meeting Minutes | Mr. Farmer |
| 5. Introduction of Ms. Mae Godette | Dr. LaTanya Afolayan |
| 6. Advancement Divisional Highlights | Dr. LaTanya Afolayan |

Please refer to the written Committee Reports

- | | |
|---|---------------|
| 7. Division of Strategic Communications Updates | Mr. Jay Davis |
| 8. Adjournment | Mr. Farmer |

NEXT ADVANCEMENT COMMITTEE MEETING ♦ THURSDAY, DECEMBER 19, 2019 – 2:00 PM

ABOUT UNIVERSITY ADVANCEMENT...

The Division of University Advancement cultivates and maintains enduring relationships between its many constituencies and the university. We work with alumni, friends, students, parents, faculty, staff, community members, and foundation and corporate partners to garner financial and human capital resources that will enrich our university and the lives of our students. University Advancement shares a collective responsibility for creating partnerships and experiences across the university, the community, and beyond.

**Winston-Salem State University Board of Trustees Advancement Committee Meeting
Thursday, June 13, 2019**

Call to Order:

Mr. Kelvin Farmer called the meeting to order.

Roll Call:

Members Present: Mr. Kelvin Farmer, Dr. William Harris, Mrs. Sue Henderson and Mrs. Drewry Nostitz

Members Absent: Mr. Robert Barr, Mr. William Gibson, and Mr. David Smith

Staff Present:

Chancellor Elwood Robinson, Dr. LaTanya Afolayan, Mr. Isaac Moore, Mrs. Jamie Hunt, Mrs. Andrea Jenkins, Mrs. Lisa Knight, Mrs. Camille Kluttz-Leach, Mrs. Kimberly Reese, Ms. Suzanne Rodgers, Mr. Edward Shealy, Mr. Gordon Slade and Mr. Jay Davis

Approval of Agenda:

Mr. Farmer asked for a motion to approve the agenda. Mrs. Henderson made the motion, and Dr. Harris seconded the motion to approve the agenda. The motion carried.

Approval of Committee Meeting Minutes:

Mr. Farmer asked for a motion to approve the March 14, 2019 meeting minutes. Mrs. Nostitz made the motion to approve the March 14, 2019 meeting minutes and Dr. Harris seconded the motion to approve the minutes. The motion carried.

Divisional Highlights

Dr. Afolayan shared the divisional highlights that were submitted in the printed report including \$54,231.62 raised during the 40 Under 40 Awards Gala.

Alumni participation has increased from 1,288 alumni donors to 1,675 donors; Alumni giving has increased from \$494,729 to \$624,620 as of June 12, 2019.

The spring calling program has generated \$59,129 in pledges as of April 30 – the goal for FY19 is \$83,936.

A total of \$37,000 was raised during the 2019 WSSU Foundation Golf Tournament on April 26, 2019.

Fundraising activity (January 2019 to May 2019)

Donor Visits (38 face to face visits- not including special events)

- Alumni, Friends, Corporate and Foundation partners
- BOT and Foundation Board members

New Scholarships

- Paul and Marcia Meis - \$75,000 for 2 male Education Majors
- Bettie Hunter Kornegay Endowed Scholarship
- Geneva Tyler Endowed Fund for Nursing (F. Borden Hanes and Family)
- Neisha Strong Non-Endowed Emergency Fund
- Jernigan Endowed Scholarship
- The Vickers Endowment
- Dr. Barbara D. Guess Endowment
- The WSSU \$1 million Alumni Challenge

Corporate Engagement Activity

- Abbot Downing campus visit April 10th
- Reynolds American visit STEM Internship Opportunities April 23rd
- BlueCross NC - Nursing Report Submitted May 30, 2019; stewardship visit on June 10, 2019

Leadership Visits (development team)

- Alumni Challenge Match prospect visits
- Alumni Chapter visits:
 - Kimberley Park Alumni Chapter (March 2019)
 - Raleigh Alumni Chapter (April 2019)
 - Martinsville/Henry Alumni Chapter (2019)
 - Eden Alumni Chapter (May 2019)
- Upcoming: Nationwide and BB&T (June and July 2019)

Stewardship Activity

- Student Thank-a-thon March 26th and 28th
- WSSU Donor Reception April 4th
- WSSU Scholarship Luncheon April 11th

Respectfully submitted by:

Edward B. Shealy

*



**Board of Trustees, Finance and Administration Committee
Agenda
Thursday, June 13, 2019
Cleon Thompson Center Room 304
11:45 am**

***Action Item**

1. Call to Order – Chairman
2. Roll Call – Leslie Gaynor
3. Finance and Administration Update – Wilbourne Rusere
4. * Overtime Compensation Policy (Approval)
5. Adjournment – Chairman

Winston-Salem State University
Board of Trustees Finance and Administration Committee
304 Thompson Center
Thursday, June 13, 2019

Minutes

Mr. Michael Shortt called the Board of Trustee (BOT) Finance and Administration meeting to order

Roll Call: Leslie Gaynor

Members Present: Mr. Michael Shortt Dr. Ricky Sides
 Ms. Kathleen Kelly Ms. Constance Mallette (ex-officio)
 Dr. William Harris

A quorum was established.

Staff Present: Mr. Frank Lord Mr. Jimmy Norwood
 Ms. Leslie Gaynor Mr. Jonathan Smith
 Mr. Tim McMullen Ms. LaToya Wiley
 Mr. Wilbourne Rusere Mr. Jay Davis (IM)

Adoption of Agenda

The revised agenda was adopted (Trustee Kelly moved, Trustee Harris seconded).

Approval of Minutes

The March 14, minutes were approved. (Trustee Kelly moved, Trustee Harris seconded).

Finance and Administration Update

Vice Chancellor Constance Mallette gave the following updates.

Staffing / Organization Changes

- Director Financial Reporting – Presently Recruiting
- Accomplishments – Quarter
 - Key Performance Indicators from UNC System for this quarter has presented WSSU in-range of compliance with the UNC Standards around Financial Aid, Student Accounts, Contracts & Grants, Capital Assets & General Accounting
 - Three of the four Locksmith passed their Locksmith Certification as well as the Director of Facilities Operations.
 - Developed monthly Safety and Technical training program for Housekeepers
 - Have established an Above and Beyond Award (Housekeeping) which recognizes individuals identified as going above and beyond within the Housekeeping operation.
 - Working to implement a 3rd shift housekeeping operation. Presently recruiting for a 3rd shift housekeeping supervisor and staff of 8.
 - Goal to promote enhanced cleaning and improve service to the building as well as off load some of housekeeping requirements from the first shift buildings
 - Will be a Team Clean approach – the 3rd shift team will move together throughout the building breaking floors into quads

- Beginning with the Science buildings – FL Atkins, Elva Jones, Wilveria Atkinson, New Science building.
 - There will be a schedule shared with Campus Police to ensure group receives appropriate security in moving from building to building.
 - Scheduled to be fully implemented by August 1.
- Union Station
 - Approaching final conversation with the City(has to be approved by City Council):
 - 2 separate agreements (Operational Lease & Management Lease)
 - One Stop Operation – Provide front facing operational services
 - Registrar
 - Financial Aid
 - Student Accounts
 - Backend operations and Stage 2 assistance will remain in Thompson Center
 - Admissions Office
 - Includes the beginning of the Campus Tours
 - Have a multifunctional area that may be used to display video for campus tours or training space.
 - Passport and Print Shop Operation along with some retail sale options
 - Satellite Post Office/Parking Services/
Management Services – Revenue Generating
Building Manager
 - Campus Police & Public Safety/Parking-Lowery Street/
 - Special Events Operational Management Services
 - Housekeeping Services
- Residence Hall at 95 Cemetery Street (formerly McHugh Sister Flats – Salem College)
 - Rams Commons will be taking 2 buildings offline each year for the next 2 years displacing about ~ 220 students per year.
 - Approved and contract signed by Foundation
 - Will begin transition mid- to late July with move-in ~ August 10th
- Federal Debarment Review Finding (was reported in December 2018)
 - Office of State Auditor found the University was in violation of federal compliance of verifying whether Vendors were suspended or debarred. Notated a deficiency in internal control.
 - There was a miscommunication between Sponsored Programs – Academic Affairs and Purchasing Services – Finance & Administration as to which area would vet the Vendor.
 - It has been resolved that this will be provided by Purchasing Services as gatekeepers for all procurement services. Procedures established within Purchasing for all procurement including contracts.
 - This report summarized along with other Single Audit federal reviews within the State and published by the Office of State Auditors.
 - UNC System Office in accordance – NCGS116-30.1 requires follow-up by our Internal Auditors. Presently finalizing the report.
- State Auditors

- Auditors are on campus to begin the financial audit 18-19

Resolution to Adopt Rams Commons Fire Alarm Designer

The above resolution was approved (Trustee Kelly moved, Trustee Harris seconded).

Capital & Informal projects

Tim McMullen

- **Capital Projects**

- **Sciences Building**

- The Project (funded at \$53.3M) is part of the Connect NC Bond.
- It is a 5-story 103,000 square feet facility with classrooms, laboratory space and faculty offices.
- A 3-story central atrium provides direct access to mail level classrooms and also will serve as a gathering and mixed-use area able to accommodate receptions, exhibits and public presentations.
- Exterior Masonry and Curtain wall installation are complete.
- Roofing system is dried-in.
- Interior metal studs and drywall are being installed on all floors.
- Plumbing, HVAC and Electrical construction rough-ins are nearing completion.
- Project is still on schedule for completion in late fall, 2019.

- **Demolition of Old Nursing/Health Building**

- Demolition of this 68-year old structure that has outlived its useful life.
- The project budget is \$490,000
- Building Demolition was completed in February, 2019. Balance of work will be completed in late March, 2019.
- Scope includes resurfacing existing parking lot and providing additional temporary parking.
- Master Plan proposes that this site becomes part of a future Convocation Center Complex.
- Funding Source: 2016 Repairs & Renovations Allocation

- **Current Projects**

- **Relocation of Passport Office and Expansion of Financial Services on Lowery Street**

- Due to higher than anticipated cost to relocate to Lowery Street, other campus locations have been considered.
- A location in the restored Union Station is being considered.
- Details will be worked out with the City of Winston-Salem
- Funding Sources: Fund Balance and Budget Allocation

- **R.J. Reynolds Building – HVAC Repairs and Controls Upgrades - \$650,000**

- Existing Main Air Handling Unit will be rebuilt
- Fans, coils, valves, and piping will be replaced
- Existing Pneumatic Controls System & Piping will be upgraded to Direct Digital Controls (DDC)
- Critical, long-lead parts have been ordered and some have been installed
- Building is to be taken off-line in May 12th vacated over the summer and work will be completed in August, 2019
- Funding Source: Title III (\$500,000) + 2015 Repairs & Renovations Allocation (\$150,000)

- K.R. Williams Auditorium – Structural and Roof Repairs
 - Roof leaks and structural damage above the stage have been investigated.
 - Roof above stage will be replaced
 - Engineer’s Analysis Report reveals corrosion/failure of wall reinforcement resulting in a bulge and cracks in brick veneer
 - Project scope includes removing and replacing a portion of brick façade and rebuilding parapet wall
 - Construction Documents have been approved by the State Construction Office.
 - Partial Funding Source: 2014 & 2015 Repairs & Renovations Allocation
 - Additional funding needed to cover full \$650,000 Estimated repair cost.
- Emergency Generators for Anderson Center & Thompson Center
 - Thompson Center Generator Contract has been successfully negotiated and is within its \$400,000 budget.
 - Contract has been awarded and order for Generator has been placed.
 - Bids on Anderson Center Generator have been received and contract awarded
 - Anderson installation - June, 2019; Thompson installation – July/August, 2019.
 - Funding Sources: 2011, 2012, 2013, & 2015 Repairs and Renovations
- 1602 Lowery Street
 - The Facilities Warehouse Building will be up-fitted to accommodate relocating Building & Environmental Services, Motor Pool and Operations & Maintenance from the Physical Plant.
 - This will make way for its future repurposing for Art & Visual Studies, as part of “Restore the Core”
 - Design Phase is underway with project scope and architectural program development.
 - Total project budget is \$1,875,747.
 - The work will be completed in summer, 2020.
 - Funding Sources are 2017 and 2018 Repairs & Renovations.
- Central Chilled Water Plant – Upgrade to a Third Chiller
 - A 2017-18 R&R Funding Allocation of \$850,000 was received for Design and Infrastructure
 - A Designer Solicitation process was deferred until the funds for the full \$1,800,000 project can be secured.
 - A 1,000-Ton Chiller is proposed, to increase overall cooling capacity for future buildings, and provide redundancy if one of the existing 400 or 800-Ton Units fail.
- **Proposed Projects**
 - Rams Commons Residence Hall – HVAC Replacement, Fire Alarm Upgrade and General Repairs - \$7,200,000
 - 440-Bed, 5-Building Apartment-style Student Housing Complex
 - Full Project authorization approved by UNC System Board of Governors at May meeting
 - Replace all Split-System Heat Pumps with a Variable Refrigerant Flow System
 - Upgrade Fire Alarm System
 - Phased closing of two buildings at a time over 2 years
 - Designer Interviews completed. Final selection is pending.
 - Project Start - Summer, 2019; Completion August 2021

- Funding Sources: Foundation Reserves & Housing-Residence Life Fund Balance
- Wilson and Brown Hall – Door Access Controls - \$556,000
 - Provide Card-Swipe Access Controls for all Double-Occupancy Bedrooms and Group Toilets
 - Previously authorized by UNC Board of Governors
 - Work will be done in phases over next year.
 - Funding Sources: Housing-Residence Life Fund Balance/Reserves

Financial Report

LaToya Wiley

This cumulative Fiscal Year 2018-19 report includes financial statements as of March 31, 2019, as well as other information that helps substantiate the University’s accountability to WSSU’s Board of Trustees.

General Fund Summary:

The statements of revenues and expenses summarize the university’s results of operations as of March 31, 2019. The total budget was \$87M.

- State Appropriations – \$63M.
 - Revenue (tuition and fees) – \$24M.
- The university has spent \$61.3M or 70% of the total budget towards personnel salaries and operating requirements.
 - Expenditures as of March 31, 2019 are \$2,966,428 less than the amount for March 31, 2018.
 - Receipts recorded through March 31, 2019 total \$23.7M, or 99% of the revenue budget.
 - Total receipts collected as of March 31, 2019 are \$593,145 less than the amount collected for the same period last year.

Auxiliary Services and Business Enterprises Summary:

The university manages a number of auxiliary and business enterprises that are self-supporting operations.

- As of March 31, 2019, all business entities had positive fund balances, except for WSSU’s Athletics Program.
- The cumulative negative balance for the Athletics program was (\$12.3M) through the end of March 31 2019.

Other Discussion

No other discussion items.

Next meeting, Thursday, June 13, 2019

Respectively Submitted by:



Leslie Gaynor
Finance and Administration, Office Director



Policy Submission Form

Policy Title:

Is this policy mandated by federal or state law, UNC Board of Governors or UNC Office of the President? If so, please identify the policy, law, or mandate.

Is this an amendment to an existing policy?

If yes, are other policies affected by this amendment (i.e. will a different policy need to be repealed/amended with the approval of this policy)? Identify any affected policies.

If yes, does this amendment change the name of an existing policy?

Are there additional resources related to this policy that would help with implementation of and compliance with the policy (i.e. procedures, forms, policies, or external resources)? If so, please attach the additional resources or include web addresses for internet resources.

Equity Assessment

Answering positively to one of the three questions below will require detailed discussion of the policy and potential implications at the Executive Staff level

- 1. Could this policy disadvantage students because of socially determined circumstances?**
- 2. Could this policy disadvantage students because of the previous knowledge/experience of the student or parent?**
- 3. Could this policy negatively impact the academic progress of the student?**

Suggested Policy Chapter:

BOT Reviewing Committee:

Email address to receive policy feedback from online posting:



Overtime Compensation

I. Executive Summary

II. Policy Statement **(Required)**

This policy governs the award of overtime compensation.

III. Definitions

IV. Guidelines

1. Exempt Employees

No SHRA employee whose position is designated as *Exempt* under the Fair Labor Standards Act from overtime compensatory provisions shall be paid overtime. SHRA Exempt employees shall earn compensatory time for hours worked in excess of forty in a work week on an hour-for-hour basis. Compensatory time may be accumulated to a maximum of 160 straight time hours. Compensatory time shall be taken within twelve months from the date the work is performed. If not taken within 365 days, the time shall be forfeited. SHRA Exempt employees, who transfer to an EHRA position or separate from the University, shall forfeit the remaining balance of compensatory time.

2. Non-Exempt Employees

The payment of premium time and one-half rates is required for hours worked in excess of 40 within a week, with the exception of those considered exempt. University supervisors shall limit hours worked by employees to the university established 40-hour work week standard except in those cases where excessive hours of work are necessary because of weather conditions, necessary seasonal activity or emergencies. Each supervisor is responsible for controlling the use of overtime. Before overtime is approved, the supervisor must be sure that there are sufficient departmental funds to pay the overtime.

The availability of funds must be reviewed and approved by the Budget Department before the overtime is worked. The Winston-Salem State University request for overtime form must be completed and signed before the overtime is worked. Pre-approval may be waived in the event of callbacks or other emergency situations. However, the supervisor must document the reason why pre-approval was waived. See WSSU Budget procedures and steps for approval.

The following provisions apply to Overtime Compensatory Time:

- Overtime compensatory time shall only be paid as follows (see chart below), with the exception of exceeding maximum balances designated by Office of State Human Resources..

Months	Pay Cycle
January – February	March
March – April	May
May – June	July
July – August	September
September – October	November
November – December	January

- Overtime compensatory time may be accumulated up to a maximum of 240 hours (160 hours straight time). Any overtime worked above this amount shall be paid in the employees’ next regular paycheck.
- If an employee separates before taking overtime compensatory time, it shall be paid in a lump sum along with unused vacation.
- If an employee transfers from an FLSA non-exempt position to an FLSA-exempt position or to another state agency before taking overtime compensatory time, it shall be paid in the current or next regular paycheck by the University.
- Overtime compensatory time shall be taken by an employee before any vacation or bonus leave. (Exceptions may be made for retirees who may need to exhaust vacation leave prior to retirement.)
- An employee request for overtime compensatory time off cannot be denied unless the compensatory time off will unduly disrupt university operations

3. Salary

The annual and monthly salary rates of an employee are established under current personnel policy for each position. This salary is to represent the employee’s straight-time pay for a standard 40-hour workweek.

4. Compensation

An employee is to receive straight—time pay for a standard 40-hour work week, with the provision that an additional amount equal to time and one-half the employee’s regular rate times the number of hours worked in excess of 40 will be added to the base pay. The University’s policy is, whenever possible, to give compensatory time off, in lieu of monetary compensation for hours worked in excess of 40 hours per week. Supervisors should schedule compensatory time off with reasonable effort made to accommodate the employee’s preference.

An employee will be given compensatory time off on the basis of one and one-half times the amount of time worked beyond 40 hours during a week. An employee will be able to take the compensatory time earned within 12 months from the date the overtime is performed. If not taken within 365 days, the time shall be paid out in the next paycheck.

At the time of hire, each successful candidate for employment in a position subject to hours of work and overtime pay standards must sign a form acknowledging that the policy has been explained to him/her. Agreement to this is a condition of employment with the University; failure or refusal to sign an agreement will

prevent employment of that person. This signed form shall be a part of the employee's personnel file; it must be kept for at least three (3) years following that person's separation.

Upon termination of employment, an employee will be paid for unused compensatory time off at a rate of compensation not less than either the average regular rate received by such employee during the last three years of the employee's employment or the final regular rate received by such employee, whichever is higher.

5. Hours Worked

All time during which an employee is required or permitted to be on the university's premises on duty or at a prescribed work place (except for meals or other periods when the employee is free from duty) is considered as hours worked. This is so even if the duties are pleasurable rather than burdensome and even if no productive work is actually performed.

6. Unauthorized Work

Hours worked by an employee without **prior approval** will not be considered as hours worked. Hours worked by an employee without the employer's permission or contrary to instructions may or may not be considered as hours worked. Unrecorded hours worked during a workweek by an employee at the job site or at home must be counted as hours worked if the employer knows or has reasons to know of such practice. The employer must enforce the no-work rule and may not unjustly benefit from work performed without knowledge of it.

No supervisor or employee is to record overtime worked or compensatory time taken except on the Employee Time Record. Any private arrangements for recording overtime worked and compensatory time taken is strictly forbidden.

Compensatory time taken is administered according to guidelines as required by the Fair Labor Standards Act and according to guidelines for overtime and compensatory time as required by State Personnel policies.

7. Training Time

Required attendance at training sessions, workshops and other meetings, whether before, during or after the employee's regular work schedule, is work time.

A. Home to Work

An employee who travels from home before the regular workday and returns home at the end of the workday is engaged in ordinary home to work travel that is a normal incident of employment. This is true whether the employee works at a fixed location or at different job sites. Normal travel from home to work is not work time.

B. Home to Work on Special One-Day Assignments in another City

When an employee who regularly works at a fixed location in one city is given a special one-day assignment in another city, such travel cannot be regarded as home-to-work travel. For example, an employee who works in Raleigh with regular working hours from 8:30 a.m. to 5:30 p.m., may be given a special assignment in another city, with instructions to leave Raleigh at 7:00 a.m. The employee arrives at 12 noon, ready for work. The special assignment is completed at 3:00 p.m., and the employee arrives back in Raleigh at 8:00 p.m. Such travel cannot be regarded as ordinary home-to-work travel occasioned merely by the fact of employment. It was performed for the State's benefit and would, therefore, qualify as an integral part of the "principal" activity that the employee was hired to perform on that particular workday. All the time involved, however, need not be counted as work time. Since, except for the special assignment, the employee would have had to report to the regular work site, the travel between home and the airport, or the usual time required to travel from home to work may be deducted, such time being in the "home-to-work" category. Also, of course, the usual mealtime would be deductible.

C. Travel That Is All in the Day's Work

Time spent by an employee in travel, as part of the employee's principal activity, such as travel from job site to job site during the workday, must be counted as hours worked. When an employee is required to report at the employer's premises, or at a meeting place, to receive instructions or to perform other work there, the travel time for this designated place to the work place is part of the day's work and must be counted as hours worked. If an employee normally finished work at a particular job site at 5:00 p.m., and is required to go to another job that is finished at 8:00 p.m., and is required to return to the employer's premises arriving at 9:00 p.m., all of the time is working time. However, if the employee goes home instead of returning to the employer's premises, the travel after 8:00 p.m. is home-to-work travel and is not hours worked.

D. Travel Away From Home Community

Travel that keeps an employee away from home overnight is travel away from home. Travel time away from home community is work time when it cuts across the employee's regular scheduled workdays. The time is not only hours worked on regular working days during normal working hours but also during the corresponding hours on nonworking days. Therefore, if an employee regularly works from 8:30 a.m. to 5:30 p.m., from Monday through Friday, the travel time during these hours is work time on Saturday and Sunday as well as the other days. Regular meal period time is not counted. That time spent in travel away from home outside of regular working hours (8:30 - 5:30) as a passenger on airplane, train, bus, or automobile is not considered as work time. The example below will help explain the accountability for travel time away from home community.

8. Record Keeping

Records of hours worked and wages paid are required to be kept for each employee subject to this policy. The Employee Time Record is the document required for reflection of hours and overtime compensation. Each department head and supervisor is responsible for ensuring the use of this document as well as for the accuracy of the record of hours recorded on this document. No overtime will be granted unless an approved Winston-Salem State University Request for Overtime form is attached to the Employee Time Record.

9. Enforcement

Employees may bring actions in Federal and State courts against their employers to enforce their rights and recover any back wages which may be due under provisions of the Fair Labor Standards Act. The U.S. Department of Labor enforces the FLSA.

V. Roles & Responsibilities

VI. Applicability (Required)

Applies to all SHRA employees of Winston Salem State University.

VII. Compliance

Authority: Board of Trustees
History: Adopted June 6, 2014
Amended September 2019

Facilities Management

Capital Project Updates

Board of Trustees

September 19 - 20, 2019



WINSTON-SALEM STATE UNIVERSITY

WSSU

•Capital Projects

New Sciences Building

Funding Source: State Appropriation and Connect NC Bond

Strategic Planning: Sciences collaborative educational building, including Biological Sciences, Chemistry, Clinical Lab Science, and BRIC.

Schedule: Construction Fall 2017 through Fall 2019

Current Status: 78% Complete (Project is on Schedule)

Construction Cost: \$40,072,361

Overall Project Budget: \$53,312,000

Area: 103,000 SF

Stories: 5

Current Work in Progress:

- Exterior stone panel installation: west and east feature wall.
- Prime paint to interior walls
- Installation of ceiling grids
- Lab casework installation
- Plumbing, HVAC and Electrical construction
- Curb, gutter and concrete pad installation

WINSTON-SALEM STATE UNIVERSITY



Rams Commons Residence Hall - Fire Alarm & HVAC Upgrades and General Repairs

PROJECT STATUS & SCHEDULE

- June BOT Resolution delegated Chancellor or designee to negotiate Fee for services with selected Designer
- Designer's Proposal has been sent to SCO for Contract Preparation
- Design Phase will run through Fall, 2019
- Phase 1 - Two Buildings are off-line for the 2019 - 2020 Academic Year
- Phase 2 – Two Buildings will be taken off line for the 2020 – 2021 Academic Year
- Construction on the Community Center Building will be scheduled for completion during either Phase 1 or 2
- Project will be complete for the Fall 2021 Semester

Rams Commons Residence Hall - Fire Alarm & HVAC Upgrades and General Repairs

PROJECT BUDGET (From Housing Maintenance Reserves & Fund Balance)

- Upgrading the Fire Alarm and HVAC Systems
- General Building Renovations \$1,300,000
- Painting
- Replacing of flooring
- General interior repairs
- Upgrades to plumbing and electrical systems
- HVAC Upgrades \$3,379,000
- Fire Alarm Upgrades \$1,550,000
- Design Fees and Contingencies \$ 900,000
- Total Renovation Budget \$7,129,000

Current Projects (All Projects are funded from Repair & Renovations except as noted *)

Project	Status
• R.J. Reynolds Building – HVAC Repairs and Controls Upgrades - \$650,000* (Title III + R&R)	Complete
• Emergency Generators for Thompson Center - \$490,000	Complete
• Emergency Generators for Anderson Center - \$600,000	Complete – Final Test Pending
• Campus-Wide Roadway and Sidewalk Patching & Replacements \$53,000 (Multiple Projects)	Complete
• Campus Lighting Repairs & Upgrades – Phase I (Main Campus) \$22,925	Complete
• K.R. Williams – Structural and Roof Repairs - \$650,000	Bids Complete
• 1602 Lowery Street –Up-fit Facilities Operations & BES - \$1,875,747	Design Contract Awarded
• 1604 A-B Lowery Street - Expansion of Financial Services Offices - \$275,000* (Trust)	Design Phase Complete
• Central Chilled Water Plant – Upgrade to a third Chiller - \$1,800,000 (Current Funds \$850,000)	On hold pending additional funds
• F.L. Adkins – HVAC Upgrades to BAS and Retro-Commissioning- \$158,345	Contract Pending
• W.B. Atkinson – Chiller Replacement - \$150,000	Contract Pending
• Campus Lighting Repairs & Upgrades – Phase II (West Campus) \$29,500	Contract Pending
• 1600 Lowery St. – Up-fit for Relocation of HVAC Shops and Inventory Warehouse \$250,000	In-House Planning

Brushy Fork Greenway Project

City of Winston-Salem extension of its' Greenway System from Reynolds Park Road to Lowery Street

UPDATE:

- Resolution for Temporary Construction Easement and Permanent Greenway Easement was adopted by WSSU BOT
- Approved by UNC - BOG & Council of State
- Final agreement was prepared by State Attorney General's Office
- Draft Agreement was reviewed by city of Winston-Salem for Approval
- Returned to State Property Office with minor revisions suggested
- Awaiting updated Final Agreement for execution by City of W-S



WINSTON-SALEM
STATE UNIVERSITY

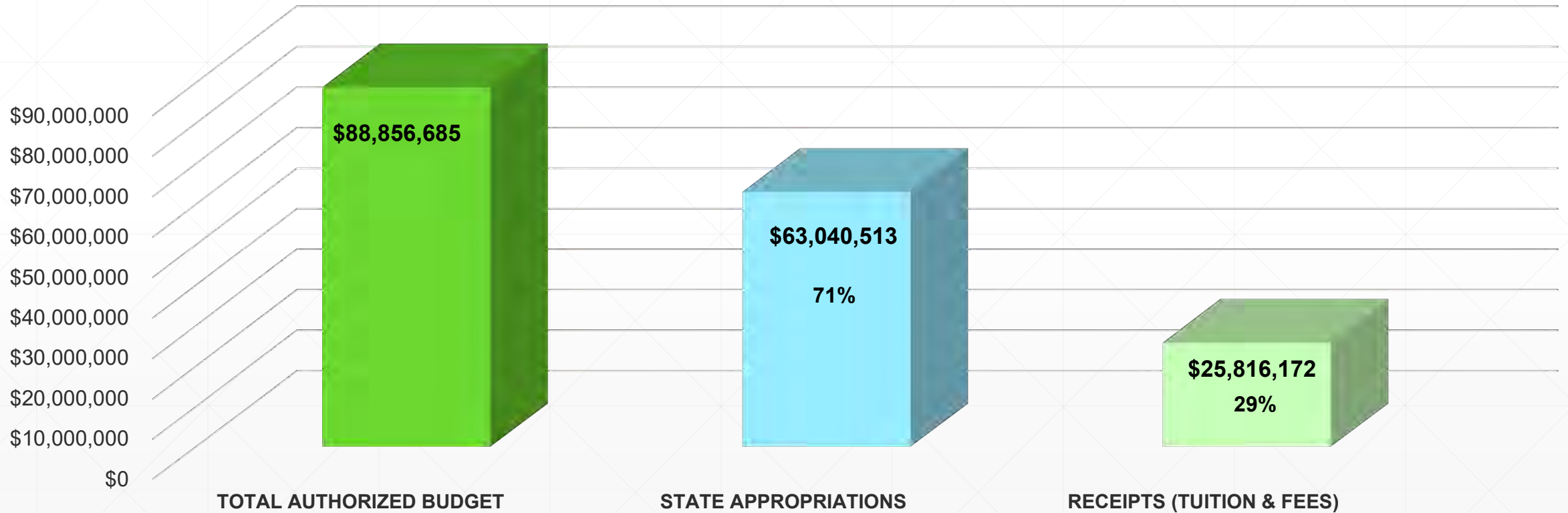
Finance & Administration

BOT Report

July 1, 2018 – June 30, 2019

Statement of General Fund Budget

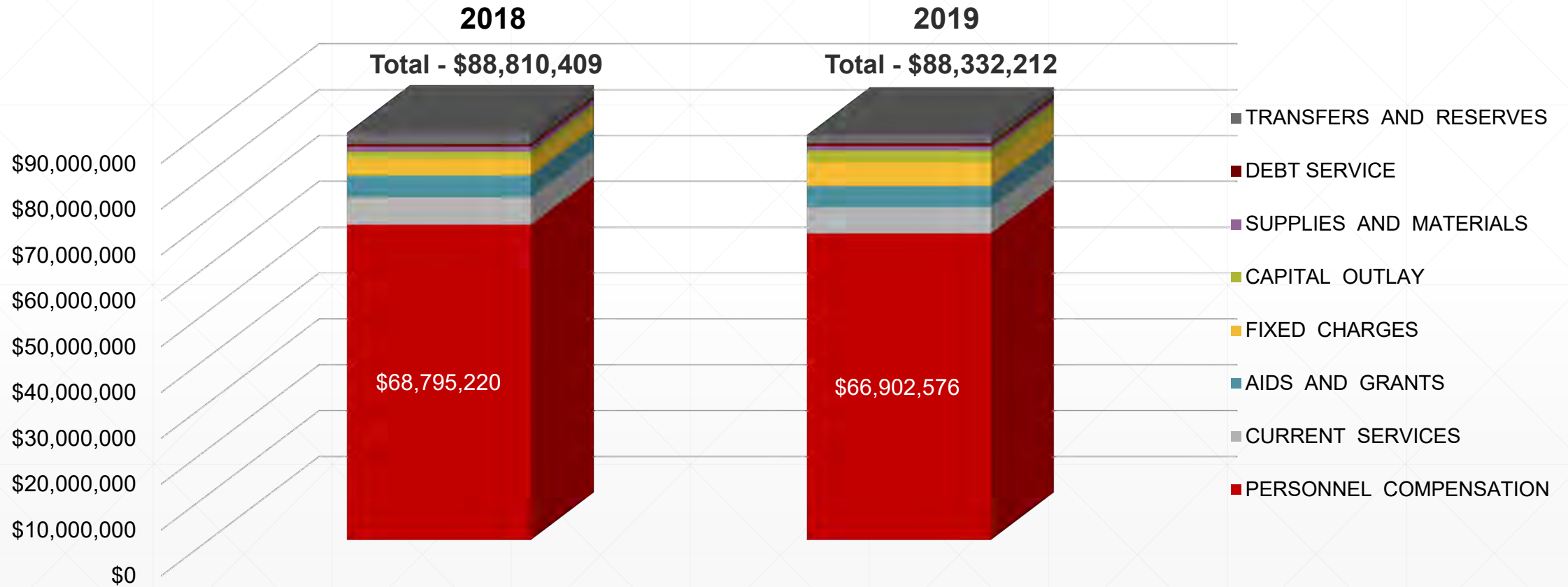
\$88.8M Allocation as of June 30, 2019



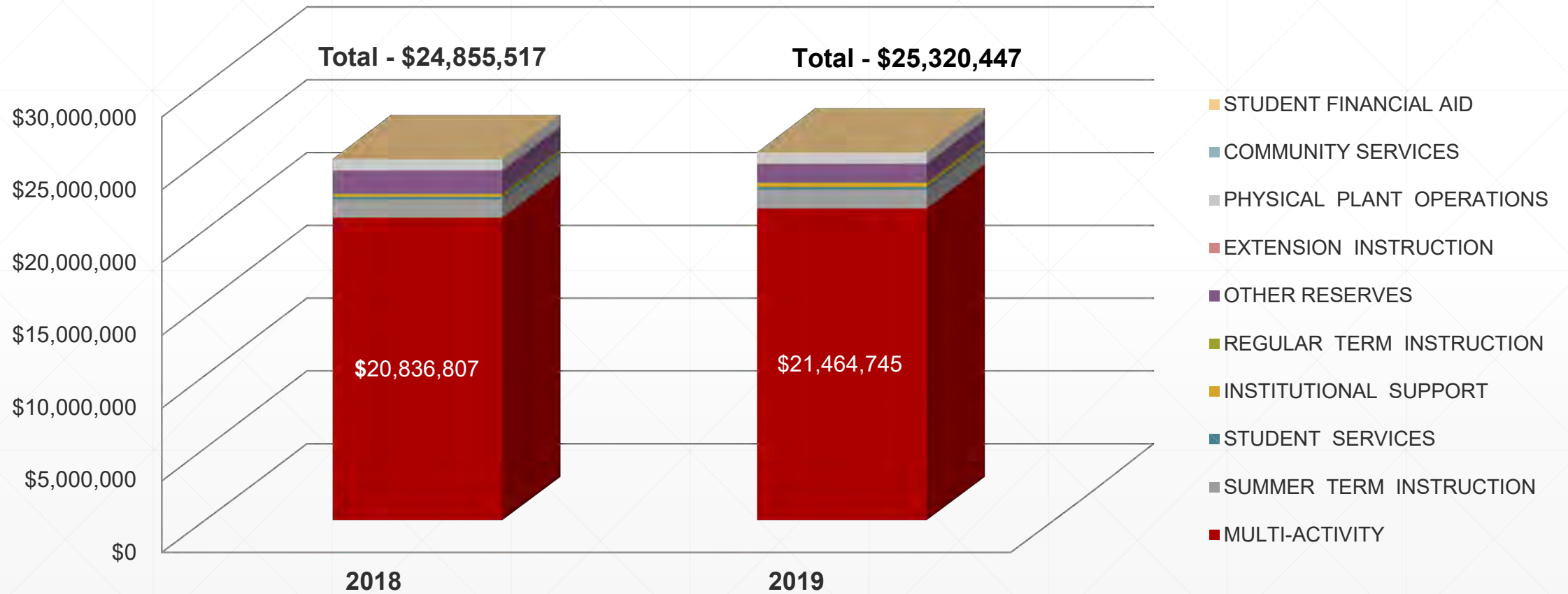
Comparison of General Fund Expenditures

Summary by Account

July 1, 2018 – June 30, 2019



Comparison of General Fund Receipts Summary by Program July 1, 2018 – June 30, 2019



Statement of Auxiliary Services

July 1, 2018 – June 30, 2019

FUND	Expense Budget	Beginning Balance	Receipts Collected	YTD Actual Expenditures	Ending Cash Balance
Athletics Division	\$3,892,634	(\$12,386,021)	\$3,387,515	\$3,993,143	(\$12,991,649)
Food Service	6,775,991	402,970	7,250,240	6,847,764	805,446
Campus Book Store	4,244	27,459	319,293	154,539	192,213
Copier Management /Xerox	769,364	24,190	657,511	598,414	83,287
Health Service	1,544,181	172,477	1,428,243	1,530,907	69,813
Housing Service	9,470,470	14,575,622	14,777,121	13,590,743	15,762,000
One Card Office	83,863	80,007	103,562	94,990	88,579
Student Extracurricular Activities	2,582,961	546,962	2,253,828	2,234,782	566,008
Educational & Technology Fee (I.T.)	659,208	1,393,870	1,693,406	1,148,254	1,939,022
Total Auxiliary Services	\$25,782,916	\$4,837,536	\$31,870,719	\$30,193,537	\$6,514,718

Statement of Business Enterprises

July 1, 2018 – June 30, 2019

FUND	Expense Budget	Beginning Balance	Receipts Collected	YTD Actual Expenditures	Ending Cash Balance
Auxiliary Admin/Ticket Office	\$924,802	\$106,067	\$922,027	\$1,010,448	\$17,646
Central Transportation Fleet	91,038	46,873	95,697	84,915	57,655
Conference Facility Rentals	52,279	20,006	68,618	10,702	77,922
Food Court	56,246	55,186	167,725	189,527	33,384
Logo Licensing	6,718	5,477	38,009	5,799	37,687
Passport Services	75,000	77,378	172,244	163,393	86,229
Summer Camps & Conferences	4,725	30,453	44,816	2,958	72,311
Telecommunication (Phones)	715,755	92,771	797,100	792,096	97,775
Vehicle Registration/Fines	1,030,149	281,017	722,092	903,246	99,863
Vending Machines	-	4,174	226,921	200,000	31,095
Total Business Enterprises	\$2,956,712	\$719,402	\$3,255,249	\$3,363,084	\$611,567
Grand Total (Auxiliary/Business Enterprises)	\$28,739,628	\$5,556,938	\$35,125,968	\$33,556,620	\$7,126,285



WINSTON-SALEM STATE UNIVERSITY

MEETING OF THE BOARD OF TRUSTEES

Audit, Risk, and Compliance Committee

Thursday, September 19, 2019

2:30 – 3:00 PM

Winston-Salem State University
Chancellor's Conference Room
200 Blair Hall
Winston-Salem, NC 27110

COMMITTEE MEMBERS:

Robert Clark, Chair
Kathleen Kelly
Kelvin Farmer
William Harris, ex officio

COMMITTEE STAFF:

Shannon Henry, Chief Audit, Risk, and Compliance Officer
Ivey Brown, General Counsel

AGENDA

OPEN SESSION

1. Call to Order and Confirm Quorum Chairman Clark
2. Approval of Minutes from the June 13, 2019 Meeting Chairman Clark
3. Enterprise Risk Management..... Shannon Henry
 - a. Update & Approval of revised ERM Steering Committee Charter**
4. Other Matters of Governance, Risk, and Compliance..... Various
 - a. Information Governance and Security – Raisha Cobb, Director of Communication and Security and Information Security Manager
5. Discussion of External Audits & Reviews S. Henry & WSSU Management
**Information related to any external audits or reviews released prior to the meeting will be provided at the meeting.*
6. Discussion of Internal Audit Activity Internal Audit Staff
 - a. Reports, Other Communications and Open Projects*
 - b. Summary of Observations and Recommendations for FY2019 – Matters Subject to Public Inspection*
 - c. Results of Annual Risk Assessment and Updated Internal Audit Plan**
 - d. Internal Audit Operations Update*

- e. Review Committee Charter*

**Additional information related to this item or any other internal audits or reviews released prior to the meeting will be provided at the meeting.*

CLOSED SESSION

- 7. Approval of Minutes from the June 13, 2019 Meeting Chairman Clark
- 8. Discussion of Internal & External Reports and Reviews.....Internal Audit Staff & WSSU Management
 - a. Discussion of Special Reviews, Investigations, & Reports – Matters Not Subject to Public Inspection
 - b. Summary of New and/or Open Observations and Recommendations – Matters Not Subject to Public Inspection
- 9. Litigation Report Ivey Brown

OPEN SESSION

- 10. Other Business.....Committee Members & Staff
- 11. Adjourn... Chairman Clark

Action Items**



WINSTON-SALEM STATE UNIVERSITY

MEETING OF THE BOARD OF TRUSTEES
Audit, Risk, and Compliance Committee
Thursday, June 13, 2019
10 – 11:30 AM

OPEN SESSION MINUTES

Winston-Salem State University
Chancellor's Conference Room
200 Blair Hall
Winston-Salem, NC 27110

TRUSTEES PRESENT

Robert C. Clark (Chair), Kelvin Farmer, Kathleen Kelly, Jerry M. Shortt

TRUSTEES ABSENT

William Harris (ex-officio)

COMMITTEE STAFF PRESENT

Shannon B. Henry (Chief Audit, Risk, and Compliance Officer), Ivey Brown (Chief Legal Counsel), Austin Grier (Risk and Compliance Program Specialist)

OTHER STAFF PRESENT

Elwood Robinson (Chancellor), Constance Mallette (Vice Chancellor for Finance and Administration), Rod Isom (Internal Audit Manager), James Bullock (Compliance Officer for Athletics), Frank Lord (Controller), Derrick Murray (Associate Provost and Chief Information Officer), Raisha Cobb (Director of Communication and Security and Information Security Manager), Calvin Holloway (Human Resources Director)

CONVENE MEETING AND CONFIRM QUORUM

Robert Clark convened the meeting at 10:05am. A quorum of board members was confirmed.

APPROVAL OF MINUTES

Jerry Short made the motion to approve the minutes from the March 14, 2019 meeting. The motion was seconded by Robert Clark and unanimously approved.

ENTERPRISE RISK MANAGEMENT

A. Discussion of ERM NC State Practicum

The Chief Audit, Risk and Compliance Officer gave the following report:

The team assembled by the Office of Audit, Risk, and Compliance completed its campus-wide risk assessment to identify the top risks related to the strategic success of the

university and further our enterprise risk management (ERM) process. The result of the first phase of WSSU's ERM implementation was an ERM Risk Assessment Report that detailed WSSU's Top 30 Enterprise Risks from the perspective of the Board and the university's senior and executive leadership. From that list, we've identified our Top 6 enterprise risks related to the following:

1. Funding
2. Retention and Enrollment
3. Competition
4. Diversification of University Programs
5. Branding and Marketing
6. Business Development

In January and February of this year, students from NC State's Poole College of Management's ERM Initiative facilitated face-to-face interviews with university leadership to get a better understanding of what management is already doing or planning to do in relation to our top risks. The students returned to campus in April to share insights and recommendations for strengthening WSSU's responses to its top risks. The students gave a presentation and presented a report to several members of management and the Board of Trustees. The Steering Committee will use the report as a starting point for discussion as they decide how to move forward with risk mitigation plans.

The report has been distributed to the university's board in addition to administrative and faculty leadership teams, and meetings to discuss key issues identified within the report have begun. Leadership teams have been provided with risk profile templates that are designed to prompt thinking around important considerations, such as continued alignment with the institution's strategy and risk appetite.

The process of identifying and assigning risk owners is underway. Risk Owners will be responsible for facilitating a more extensive analysis of their assigned risks and report back to the Steering Committee plans to manage those risks. One of their key tasks will be to explore data that might provide insight or indication about risk escalation. Regular reports to the board concerning ERM will be made through the Audit, Risk and Compliance Committee.

MATTERS OF GOVERNANCE, RISK, AND COMPLIANCE

A. Information Governance and Security

The Information Security Manager for Information Technology gave the following report:

- i. Audits
 1. External

- The Office of the State Auditor (OSA) requested Banner data for testing of the university's financial statements.

2. Internal

- The IT department performs quarterly internal and external network vulnerability scans and the most recent one was conducted on 5/6/19. When issues are identified, IT works with staff from the area to remediate within 30 days.
- IT is currently working with Campus Police on Phase 2 of the Card Access Lockdown Project with a focus on the administrative buildings.
 - Phase 1 was completed a year ago, which focused on the classroom buildings.

ii. Incidents

- There are no outstanding information security incidents or issues.

iii. Staffing

- A candidate has been identified for a vacant IT Security Analyst position. IT hopes to have them start by the beginning of August.

B. NCAA Compliance

The Compliance Officer for Athletics provided the following report:

The Department of Athletics completed a review of all NCAA compliance material with external company, Double L Consulting. The on-campus portion of the audit took place February 25th-27th. The principal points of concern noted in the report were as follows:

- The record keeping, staffing, and resources in the athletics department are gravely inadequate,
- The need to instill throughout the institution that NCAA compliance is a shared responsibility.

The report details specific recommendations to assist WSSU in examining and improving its compliance program.

The NCAA Graduation Rates Report for WSSU Athletics 2012-2013 Freshman-Cohort Graduation rates illustrates student-athletes are outperforming the general populations of students:

- 2012-2013 Graduation Rate for Student-Athletes was **75%** as compared to All Students which was **48%**;
- Four-Class Average was **69%** for Student-Athletes, as compared to **48%** for all students; and
- Overall Student-Athlete Academic Success Rate was **81%**.

C. Compliance Calendar

The Risk and Compliance Program Specialist provided the following details concerning the Compliance Calendar:

The Office of Audit, Risk, and Compliance (OARC) has initiated a process to establish a university-wide compliance calendar in order to facilitate compliance, and to assist with awareness and monitoring. OARC is compiling responses received from management regarding their respective compliance activities and putting the finishing touches on a compliance calendar document. Currently, about **20%** of known compliance activities still require a response from management detailing the relevance of the activity to WSSU and our current compliance status. Efforts are being made to bring management's response to **100%** and OARC anticipates that the compliance calendar will be completed and published by the September Board of Trustee meeting.

DISCUSSION OF EXTERNAL AUDIT REPORTS

A. OSA Statewide Federal Compliance Report:

The Vice Chancellor for Finance and the Associate Vice Chancellor for Financial Services and Controller provided the following report:

The report cited one finding:

- The university did not consistently verify whether vendors were suspended or debarred.

To ensure satisfactory resolution, the Chief Audit Officer is required to review the finding and corrective action plan and report back to the System Office and the Office of the State Auditor about the university's progress. General Statute 116-30.1 requires the university to make satisfactory progress within a three-month period (90 days).

- Internal Audit's report of findings will be released by the end of June.

B. OSA Financial Statement Audit for FYE 6/30/19

The Vice Chancellor for Financial Services and Controller provided the following report:

The OSA Financial Statements Audit for the fiscal year ending on 06/30/19 has commenced. In addition to the financial statement audit, the Office of the State Auditor's scope of review currently includes auditing the Student Financial Assistance Cluster (Title IV Funds).

DISCUSSION OF INTERNAL AUDIT REPORTS

A. Summary of New Report:

- i. Temporary Over-Time Follow-Up review
 1. The review identified that the previous finding regarding “The University’s Practices for Temporary Employees and Overtime Compensation being inconsistent with its Policies”, was ***partially resolved***.
 2. **2** written recommendations were provided to management to assist with complete resolve of the issue.

B. Summary of Observations and Recommendations for FY2019 – YTD:

The Internal Audit Manager gave the following report:

- i. Internal Audit completed audits and advisory services resulting in reports with observations that produced **20** written recommendations and **3** verbal recommendations for the following university Departments: Enrollment Management, Registrar, Student Health Services, Admissions, Information Technology, Equal Employment Opportunity, Office of Sponsored Programs, Legal Affairs, CDI, and Human Resources.
- ii. Overall, the university has resolved **70%** of previous Internal Audit findings and has implemented **76%** of Internal Audit recommendations. WSSU continues to meet or exceed Internal Audit’s target recommendation implementation rate of **70%**.

C. Status of Ongoing Internal Audit Activity

The Internal Audit Manager gave the following report:

- i. Audit Operations
 1. This fiscal year Internal Audit lost 75% of its workforce specifically designated for WSSU, as a result Internal Audit has 3 vacancies. Recruiting efforts have been communicated to the committee.
 2. **8** reports have been issued this year
 3. 1 planned project and 3 unplanned reviews/investigations are in various stages

D. Approval of the revised Office of Audit, Risk, and Compliance Charter

The Chief Audit, Risk and Compliance Officer introduced the revised OARC Charter:

The primary updates included clarification about the Chief Audit, Risk, and Compliance Officer’s role, and how the unit maintains independence and objectivity with the added responsibilities of overseeing the Enterprise Risk Management process. Jerry Shortt made the motion to approve the revised Office of Audit, Risk and Compliance Charter. The motion was seconded by Kathleen Kelly and unanimously approved.

E. Internal Audit Awareness Month

The month of May was Internal Audit Awareness Month which was acknowledged and proclaimed by the North Carolina Governor. The office also issued brochures as part of promoting and explaining the office's function.

CLOSED SESSION

Robert Clark read the motion to go into closed session at 11:15 a.m., to prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1) and protect the confidentiality of Internal Audit's work papers under N.C.G.S. 143-748. The motion was seconded by Kathleen Kelly and unanimously approved.

RETURN TO OPEN SESSION

Robert Clark made the motion to come out of closed session at 11:36 a.m. The motion was seconded Kathleen Kelly and unanimously approved.

ADJOURNMENT

Robert Clark made the motion to adjourn the meeting at 11:37 a.m. The motion was seconded by Kathleen Kelly and unanimously approved.

The next WSSU Audit, Risk, and Compliance Committee meeting will be held on Thursday, September 19, 2019.

Submitted by: Austin Grier, Risk and Compliance Program Specialist



AGENDA ITEM

Enterprise Risk Management.....presented by Shannon B. Henry, Chief Audit, Risk, and Compliance Officer

I. Risk Priorities for 2019-2020

Summary: The Enterprise Risk Management (ERM) Steering Committee has identified six risks that are priorities for the 2019-2020 academic year. Progress has been made toward examining and evaluating these risks to determine appropriate mitigations. The Steering Committee has identified risk and control owners for each risk, thus establishing Priority Risk Teams that will begin having individual meetings. Regular meetings will resume throughout the fall and winter, to develop concrete actions that will be implemented in the winter and spring. Progress updates will be provided throughout, and results of mitigation plans will be shared at the June 2020 meeting.

Action: For informational purposes only.

II. ERM Steering Committee Charter

Summary: In order to ensure the identification and management of risk is comprehensive, the steering committee charter has been revised to include the university's Athletic Director and the Associate Provost and Vice Chancellor for Student Engagement and Development as voting members.

Action: *This agenda item requires board approval.*



WINSTON-SALEM
STATE UNIVERSITY

Enterprise Risk Management Steering Committee Charter

I. Responsibilities & Duties

The enterprise risk management (ERM) steering committee (the "committee") shall monitor the risk environment for Winston-Salem State University (the "university") and provide direction for the activities to mitigate, to an acceptable level, the risks that may adversely affect the university's ability to achieve its goals. The committee facilitates continuous improvement of the university's capabilities around managing its priority risks. In addition, the committee will support the Audit, Risk and Compliance Committee's (ARCC) efforts to monitor and evaluate, as mandated by professional standards and the University of North Carolina System Office's requirements, risks that impact the institution's goals.

Specifically, the committee shall:

- Identify and Prioritize Business Risks: Review the university's risk register in order to understand the current risk environment for the university, including a review of emerging risks, the interrelationships between risks and the context of university's risk appetite;
- Evaluate the Effectiveness of Risk Mitigation Activities: Define and communicate expected results of the ERM implementation committee and risk owners. Review risk mitigating strategies for effectiveness and consistency with the university's risk tolerance;
- Ensure that Gaps in Effectiveness are Addressed for High-Priority Risks: Provide direction for the allocation of resources and assignment of responsibilities for activities addressing business risks; and
- Improve ERM Infrastructure: Provide guidance regarding the ERM infrastructure, including systems, processes and organizational structure.

The committee is not responsible for any day-to-day tasks involved in risk management or the mitigation of any risks; however, individuals on the committee may have specific risk management tasks as part of their primary job at the university.

The above list of activities should serve as a guide with the understanding that the committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The committee shall also carry out any other responsibilities and duties delegated to it by the University of North Carolina System Office, the Board of Trustees and/or the Chancellor of the university from time to time, related to the purposes of the committee outlined in this section.

II. Membership & Operations

The Vice Chancellors, [the Associate Provost and Vice Chancellor for Student Engagement and Development](#), [the Director of Athletics](#), and [the](#) General Counsel of the university shall serve as "voting members".

The committee chairperson will serve as a non-voting, ex officio member of the committee:
Committee Chairperson: Chief Audit, Risk, and Compliance Officer.

Each voting member shall have one vote. A simple majority of voting members in agreement can result in actions directed by the committee. The effect of ceasing to be an employee of the university is the automatic termination as a voting member or member of the committee. It is appropriate that members of the committee

have a range of different backgrounds, skills and experiences, having due regard to the operational, financial and strategic risk profile of the university.

~~Other “non-voting members” include:~~

- ~~• The university’s Senior Associate Provost also serves as a non-voting member, and~~
- ~~• Associate Provost and Vice Chancellor for Student Engagement and Development.~~

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The committee may direct internal groups and/or engage outside experts to assist in its responsibilities. The committee will report, through the Chief Audit, Risk, and Compliance Officer, regularly to the ARCC of the university’s board of trustees following meetings of the committee regarding current status of risk and action items.

III. Meetings & Attendance

- The committee should meet at least four times (quarterly) per year. Additional meetings may be held as the work of the committee demands or if requested by the Chancellor, a university board of trustees’ member, external auditor or internal auditor. The chairperson of the committee or a majority of the members (in the chairperson’s absence) may call a special meeting of the committee.
- As necessary or desired, the chairperson may invite members of the ERM implementation committee and/or risk and control owners to be present at meetings. The committee may also exclude from its meetings any person it deems inappropriate for such meeting(s).
- In lieu of detailed minutes, for each meeting, a summary of attendees and any action items or key decisions will be prepared and circulated to all committee members that were invited to the meeting.
- Agendas will be prepared for committee meetings. The agenda of each meeting will be circulated, whenever reasonably practicable, to each member prior to each meeting. The following may serve as the standing agenda for all meetings of the committee regardless of whether it is stated in the quarterly agenda:
 - Quarterly review of the university’s risk register, paying particular attention to items that have changed since the previous meeting (e.g., risks for which the prioritization has changed, new risks, new mitigation activities, etc.);
 - Reports from others concerning activities related to ERM; and
 - Any other business.

IV. Annual Review

The committee shall have oversight to perform a review and assess, at least annually, the adequacy of this charter and any improvements to this charter that the committee considers necessary or valuable. The committee shall conduct such reviews in such manner as it deems appropriate.

Adopted: March 16, 2018
Amended: September 21, 2018
September 20, 2019

William U. Harris XX
Chairman, Board of Trustees
Winston-Salem State University

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Scott F. Wierman XX
Secretary, Board of Trustees
Winston-Salem State University

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WINSTON-SALEM
STATE UNIVERSITY

MEETING OF THE BOARD OF TRUSTEES
Audit, Risk, and Compliance Committee
Thursday, June 20, 2019
10 – 11:30 AM

AGENDA ITEM

Information Security Program Update..... presented by Raisha Cobb, acting CIO

Summary:

WSSU Information Security program updates regarding incidents, staffing, and internal and external audits will be provided.

Action: For informational purposes only.



AGENDA ITEM

Internal Audit Activity Update.....presented by Rod Isom, Internal Audit Manager & Shannon Henry, Chief Audit, Risk, and Compliance Officer

Summary:

1. Summary of Internal Audit Reviews**
2. Year-End Internal Audit Activity:**
 - Risk Monitoring Memos Issued:
 - For previously reported audit issues that are more than 3 years old: We have established a practice to inform or remind present management, responsible for the specific area of concern, about the reported issues to help ensure they have been sufficiently addressed.
 - Additional risk monitoring memos were issued to management for reviews planned for FY2019 that were either deferred or cancelled to focus on higher priority projects. The purpose of each memo is to encourage management to evaluate the area and implement mitigations where necessary.
 - Follow-up Memos Issued for Response:
 - Requests for actions taken to address findings, disclosed via previous Internal Audit's reviews, were sent to management for a response.
3. Open Projects**
4. Fiscal Year 2019 Recap:
 - Internal Audit completed audits and advisory services resulting in reports with observations that produced **13** written recommendations and **3** verbal recommendations for the following university Departments: Admissions, Enrollment Management, Registrar, Student Health Services, EEO/Title IX, Information Technology, Office of Sponsored Programs, Legal Affairs, CDI, Human Resources, Purchasing, Campus Police, and Academic Affairs.
 - Results of UNC System Office KPIs.
5. Results of Risk Assessment and Updated 2019-2020 Internal Audit Plan**
 - The annual process to identify, measure, and prioritize risks is complete. The ongoing Internal Audit Plan has been adjusted to reflect projects that will address current risks considered to have the highest impact and likelihood of occurring and negatively impacting the university's ability to achieve its objectives.
6. Internal Audit Operations Update
7. Review Committee Charter

**Additional information related to this item or any internal audits or reviews released prior to the meeting will be provided at the meeting.

Action: These items are for informational purposes only.



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk, and Compliance

Shannon B. Henry, Chief Audit, Risk, and Compliance Officer
1600 Lowery Street, Winston-Salem, North Carolina 27110
(336) 750-2065 | www.wssu.edu

June 29, 2019

Mrs. S. Lynne Sanders, CPA
Vice President for Compliance and Audit Services
The University of North Carolina
140 Friday Center Drive
Chapel Hill, NC 27517

Dear Mrs. Sanders:

North Carolina G.S. 116-30.1 requires that the university make satisfactory progress toward resolving North Carolina Office of State Auditor's (OSA) findings within a three-month period. The following report addresses Internal Audit's (IA) assessment of the status of management's corrective actions to resolve the finding noted in OSA's Federal Compliance Audit Report, released on April 4, 2019, concerning Winston-Salem State University (WSSU) and its noncompliance with the United States Department of Education's program requirements for receipt of Higher Education Institutional Aid.

The report includes a restatement of the OSA finding and recommendations, the university's response to OSA, and IA's assessment of management's corrective actions.

Respectfully Submitted,

Shannon B. Henry

Shannon B. Henry
Chief Audit, Risk, and Compliance Officer

cc: Elwood L. Robinson, Ph.D., Chancellor
Anthony Graham, Ph.D., Provost and Vice Chancellor for Academic Affairs
Constance Mallette, Vice Chancellor for Finance and Administration
Frank Lord, Associate Vice Chancellor for Financial Services/Controller

June 29, 2019

Page 2

Alan Ireland, Purchasing Director
Audit, Risk, and Compliance Committee, WSSU Board of Trustees

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BACKGROUND, OBJECTIVE, AND SCOPE

BACKGROUND:

This report addresses the status of a finding noted in OSA's Federal Compliance Audit Report for the fiscal year ended 2018, released on April 4, 2019, concerning the university's practices to determine if vendors are suspended or debarred from doing business with the federal government. OSA reported a finding and recommendations to management and, subsequently, management action plans were developed to explain how the recommendations would be implemented.

OBJECTIVE:

The objective of the IA review was as follows:

- To ascertain whether the university has made satisfactory progress toward resolving the OSA finding.

To conduct the review, IA performed the following procedures:

- Reviewed university policies and procedures;
- Interviewed university employees; and
- Examined, on a test basis, evidence supporting internal controls and compliance with the appropriate policies, where possible.

SCOPE:

The scope of our review included vendors paid \$25,000 or more with CFDA 84.031 Higher Education Institutional Aid (Federal award P031B170037 for October 1, 2018 – September 30, 2019; and Federal award P031B150032 for October 1, 2018 – September 30, 2019 [Title III funds¹]) during the months of January through April, 2019. Policies and procedures were assessed as of June 19, 2019.

This report presents the results of our review.

Engagements completed by IA at WSSU are conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors.

¹ First enacted in 1965 as part of the Higher Education Act, Title III authorizes grants to institutions of higher education to strengthen academic quality, institutional management, and financial stability. Administered by the U.S. Department of Education, Title III programs help institutions expand their capacity to provide educational opportunities for low-income and minority students.

SUMMARY OF RESULTS

The IA review identified that the university has made satisfactory progress toward resolving the finding.

See the next section entitled, "*Restated Finding, Recommendations, and Management's Response*" for the details from the OSA report. The "*Resolution Status*" section provides details from IA's follow-up review and additional recommendations, from IA, to help the university ensure successful resolution.

RESTATED FINDING, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSE**FINDING:****THE UNIVERSITY DID NOT CONSISTENTLY VERIFY WHETHER VENDORS WERE SUSPENDED OR DEBARRED**

University management did not consistently verify whether vendors had been suspended or debarred² from doing business with the federal government. During the fiscal year ended June 30, 2018, the University paid \$1,680,971 from federal grant funds to 12 vendors who were subject to this verification.

Auditors reviewed transactions that occurred during the audit period with the 12 vendors and found that the University did not verify whether 8 (67%) of the 12 vendors were suspended or debarred. The eight vendors identified as not being verified were non-construction vendors.

Management's failure to ensure all vendors were not suspended or debarred increased the risk that the University could have been defrauded or received poor quality goods and services by entering into transactions with unscrupulous vendors. There is also an increased likelihood that federal funds would not be available to support improvements in educational quality, management, and financial stability of the University.

Based on our review, none of the vendors that received payments during the audit period were suspended or debarred from doing business with the federal government.

According to University management, they were aware of the requirement to verify that vendors were not suspended or debarred; however, there were no written policies and procedures over this verification process. This led to a misunderstanding about which department was responsible for conducting the procedure for all non-construction purchases.

Federal regulations³ require the University to verify that the intended vendor is not suspended or debarred or otherwise excluded from participating in federal assistance programs by either checking the government-wide System for Award Management (SAM) Exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with that vendor.

² Debarment is the state of being excluded from enjoying certain rights, privileges, or practices and act of prevention by legal means. Companies can be debarred from contracts due to allegations of fraud, mismanagement, and similar improprieties.

³ 2CFR 180.300.

RESTATED FINDING, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSE

Federal Award Information: This finding impacts CFDA 84.031 Higher Education Institutional Aid: Federal award P031B120561 for years October 1, 2016 - September 30, 2017 and October 1, 2017 - September 30, 2018; and Federal award P031B150032 for years October 1, 2016 - September 30, 2017 and October 1, 2017 - September 30, 2018.

RECOMMENDATIONS:

University management should develop written policies and procedures identifying those departments responsible for verifying suspension and debarment requirements for each type of transaction. In addition, monitoring procedures should be implemented to ensure the consistent application of such procedures by each department.

RESPONSE FROM WSSU:

We concur with the finding. Sponsored Programs (Academic Affairs) was initially charged with the responsibility of vetting Federal grant vendors against the Excluded Parties List System maintained by the General Services Administration. The University is transferring this responsibility to Purchasing Services (Finance and Administration).

To resolve this finding, the University will be changing several processes:

All contracts before completion and execution will be routed to Purchasing so that the prospective vendor can be vetted.

Purchasing will vet all Federal grant purchase orders and payment requests before execution.

Before Federal grant payments are released, a final vetting of those vendors will take place.

All policies and procedures will be documented.

The Vice Chancellor of Finance and Administration is responsible for ensuring that these procedures are in place on the anticipated date of November 1, 2018.

RESOLUTION STATUS

**RESULTS OF INTERNAL AUDIT'S FOLLOW-UP REVIEW OF ACTIONS TAKEN BY
MANAGEMENT**

The final iteration of the university's newly drafted procedures, for verifying suspension and debarment requirements, was not complete until June 19, 2019. This limited IA's ability to perform testwork on the new controls established for certain procedures, specifically those for monitoring and direct payments (those processed without a purchase order), as they were not in place until after the fieldwork segment of IA's review.

INTERNAL AUDIT'S FINDINGS:

- During the scope of the IA review, the university's total population of vendors who received \$25,000 or more in Title III funds, specifically: Federal award P031B170037 for October 1, 2018 – September 30, 2019; and Federal award P031B150032 for October 1, 2018 – September 30, 2019, was four.
- IA reviewed 100% of the transactions and noted all vendors had been checked by Purchasing and that none were suspended or debarred.

UNIVERSITY MANAGEMENT'S CORRECTIVE ACTIONS:

- The university drafted new procedures entitled, Purchasing Procedures for Title III and Sponsored Programs, and identified Purchasing as the department responsible for verifying whether a vendor is suspended or debarred by way of the federally administered website where the suspension and debarment list is published. The procedures include requirements for Purchasing's verification at various levels of the contract process, including: vendor creation, contract initiation, and when requests to expend Title III and other federal grant funds are received.
 - For transactions that do not require a purchase order, the procedures outline that Disbursement Services will review payment support for federal grant expenditures to ensure verifications are attached.
 - Further, according to the new procedures, Disbursement Services is the department responsible for performing monitoring, on a quarterly basis, using a new report created to assist with verification. The report identifies the cumulative total of the university's grant expenditures by vendor.
- The university drafted a checklist for grant expenditures, for use by Purchasing, that includes the requirement to perform suspension and debarment verification, prior to payment.
- As a self-check, post the OSA review, Purchasing reviewed federal award expenditures associated with purchase orders, that were greater than or equal to \$25,000, from July 1, 2018 to April 15, 2019, to ensure vendors were not

RESOLUTION STATUS

suspended or debarred and found that none were. Purchasing maintained screen captures from the federally administered website to evidence their review.

INTERNAL AUDIT OPINION:

It is our opinion that the university has made satisfactory progress toward resolving this finding.

RECOMMENDATIONS:

- 1) The university should establish checks and balances to ensure its newly drafted procedures are implemented successfully, specifically those for monitoring and direct payments.
- 2) The university should consider providing training for budget managers and/or those responsible for processing departmental expenditures, on spending guidelines for federal funds, to spread awareness and help the university achieve its compliance objectives.
- 3) The university should ensure evidence of its newly implemented procedures is maintained for auditing purposes.

Internal Audit will conduct a Post-Follow-up Review, sometime during the 2019-2020 fiscal year, for the effective implementation of all recommendations to ensure the university has completely resolved this finding.



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

S. LYNNE SANDERS, CPA

VICE PRESIDENT FOR COMPLIANCE AND AUDIT SERVICES

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July 18, 2019

Chancellor Elwood Robinson
Winston-Salem State University
601 S. Martin Luther King Jr. Drive
Winston-Salem, NC 27110

Dear Chancellor Robinson,

I am pleased to inform you that Winston-Salem State University has satisfactorily complied with the audit finding resolution requirements of General Statute 116-30.1. Based on consultation with the Office of the State Auditor, Winston-Salem State University has made satisfactory progress toward resolving the deficiency included in the April 4, 2019 Federal Compliance Audit Report released by the Office of the State Auditor. As a result of your compliance with General Statute 116-30.1, I will recommend to the President of The University of North Carolina that Winston-Salem State University maintain its "Special Responsibility Constituent Institution" designation.

I want to commend you and your staff for the dedicated manner in which the deficiency was addressed. I know you believe, as I do, that as public officials we have a responsibility to maintain fiscal integrity over the State's resources and the resolution of audit findings is a critical component of maintaining the public trust.

If you have any questions or concerns, please contact me at your convenience.

Sincerely,

S. Lynne Sanders, CPA

cc: Interim President William Roper
Mr. Thomas Shanahan, Senior Vice President and General Counsel
Mr. Clinton Carter, Senior Vice President for Finance and Administration & CFO
Ms. Beth A. Wood, State Auditor
Ms. Constance Mallette, Vice Chancellor and Chief Financial Officer
Ms. Shannon Henry, Chief Audit, Risk and Compliance Officer
Mr. Ben McLawhorn, Office of the State Controller



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk & Compliance

Shannon B. Henry, Chief Audit, Risk and Compliance Officer
1600 Lowery Street, Winston-Salem NC 27110
(336) 750-2065 | henrysb@wssu.edu

Memorandum

To: Camille Kluttz-Leach, Vice Chancellor and Chief of Staff
Anthony Graham, Ph.D., Provost and Vice Chancellor for Academic Affairs
Patricia D. Norris, Chief of Police / Director of Public Safety

From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*

Date: June 30, 2019

Re: Risk Monitoring for Clery Act Compliance

The purpose of this communication is to make you aware of previous reports of findings released by the Internal Audit Unit of the WSSU Office of Audit, Risk, and Compliance concerning the university's compliance with the Clery Act, and other associated areas for which you have oversight responsibility. Subsequent to the review, management action plans were developed to explain how the agreed upon recommendations would be implemented.

It is important to note that a review of these areas is not part of the current audit focus list, however, the auditor's previous assessment of the university's exposure to loss was appreciable. Thus, we are writing you, as a person responsible for oversight of the university's compliance with the Clery Act, to encourage you to exercise greater than routine vigilance to ensure issues have been sufficiently addressed and your employees adhere to the internal controls and procedures in place to mitigate risks.

Internal Audit's resources for fiscal year 2019-2020 will be allocated based on present high priority concerns along with the results of the university-wide risk assessment. In the meantime, we encourage you to bring to our attention any deficiencies in those controls and procedures you believe may expose the university to potential losses so that we may help you identify and implement solutions.

Thank you very much for your attention to this matter, and please contact us if you have any questions.

Enclosure: Reports Associated with Internal Audit's Clery Act Compliance Review



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk & Compliance

Shannon B. Henry, Chief Audit, Risk and Compliance Officer
1600 Lowery Street, Winston-Salem NC 27110
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Memorandum

To: Alan Ireland, Director of Purchasing
From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*
Date: June 30, 2019
Re: Risk Monitoring for P-Card Compliance

The purpose of this communication is to bring to your attention a previous report of findings released by the Internal Audit Unit of the WSSU Office of Audit, Risk, and Compliance concerning the university's P-Card compliance. Subsequent to the review, management action plans were developed to explain how the agreed upon recommendations would be implemented.

It is important to note that a review of this areas is not part of the current audit focus list, however, the auditor's previous assessment of the university's exposure to loss was appreciable. Thus, we are writing you, as a person responsible for oversight of the university's P-Card compliance, to encourage you to exercise greater than routine vigilance to ensure issues have been sufficiently addressed and your employees adhere to the internal controls and procedures in place to mitigate risks.

Internal Audit's resources for fiscal year 2019-2020 will be allocated based on present high priority concerns along with the results of the university-wide risk assessment. In the meantime, we encourage you to bring to our attention any deficiencies in those controls and procedures you believe may expose the university to potential losses so that we may help you identify and implement solutions.

Thank you very much for your attention to this matter, and please contact us if you have any questions.

Enclosure: Internal Audit's P-Card Compliance Review Report



Office of Audit, Risk, & Compliance

Shannon B. Henry, Chief Audit, Risk, and Compliance Officer
1600 Lowery Street, Winston-Salem NC 27110
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Memorandum

To: Mr. Derrick Murray, Associate Provost and Chief Information Officer
Dr. Anthony Graham, Provost and Vice Chancellor for Academic Affairs

From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*

Date: June 19, 2019

Re: Follow-up to Internal Audit's report on the General IT Controls Follow-up Review

At the conclusion of Internal Audit's general IT controls follow-up review, findings and proposed recommendations were discussed with management and, subsequently, management action plans were developed to explain how the agreed upon recommendations would be implemented. The purpose of this communication is to follow up on the status of the recommended actions to ensure management has implemented corrective measures, and sufficiently addressed the issues.

Following is a summary of the issues identified during Internal Audit's follow-up review, and the accompanying recommendations:

1. Disaster Recovery Plan Does Not Reflect Current IT Environment
 - No evidence was provided of an updated Business Continuity Plan inclusive of disaster recovery.
 - Further, there was no evidence that the draft IT Disaster Recovery Plan had been reviewed, approved or tested.
2. Insufficient Communication of Information Technology Policies
 - The University's actions to establish a formal method of communicating Information Technology policies are incomplete.
3. [REDACTED]
 - [REDACTED]

4. [REDACTED]
 1. [REDACTED]

Internal Audit's Recommendations:

1. The University should implement the previous recommendations and complete its Business Continuity Plan, inclusive of disaster recovery reflecting the current IT environment. Further, the University should implement procedures to ensure the plan is reviewed, approved, tested and updated on an annual basis or whenever significant changes in the IT environment or risks occur.
2. The University should implement the previous recommendation and implement a communication plan for Information Technology policies and updates to the policies.
3. [REDACTED]

Management's responses to the issues and recommendations were as follows:

- The Office of Information Technology concurs with this finding and has contacted UNCGA with respect to recent changes in the architecture of our Banner/ERP System, now hosted by UNCGA. In an April meeting, a broad plan was outlined to migrate yet again to a new fault tolerate, highly available infrastructure that will provide advanced DR capability of the hosted Banner system. This represents a second change in the Banner environment since the original 2012 finding. This latest migration is still in the planning phase which is estimated to have an implementation completion date by June 2016. There will be several iterations of the migration which are all expected to strengthen the overall IT DR plan until completion. The campus IT DR plan is affected by the hosted infrastructure because there will be applications that will be affected by the migration. WSSU staff will continue to make updates and modifications until the migration is complete. We are still in partially resolved phase, but are making progress.
- WSSU Office of Information Technology concurs with the recommendation of updating, reviewing, approving, and testing the Business Continuity Plan with respect to significant IT environment changes. It is the intention to update the BCP once the updates to the IT DR plan have been completed.
- Part of a new security awareness program (still in process of being established) requires posting of policies and updates to those policies to faculty and staff. That will be provisioned by August 30, 2015. In addition, we are providing a web link for all faculty to read, review and acknowledge acceptable use policies (AUP). This link is currently under

construction. We are also currently providing awareness training through our online training system. Finally, the Office of Information Technology also plans to establish an IT training and development center which will require all faculty and staff to attend training seminars on updates policies and procedures annually to address this requirement. This action is under development.

- [REDACTED]
- [REDACTED]

Please respond to this office by July 19, 2019, and let us know if and how the agreed upon actions were implemented or if management has measured and accepted the risk of not taking action. Please include any and all evidence necessary to corroborate your statements.

Thank you very much for your attention to this matter, and please contact us if you have any questions.



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk, & Compliance

Shannon B. Henry, Chief Audit, Risk, and Compliance Officer
1600 Lowery Street, Winston-Salem NC 27110
(336) 750-2065 | henrysb@wssu.edu

Memorandum

To: Calvin Holloway, Human Resources Director – Employee Relations and Talent Management
Camille Kluttz-Leach – Vice Chancellor and Chief of Staff

From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*

Date: June 30, 2019

Re: Follow-up to Internal Audit's report on the Review of Employee Relations

At the conclusion of Internal Audit's review of employee relations, findings and proposed recommendations were discussed with management and, subsequently, management action plans were developed to explain how the agreed upon recommendations would be implemented. The purpose of this communication is to follow up on the status of the recommended actions to ensure management has implemented corrective measures, and sufficiently addressed the issues.

Following is a summary of the issues identified during Internal Audit's review, and the accompanying recommendations:

1. Ineffective Management Training
 - The university's ER operation does not include mandatory training for managers and supervisors. As a result, the university is not operating in compliance with State policies and the risk of managers and supervisors unknowingly violating the policies is increased.
2. Insufficient Performance Development Policies and Procedures
 - The university does not have procedures in place to ensure compliance with the State's performance management policies. This increases the risk of loss or liability due to noncompliance with rules and regulations.
3. Insufficient Controls over Disciplinary Actions
 - The university does not have adequate internal procedures in place to ensure the disciplinary process is effective and operating in compliance with the State's disciplinary action policies. Failure to have controls or processes in place could lead to the potential

for loss and liability as a result of noncompliance with the State's rules and regulations.

4. Lack of Controls over Grievances
 - The controls in place over grievances are insufficient to ensure compliance with grievance policies. Failing to have appropriate and sufficient checks and balances in place over grievance protocols could lead to loss and liability due to noncompliance.
5. Lack of Safeguarding and Confidentiality Policies and Procedures
 - The Office of Human Resources (HR) does not have appropriate policies or procedures in place to ensure the confidentiality and safeguarding of personnel files. Failing to have policies and procedures that address the physical security of private personnel data could result in noncompliance with State law as a result of confidential information being compromised.
6. Deficient Employee Assistant Program Processes
 - The University's Employee Assistance Program (EAP) policies are outdated and the practices are insufficient to ensure successful program operations and compliance. Failing to have up-to-date policies and adequate procedures increases the risk of loss to the university as a result of employees unknowingly violating policies, rules and regulations.
7. Inappropriate System Access
 - The university did not ensure system access rights to HR information was assigned appropriately. Failing to restrict access rights to employees with a job-related reason for such access may result in data compromise and other loss due to leaks of confidential information.

Internal Audit's Recommendations:

1. The university should develop training policies that address the State's training requirements and specific timeframes in which the trainings shall be completed. Management training should be mandatory and policies should include enforcement and accountability measures. The university should also explore system tools to determine appropriate means to document, track and monitor required trainings.
2. ER management should become familiar with the State's requirements and update the university's policies, practices and procedures, inclusive of checks and balances, to ensure compliance with performance management policies.
3. Internal controls should be put in place for disciplinary actions to ensure compliance and protect the university from potential loss or liability.
4. The university should design and implement procedures for grievances, inclusive of internal controls, to ensure compliance. Procedures should be designed to ensure that grievances are completed within the prescribed timeframes and that extensions are handled and documented in accordance with policies.
5. The university should design and implement policies, procedures and practices that address the physical security and confidentiality of personnel records. The policies should include a requirement that all HR staff sign confidentiality statements.
6. The university should develop updated EAP policies that align with current practices, and input controls to ensure program compliance.

7. The data manager(s) in HR should strengthen internal controls over the department's information system access by ensuring access rights to HR data is limited to those employees that need it to perform their job duties.

Management's responses to the issues and recommendations were as follows:

1. Ineffective Management Training

- Concur with findings indicating that the university's ER operation had not included mandatory training for managers and supervisors. Since findings, a training module had been created to cover the following topics: appropriate use of disciplinary action; process for administering disciplinary action; basics of the State's & WSSU's disciplinary action policies; guidelines for building a sound case; and consequences of poorly documented, impetuous or ill-considered action. The training program has been developed; the HR Department will continue to deliver this and additional manager and supervisory training on a larger scale. It will also be included in as one of many required supervisor training offerings.
- Also concur with findings as it relates to not having a management information system in place to manage and track employee training. The HR Department is currently gathering information from various vendors to evaluate Learning Management Systems solutions. The chosen LMS will allow for the administration, documentation, tracking, reporting and delivery of electronic educational technology (e-learning) courses or training programs. Please respond to this office by July 19, 2019, and let us know if and how the agreed upon actions were implemented or if management has measured and accepted the risk of not taking action. Please include any and all evidence necessary to corroborate your statements.

2. Insufficient Performance Development Policies and Procedures

- Concur with the findings regarding deficiencies in the performance management policies and practices. Many steps have been put in place to address this area. The State Human Resources Commission has approved the University SHRA Performance Appraisal Policy. The university will be employing these practices for the SHRA population and apply like standards for the EHRA staff as well. Key elements of the new policy include: one annual cycle for all UNC institutions (April 1 through March 31); 3-5 individual performance goals for each employee (defined by management each year); 5-6 institutional goals for every employee (defined by UNC GA to use every year); each goal must be weighted no less than 5% of the overall rating; 3-pt rating scale (not meeting, meeting or exceeding expectations); performance plans due within the first 60 days of the performance cycle (April-May); annual appraisals due within the first 60 days after the end of the cycle (also April-May); interim reviews required only for those with performance/conduct deficiencies; interim reviews and quarterly probationary reviews are not "full*" appraisal processes; final overall ratings must be provided to the State by May 30 each year; supervisory teams meet at the beginning of the cycle to define/level goals for the year; and supervisory teams meet at the end of the cycle to ensure consistency in ratings.

- There has also been a new form created to drive consistency in our process and measurement. Additionally, the HR Department is introducing a new automated performance management process through the PeopleAdmin system. The new automated process will offer the following: streamline business processes through system automation; eliminate or reduce paper in the performance management processes; improve the on-time completion rate of performance management plans; strategic goals incorporated in work plan; stress importance of regular feedback for SHRA staff and establish platforms for EHRA staff; and ensure compliance.
3. Insufficient Controls over Disciplinary Actions
 - Concur with findings. Since these findings, the HR Department has developed a tracking tool to help manage open Employee Relations cases. This tool is also useful to help report to campus leadership as well as reporting statistics to the Office of State Human Resources.
 4. Lack of Controls over Grievances
 - Concur with findings. Since these findings the Office of State Human Resources has developed a new grievance policy which is being implemented in our HR Department. The department is conscious of the dates and deadlines and will adhere to these standards. To address the challenges in meeting deadlines for 100% of the cases, in partnership with the Office of Legal Services, newly appointed committee members will be fully trained on the processes and expectations.
 5. Lack of Safeguarding and Confidentiality Policies and Procedures
 - The Human Resources Department follows the Office of State Human Resources Employment and Records policy which covers the safeguarding of confidential information. As the HR Department follows the OSHR's policy, the policy does not dictate how agencies should design their specific control; however, measures have been put in place where all personnel files are behind a locked door and each file cabinet is locked. The keys are managed by an appointed HR Associate.
 - As mentioned in the audit findings, confidentiality statements are signed by all HR staff to ensure information and communications are kept confidential.
 6. Deficient Employee Assistant Program Process
 - Concur with the findings regarding an outdated EAP policy. The department will update and communicate the revised policy. The policy will also cover required supervisory training. This required training will be included in an entire suite of required training to address supervisory skills training needs. The HR Department is not in the practice of filing EAP information in personnel files. However, EAP document may have been included in the ER file.
 7. Inappropriate System Access
 - Concur with findings. Since these findings the HR Department has been adhering to a

process whereas access to Banner HR must be approved by the Human Resources Module Manager. All users must submit a Banner Security Access form. The forms are reviewed by the HR Module Manager. The HR Module Manager compares the type of access the employee is requesting with the HR Matrix to see what forms the employee will have access to and the type of access if query only or if the employee can make changes. The module manager will send the request back to the employee if the request has an incorrect job category. The HR Module Manager reviews user access monthly to ensure that no employee has more access than is need for their role.

Additionally, IT Security audits user accounts biannually to insure users have the appropriate access. This audit is to check for users that have changed roles and/or supervisors and to see if the user no longer needs access to banner or different access. IT Security will disable access if there is no response from the employee and supervisor. A new Banner Security Access form will need to be complete to regain access.

Please respond to this office by July 26, 2019, and let us know if and how the agreed upon actions were implemented or if management has measured and accepted the risk of not taking action. Please include any and all evidence necessary to corroborate your statements.

Thank you very much for your attention to this matter, and please contact us if you have any questions.



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk, & Compliance

Shannon B. Henry, Chief Audit, Risk, and Compliance Officer

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Memorandum

To: Mr. George Knox, Interim Director for Athletics
From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*
Date: June 30, 2019
Re: Follow-up to Internal Audit's Report on an Investigative Review of Athletics

At the conclusion of Internal Audit's investigative review of Athletics, findings and proposed recommendations were discussed with management and, subsequently, management action plans were developed to explain how the agreed upon recommendations would be implemented. The purpose of this communication is to follow up on the status of the recommended actions to ensure management has implemented corrective measures, and sufficiently addressed the issues.

Following is a summary of the issues identified during Internal Audit's investigative review, and the accompanying recommendations:

1. Inappropriate Treatment of Funds:
 - The Athletics Department recorded and deposited \$52,928.85 of receipts generated through its contract with Vivature into accounts held by the university's Foundation. The Foundation is a separate legal entity established to support the university, however, the university is not authorized by the State to deposit revenue generated with the State's resources with associated entities.
2. Lack of Contract Monitoring, Uncollected Revenue, and No Independent Account Reconciliations:
 - The Athletics Department is not appropriately monitoring activities associated with its contract with Vivature to ensure it is a viable contract and that the associated revenues and expenditures are accurate and in line with contracted rates.
 - Further, no one in the Athletics Department is reconciling the bank and general ledger accounts to ensure receipts are appropriately recorded and deposited.
3. Invalid Contract:

- Upon request for the university's contract with Vivature, the Athletics Department provided Internal Audit with the original contract and an amendment to the contract. The amendment was approved by the university's Athletic Director and Director of Purchasing and provided Vivature the authority to act as the university's third party billing agent. During our review, we noted the amendment was not approved by an official with authority to enter into contracts on behalf of the university.
 - Further, there is no evidence that the amendment was approved by the Office of Legal Affairs.
4. Untimely Deposits:
- According to Vivature, checks are sent to the University no more than 25 days subsequent to end of the billing cycle. We noted that 6 of 13 checks from Vivature were deposited by the university from 30 to 80 days subsequent to Vivature's mailing date.
5. Inadequate Knowledge of Funds Management Policies and Lack of Risk-Mitigating Internal Procedures:
- Athletics Department employees, responsible for handling the accounting of internally generated revenue, had no knowledge of the applicable State and university policies and regulations (specifically those regulating institutional trust and special funds).
 - Further, there was no accounting related guidance provided to the staff during the contracting process to ensure the new source of revenue and associated expenditures were appropriately accounted for.

Internal Audit's Recommendations:

1. The university should immediately discontinue the practice of depositing receipts generated through Vivature with the university's Foundation. These funds should be transferred to the university for deposit and handled according to State statute and university policy. The Athletics Department should work along with the Accounting Department to determine if there are any further accounts where the institution's funds are being deposited with and handled by the university's Foundation.
2. The university should ensure its overall control structure includes sound practices for establishing contracts and handling the associated fees and receipts. Procedures should be established to ensure the campus community is knowledgeable of these protocols. We recommend the procedures include a requirement that the Accounting Department be involved in all university contracts for receipts. Further, the Athletics Department should engage the Accounting Department to establish internal controls for Vivature receipts, including processes for collecting, recording, depositing, and reconciling receipts, and monitoring the associated fees. Duties of employees should be appropriately separated between the receiving of university receipts and the recordkeeping and preparation of deposits with the university Cashier.
3. Athletics should work with Legal to ensure the contract with Vivature is a viable contract given the lack of appropriate approval and the substantial and undocumented increase in

fees.

Management's responses to the issues and recommendations were as follows:

1. We Concur. When the Athletics Department entered into the contract with Vivature the determination was made at that time that the revenues derived from the contract would be deposited into the Athletics Department foundation account entitled "Sports Medicine." This would ensure the revenues would be used for the direct medical benefit of Student-Athletes. Since the inception of the contract, revenues received from Vivature have been used to fund Sports Medicine expenses.

The Athletics Department now understands these funds must be deposited into a University Trust Fund and will deposit all future revenues into fund 315661, Athletic Training Room.

The Athletics Department is requesting an accounting for the Foundation Fund that receipted the revenue to analyze the associated expenditures for that fund for Athletic support. Any excess revenues will be submitted for deposit to fund 315661.

Also, several members of my staff met with our University Controller, Frank Lord, on March 30 to review all funds that are being deposited into foundation accounts. Based on this discussion Frank asked for and has received a list of the Sponsorship agreements between various local businesses and the Athletics Department. Once Frank has had an opportunity to complete his review, the Athletics Department will follow his recommendation for the appropriate handling of these funds. This group also discussed revenues derived from sports camps and Frank indicated these funds may continue to be deposited into sport specific foundation camp accounts.

2. We concur. The university recently updated its procedures and the approval process for contracts. Athletics is aware of these changes and intends to follow them accordingly. As part of my staff member's meeting with Frank Lord, they reviewed the process for collecting, recording, depositing, and reconciling receipts, and monitoring the associated fees. It was communicated during the meeting checks issued by Vivature routinely were sent to different addresses on campus. In some cases the checks were not received by the Athletics Business Office until well after the check date. Several months ago Vivature was notified of the correct mailing address and we have not had any issues with checks being deposited in a timely manner. I also note that my department has been working with the foundation for over a year now to receive detailed reports to include all deposits into Athletics accounts. This has been a tedious process and we continue to request this information on a monthly basis with limited success.

Also, the Athletics Department has been working with Vivature for the past eight months to have them provide additional access to the Vivature software program. In February, Vivature provided training to Randy Butt, the Associate AD for Business and Finance that

will allow him to review all WSSU transactions and ensure our contract is monitored appropriately.

3. We concur. Subsequent to the university entering into a contract in September, 2013, Vivature submitted a contract Amendment that would have granted Vivature the authority to act as legal counsel for the university. After the audit review, we noted the amendment was never officially agreed upon and Vivature has confirmed it is not a part of the contract with our university.

The Athletics Department is currently working with Vivature which has agreed we have been overcharged for their services. We will continue to work with them to have a refund check issued for inappropriate charges withheld from distribution checks. This check will be deposited to fund 315661 when received.

Also, the department agrees Vivature has provided three pieces of equipment to the Athletic Training room in exchange for \$160 per month being deducted from monthly settlement checks. However, the department did not seek to add an Amendment to the contract that would allow for these charges. The Athletic Department is now working with Vivature to create an Amendment and will submit the appropriate paperwork through the university's approved process. The employee who reached the verbal agreement with Vivature has received a verbal warning and will receive a letter documenting the verbal warning. A copy of this letter will be placed in the employees file located in my office.

Please respond to this office by July 26, 2019, and let us know if and how the agreed upon actions were implemented or if management has measured and accepted the risk of not taking action. Please include any and all evidence necessary to corroborate your statements.

Thank you very much for your attention to this matter, and please contact us if you have any questions.



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk, & Compliance

Shannon B. Henry, Chief Audit, Risk, and Compliance Officer
1600 Lowery Street, Winston-Salem NC 27110
(336) 750-2065 | henrysb@wssu.edu

Memorandum

To: Mr. Joel Lee, Assistant Vice Chancellor for Enrollment Management
Dr. Anthony Graham, Provost and Vice Chancellor for Academic Affairs

From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*

Date: June 30, 2019

Re: Follow-up to Internal Audit's report concerning Protocols within Enrollment Management

At the conclusion of Internal Audit's investigation concerning protocols within Enrollment Management, findings and proposed recommendations were discussed with management and, subsequently, management action plans were developed to explain how the agreed upon recommendations would be implemented. The purpose of this communication is to follow up on the status of the recommended actions to ensure management has implemented corrective measures, and sufficiently addressed the issues.

Following is a summary of the issues identified during Internal Audit's investigation, and the accompanying recommendations:

1. Insufficient Contract and Compliance Risk Management:
 - It does not appear management had knowledge of the internal conflict regarding the call campaign. The failure to identify and resolve internal conflict compromises the efficiency and effectiveness of processes and can lead to strategic and operational failure, and/or noncompliance.
2. Reactive and Haphazard Processes for Graduation Clearance:
 - The manner in which CPR credits were offered and applied was reactive and haphazard.
 - Further, we noted evidence in certain cases revealing that the student's credit shortfall was due to misadvising by university advisors.

3. Insufficient Risk Management

- The purge process, an internal control activity, was circumvented via purge protection. However, subsequent actions and compensating controls were not sufficient to manage the risks of error, noncompliance, inefficiency and other loss. Further, noted deficiencies increase the likelihood that the university's established objectives and goals will not be achieved.
 - a. Protected Student's Accounts not Sufficiently Monitored
 - b. Information and Communication Systems not Adequate

4. Noncompliance with North Carolina General Statute 116-143

- The university accepted the financial obligations of students without evidence of receipt of any form of collateral or security or approval from its board of trustees. In doing so, it appears the university did not operate in compliance with the State's requirements regarding tuition and fees and increased the likelihood of not being able to collect on the debt owed to them.

5. Noncompliance with Credit by Examination and Course Substitution Policies and Procedures

- The CPR instructor provided "Credit by Examination" letters to the Registrar for course substitutions, in lieu of the official curriculum adjustment form. This practice puts the university at risk of awarding credit inappropriately and can potentially compromise the integrity of undergraduate degrees awarded. Further, it violates the principles of segregation of duties, thus increasing the risk of fraud.

Internal Audit's Recommendations:

1. For operational effectiveness, university management should work to understand staff and organizational needs and implement conflict management protocols where necessary.
2. Regarding call campaigns pertaining to financial aid and other matters where the risk of noncompliance is appreciable, Enrollment Management should work with the Office of Legal Affairs to develop protocols to mitigate risk.
3. The university should prioritize its implementation of Degree Works, a comprehensive, web-based academic advising and degree audit tool that helps students and their advisors successfully navigate curriculum requirements. This will automate the degree audit process, improve academic advising and empower students to manage their path toward graduation.
4. The university should mandate attendance taking during the change of registration period and communicate attendance timely to those with enrollment management and accounting responsibilities.
5. Enrollment Management should review the protection lists for academic years 2015-2016

and 2016-2017 and determine if the financial and academic records of protected students are accurate to ensure there is no student with debt or unsatisfactory grades they did not incur. Individuals with responsibilities and expertise concerning student registration and financial matters, and the associated compliance, should be consulted to ensure all is rectified appropriately.

6. Prior to continuing this process, the university should share the results of this and any other internal reviews and assessments with the board and seek approval to continue and ensure the university is not absorbing more risk than it can afford. This communication with the board should include the university's consideration of financial and other risks the university is willing to accept from this practice.
7. Management should develop detailed procedures for their newly implemented policy and establish specific parameters for individual maximum protection dollar limits per student and overall protection dollar limits for the term as means to mitigate risk and control loss to the university. The agreed upon maximum amount of risk exposure should be communicated to the board.
8. To mitigate the potential for liability, Enrollment Management should obtain signed consent forms from students authorizing protection and acknowledging the financial and academic obligations which may result from the protection process. If the protection process is necessary to provide additional support to disadvantaged first generation college students, the same reasoning would indicate the need to further educate the student regarding the obligations that the protection process may create.
9. The university should review its current practices and design procedures to ensure compliance with the relevant principles of accreditation, established internal guidelines, and internal control requirements. Procedures should include controls to ensure evidence is appropriate to substantiate actions and that actions are authorized by qualified individuals.

Management's responses to the issues and recommendations were as follows:

1. Insufficient Contract and Compliance Risk Management
 - University management is, in most cases, able to identify and effectively resolve conflict within units. In some cases, such as the one referenced, management does not become aware of a concern or conflict until after the fact. Additional efforts will be made to foster open communication within departments, set clear expectations and scripting for call campaigns, and manage and resolve any identified conflict swiftly.
 - The offices within Enrollment Management pride themselves on providing high-touch service, and this includes numerous call campaigns to at-risk students regarding admissions, registration, missing financial pieces, immunization compliance, and more. Staff are usually provided scripts and management for a multitude of campaigns so that they know exactly what information should be communicated (and what should not be

communicated). The calls are made in an effort to inform students of missing links in the enrollment process and are never meant to coerce or pressure. To address this recommendation, moving forward, calls made regarding financial steps or processes will be vetted through the Office of Legal Affairs to ensure compliant and proper language and approach.

2. Reactive and Haphazard Processes for Graduation Clearance

- Degree Works implementation is well underway with a soft launch in late Fall 2017 and a full launch in Spring 2018. We agree that this will help students and advisors understand better where students stand in relationship to graduation requirements.

3. Insufficient Risk Management

- Academic administration will work with faculty to take more responsibility for taking attendance and communicating to the registrar when students have stopped attending class. The registrar will communicate this information to the other areas of Enrollment Management.
- The university has already conducted in-depth analysis on students who have been part of this process, but in an effort to ensure that no students were harmed unintentionally by the university's practices, a full audit of all protected students for academic years 2016 and 2017 is in progress. Of the original \$729,242.29 of identified risk for students protected for Fall 2016, approximately 88% of that total has been collected to date compared to the overall institutional collection rate of 90%. In addition, approximately 82% of these protected students successfully completed the term with passing grades, showing the academic and financial stability of this process. Any student determined to have incurred debt, charges, or unsatisfactory course outcomes that they did not earn will be held harmless and have their aid, charges, or records corrected immediately.
- Implementation of the new Pay-to-Stay plan and process replaces the previous process whereby the university assumed a quantifiable and measured risk associated with permitting students to be enrolled past the census date without payment or appropriate payment plans. The revised practice ensures the associated financial risk of the university for each student is the difference between the guaranteed minimum payment and a first payment of a typical payment plan for each student. Given the data provided in your review and our own analysis, that sum is quite small.
- The WSSU Board of Trustees approved a *Deferred Tuition and Fee Policy* in December, 2016, and the revisions encompassed in the guaranteed payment aspects of Pay-to-Stay ensure the university complies with the intent of GS 116-143. Internal reviews and assessments will not be available until actual implementation of the process and will be provided to support the viability and minimal risk associated with *Pay-to-Stay* at the December Board of Trustees meeting.

4. Noncompliance with North Carolina General Statute 116-143

- The Pay-to-Stay process ensures the financial risk associated with each student who is not able to agree to a standard payment plan will be equal to the difference of the

reduced initial payment provided via Pay-to-Stay and the amount of a first-payment to the standard plan. The total can therefore be determined and limited to a pre-established maximum exposure at each semester. Results of internal reviews and assessments will not be available until actual implementation of the process and will be provided to support the viability and minimal risk associated with Pay-to-Stay at the December Board of Trustees meeting.

- Beginning in Spring 2017, the university began collecting signed written consent forms for on-campus students who requested assistance with schedule protection and were determined to have made significant progress on their financial plans. The university is moving to adopt a new practice in Fall 2017 known as the Pay-to-Stay plan. The new practice eliminates the protection of schedules at census for students who have not validated or entered into a traditional payment agreement with the university. Those students who are unable to pay their outstanding balance by established deadlines may be allowed to enter into a negotiated payment plan that provides consent, financial obligation, and collateral on the part of the student while allowing the university to maintain equitable practices that ensure students' individual financial hardships or circumstances are taken into account. This will ensure even stronger internal controls, decreasing risk for the university as well as furthering an equitable model for student success. Risk exposure analysis will be ongoing, and audits of students entering into this arrangement will be completed consistently to ensure that outcomes align with expectations. The Pay-to-Stay plan is attached as a supplemental document for review.

5. Noncompliance with Credit by Examination and Course Substitution Policies and Procedures

- The practice of awarding credit-by-examination is well accepted in higher education and allowed by policy at WSSU. The registrar will ensure that the established procedures and forms with appropriate signatures are used to award credit-by-examination. The deans will ensure that the process by which credit-by-examination is administered will protect academic integrity and avoid the potential for fraud.

Please respond to this office by July 26, 2019, and let us know if and how the agreed upon actions were implemented or if management has measured and accepted the risk of not taking action. Please include any and all evidence necessary to corroborate your statements.

Thank you very much for your attention to this matter, and please contact us if you have any questions.



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk, & Compliance

Shannon B. Henry, Chief Audit, Risk, and Compliance Officer
1600 Lowery Street, Winston-Salem NC 27110
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Memorandum

To: Mr. Joel Lee, Assistant Vice Chancellor for Enrollment Management
Dr. Anthony Graham, Provost and Vice Chancellor for Academic Affairs

From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*

Date: June 30, 2019

Re: Follow-up to Internal Audit's Report concerning the University's Purge Process

At the conclusion of Internal Audit's investigation of allegations related to the university's purge process, findings and proposed recommendations were discussed with management and, subsequently, management action plans were developed to explain how the agreed upon recommendations would be implemented. The purpose of this communication is to follow up on the status of the recommended actions to ensure management has implemented corrective measures, and sufficiently addressed the issues.

Following is a summary of the issues identified during Internal Audit's investigation, and the accompanying recommendations:

1. Insufficient Financial Risk Management

- Based on the information available during our review, the potential financial impact we were able to quantify consists of the outstanding AR balances of students protected from the Fall 2016 purge, which is \$87,599.69.
- It is our assessment that the institution carries AR balances that will ultimately either be satisfied by the student or absorbed by the university. Thus, the financial risk arising from the process is that a shortfall in payments from or on behalf of the student will result in higher AR balances for the university. Because these AR balances may be more difficult to collect, the risk increases that these accounts will ultimately be written off as uncollectible.

2. Insufficient Practices and Performance Issues

We identified inefficient practices and performance issues that should be strengthened to ensure achievement of the institution's operational objectives.

- Protection from the purge is a manual process which consists of management individually validating and reversing validation for students at each purge. Due to the priority placed on the process, along with the resources required for counseling the protected students, other departmental operations are at risk of being overlooked. The protection process is owned and led by the AVC for Enrollment Management and requires an extensive investment of his time to vet students and coordinate efforts with various departments.
- Employees with responsibilities and expertise concerning student financial matters and the associated compliance did not fully buy-in, understand its purpose or their impact on all parts of the process. We noted specifically that the university's Office of Student Accounts and Cashiering relinquished responsibility for operating the protection process and did not provide assistance with monitoring protected student's financial accounts.
- During our testing of the results of the purge protection for the Fall of 2016, we identified a few questionable and/or inaccurate student AR records from a sample selection caused by insufficient monitoring and communication systems.

3. Noncompliance with Internal and External Guidelines and Regulations

- North Carolina General Statute 116-143, "State-supported institutions of higher education required to charge tuition and fees" provides institutions with the authority to accept the obligation of students that are unable to pay the cost of tuition and required fees as they become due. However, for the Fall semester of 2016, it does not appear as though the university operated in compliance with all aspects of this statute.

4. Failure to Manage Strategic Risks

- Failing to appropriately manage strategic risks impacted the "Values" section of the university's Strategic Plan, specifically "Stewardship", which states: "To ensure the highest levels of public trust and confidence, the university is committed to structuring institutional policies, processes, and incentives to ensure highly efficient and reliable operations; professional competence and knowledge; and careful management of resources."

Internal Audit's Recommendations:

1. Given the discrepancies identified by the audit concerning students' accounts receivable balances, Enrollment Management should review the financial and academic records of students protected from the final purge in the Fall semester of 2016 and determine if the records are accurate to ensure there is no student with debt or unsatisfactory grades they did not incur. Individuals with responsibilities and expertise concerning student registration and financial matters, and the associated compliance, should be consulted to ensure all is rectified appropriately.

2. Prior to continuing this process, the university should share the results of this and any other internal reviews and assessments with the Board of Trustees and seek approval to continue and ensure the university is not absorbing more risk than it can afford. The communication with the Board of Trustees should include the university's consideration of financial and other risks the university is willing to accept from the practice.
3. To mitigate the potential for liability, Enrollment Management should obtain signed consent forms from students authorizing protection and acknowledging the financial and academic obligations which may result from the protection process. If the protection process is necessary to provide additional support to disadvantaged first generation college students, the same reasoning would indicate the need to further educate the student regarding the obligations that the protection process may create.
4. The university should ensure that an established system of internal controls stays intact to ensure ongoing compliance with regulatory requirements. Internal control processes should include sound monitoring systems that track exceptions and provide for timely detection and correction of errors.

Management's responses to the issues and recommendations were as follows:

1. The university has already conducted in-depth analysis on students who have been part of this process, but in an effort to ensure that no students were harmed unintentionally by the university's practices, a full audit of all protected students for academic years 2016 and 2017 is in progress. We identified a total financial risk exposure of \$729,242.29 for students protected for Fall 2016, with 91% or \$662,007.67 being considered low risk and 9% or \$67,234.62 being considered medium risk.

Approximately 88% of that total has been collected to date compared to the overall institutional collection rate of 90%. In addition, approximately 82% of these protected students successfully completed the term with passing grades, showing the academic and financial stability of this process. Any student determined to have incurred debt, charges, or unsatisfactory course outcomes that they did not earn will be held harmless and have their aid, charges, or records corrected immediately.

2. The university is moving, in Fall 2017, to adopt a new practice known as the Pay-to-Stay plan. The new practice eliminates the protection of schedules at census for students who have not validated or entered into a traditional payment agreement with the university. Those students who are unable to pay their outstanding balance by established deadlines may be allowed to enter into a negotiated payment plan that provides consent, financial obligation, and collateral on the part of the student while allowing the university to maintain equitable practices that ensure students' individual financial hardships or circumstances are taken into account. This will ensure even stronger internal controls, decreasing risk for the university as well as furthering an equitable model for student success. Risk exposure analysis will be ongoing, and audits of students entering into this arrangement will be completed consistently to ensure that outcomes align with expectations. The Pay-to-Stay plan is attached as a supplemental document for review.

Implementation of the new Pay-to-Stay plan and process replaces the previous process whereby the university assumed a quantifiable and measured risk associated with permitting students to be enrolled past the census date without payment or appropriate payment plans. The revised practice ensures the university will no longer accept financial obligations of students without receipt of collateral or security. The revisions ensure the associated financial risk of the university for each student is the difference between the guaranteed minimum payment and a first payment of a typical payment plan for each student. Given the data provided in your review and our own analysis, that sum is quite small.

As noted, the WSSU Board of Trustees approved the Deferred Tuition and Fee Policy in December, 2016, and the revisions encompassed in the guaranteed payment aspects of Pay-to-Stay ensure the university comply with the intent of GS 116-143. Internal reviews and assessments will not be available until actual implementation of the process and will be provided to support the viability and minimal risk associated with Pay-to-Stay at the December Board of Trustees meeting.

3. Beginning in Spring 2017, the university began collecting signed written consent forms for on-campus students who requested assistance with schedule protection and were determined to have made significant progress on their financial plans.
4. When students were protected due to pending incoming financial aid or scholarship awards, monthly follow-up calls were conducted by financial aid counseling staff to ensure that students received consistent contact, understood what was needed to complete processes, and remained motivated to complete processes leading to full payment. The vast majority of students assisted by this process completed their financial obligations to the university and successfully completed the term.

Internal control measures are already in place to monitor and audit numerous processes and outcomes regarding financial aid each term, as the school is obligated to maintain administrative capability at all times. Additional controls will be added to ensure that students with outstanding balances under the new Pay-to-Stay plan receive similar monitoring and communication as those with pending financial aid.

Please respond to this office by July 26, 2019, and let us know if and how the agreed upon actions were implemented or if management has measured and accepted the risk of not taking action. Please include any and all evidence necessary to corroborate your statements.

Thank you very much for your attention to this matter, and please contact us if you have any questions.



WINSTON-SALEM STATE UNIVERSITY

Office of Audit, Risk, & Compliance

Shannon B. Henry, Chief Audit, Risk, and Compliance Officer
1600 Lowery Street, Winston-Salem NC 27110
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Memorandum

To: Mr. A. Jamar Banks, Associate Vice Chancellor for Student Affairs
Dr. Melvin Norwood, Associate Provost and Vice Chancellor for Student
Development and Engagement

From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*

Date: June 30, 2019

Re: Follow-up to Internal Audit's report on Homecoming Parade Fees

At the conclusion of Internal Audit's investigation concerning fees collected by the university for the homecoming parade, findings and proposed recommendations were discussed with management and, subsequently, management action plans were developed to explain how the agreed upon recommendations would be implemented. The purpose of this communication is to follow up on the status of the recommended actions to ensure management has implemented corrective measures, and sufficiently addressed the issues.

Following is a summary of the issues identified during Internal Audit's investigative review, and the accompanying recommendations:

1. Inadequate Accounting and Control Procedures
 - The university does not have adequate procedures in place for receiving, processing and maintaining records of homecoming parade applications, the accompanying fees, or for administering fee waivers. Failing to have documented and established policies and procedures in place increases the risk of financial loss and allows for bias and inconsistencies in application and fee handling.

Internal Audit's Recommendations:

1. The university should develop detailed policies and procedures applicable to the

acceptance of applications and collection of homecoming parade fees. These policies and procedures should enforce effective controls and consistency, and include management oversight and accountability measures to ensure the proper use and safeguarding of these funds. Procedures should also include an independent reconciliation to ensure application fees are received and appropriately recorded and deposited for all parade participants. The reconciliation should be performed by a person who does not handle cash.

2. The university should establish policies and procedures for fee waivers. The policies should document the university's rationale for granting fee waivers, including the measures used to determine qualification.

Management's responses to the issue and recommendations were as follows:

- We concur. Policies and procedures, inclusive of checks and balances, are being developed. We will work with the Chancellor's Office and the Vice Chancellor for Student Affairs to determine fee waiver protocols for inclusion in the new policies and procedures. We will also work with the Cashier's Office to ensure homecoming receipts are processed with the appropriate directives.

Please respond to this office by July 26, 2019, and let us know if and how the agreed upon actions were implemented or if management has measured and accepted the risk of not taking action. Please include any and all evidence necessary to corroborate your statements.

Thank you very much for your attention to this matter, and please contact us if you have any questions.

WSSU FY19 Summary of All Findings and Recommendations - OPEN

Project Name	Finding(s)/Observation(s)	Recommendation(s)	Number of Recommendations	Report Type	Subject to Disclosure	Office or Department	New/Previous	Date	Follow-up Required (Y/N)
1 Fiscal Year 2019 Audit Plan - Risk Monitoring	Risk Monitoring for P-Card Compliance	Ensure issues have been sufficiently addressed and your employees adhere to the internal controls and procedures in place to mitigate risks.	1	Risk Monitoring Memo	Yes	Purchasing	New	6/30/2019	N
2 Fiscal Year 2019 Audit Plan - Risk Monitoring	Risk Monitoring for Clery Act Compliance	Ensure issues have been sufficiently addressed and your employees adhere to the internal controls and procedures in place to mitigate risks.	1	Risk Monitoring Memo	Yes	* Campus Police * Academic Affairs	New	6/30/2019	N
3 Follow-up to the OSA Federal Compliance Report of 2018 (Title III)	Previous Finding: <i>The University Did Not Consistently Verify Whether Vendors were Suspended or Debarred.</i> Current Status: <i>Partially Resolved (Satisfactory Progress Made).</i>	1) The university should establish checks and balances to ensure its newly drafted procedures are implemented successfully, specifically those for monitoring and direct payments. 2) The university should consider providing training for budget managers and/or those responsible for processing departmental expenditures, on spending guidelines for federal funds, to spread awareness and help the university achieve its compliance objectives. 3) The university should ensure evidence of its newly implemented procedures is maintained for auditing purposes.	3	Follow-up Audit Report	Yes	Purchasing	New	6/29/2019	Y
4 Temporary Employees and Overtime Payments - Follow-up Investigation of the University's Processes for Immunization Compliance	Previous Finding: <i>The University's Current Practices Regarding Temporary Employees and Overtime Compensation are not Consistent with its Policies.</i> Current Status: <i>Partially Resolved.</i>	1) The university should implement IA's previous recommendations and ensure the policies and procedures support current practices. Controls should be established to ensure compliance, and affected employees should be notified about mandates imposed by updated policies. 2) Ensure that all employees adhere to the guidelines, internal controls, and procedures in place that govern overtime policies and procedures, campus-wide.	2	Follow-up Audit Report	Yes	Human Resources	Previous	6/11/2019	Y
5	MATTERS NOT SUBJECT TO DISCLOSURE UNDER PUBLIC LAW	MATTERS NOT SUBJECT TO DISCLOSURE UNDER PUBLIC LAW (NCGS 132-6.1)	1	Risk Monitoring Memo	No	Student Health Services	Previous	3/13/2019	N
6 Investigation of Community Service Leave Hours	Mismanagement of Community Service Leave Hours	1) HR should develop and implement a personnel action form requiring supervisor approval for employee participation in the special programs allowed by the State's CSL Policy (literacy and tutoring programs). The authorized action form should be required and used by HR for increases to the employee's CSL hours from the annual 24-hour maximum leave benefit. *NOTE* - A personnel action form has been drafted by HR for this purpose. 2) HR should consider the inherent risks associated with change initiatives and develop procedures to ensure it's prepared and equipped, and outcomes are successful and supportive of the university's compliance and reporting objectives when changes are made to information systems or business operations. 3) HR should work with active employees identified as having recorded hours in excess of the standard 24 for purposes outside of what the State's policy allows and, where appropriate, make adjustments for those hours from other leave categories (i.e., compensatory, vacation, bonus, etc.).	3	Management Letter	Yes	Human Resources	Previous	11/28/2018	N

7	Investigation of Community Service Leave Hours	Leave Reporting	<p>1) Until a solution for updating the leave accrual balances for separated employees that accurately reflects the circumstances is identified, refer to the comment field and/or take the steps necessary to ensure this type of information is considered when providing reports so they are accurate and useful.</p> <p>2) Ensure web focus report parameters are understood and capture the appropriate data needed so that generated reports produce accurate and complete information.</p>	2	Verbal	Yes	Human Resources	Previous	11/7/2018	N
8	Investigation of CDI - Controls Review	Failure to Comply with Contract Guidelines	Management should consult with UNCSA's General Counsel and consider if its appropriate to contact Microsoft and ensure the equipment was returned appropriately.	1	Verbal	Yes	* UNCSA * CDI	Previous	8/16/2018	N
9	Investigation of CDI - Controls Review	Inadequate Control Measures	<p>1) CDI should work with the UNCSA and WSSU to create its own inventory policies to ensure all items are recorded. The policies should be approved and procedures monitored by the UNCSA and WSSU in accordance with the oversight responsibilities specified in the Agreement. (WSSU, UNCSA, & CDI)</p> <p>2) The UNCSA should implement gift procedures at CDI and ensure the staff is educated about the protocols to follow when gifts are received.</p> <p>3) In accordance with the Administrative Services Agreement between CDI, the UNCSA, and WSSU, CDI should work closely with both universities to resolve remaining problems with its security cameras. (WSSU, UNCSA, & CDI)</p> <p>4) The UNCSA IT department should ensure its intake and outtake procedures are followed to help mitigate the risk of items going missing.</p>	4	Audit Report	Yes	* Information Technology * UNCSA * CDI	Previous	9/17/2018	Y
10	Investigation of CDI - Controls Review	Deficient Exit Process	The UNCSA should develop exit interview procedures that are applied to CDI to help reduce the risk of departing employees removing university property. Controls should also be implemented to ensure the exit procedures are carried out effectively.	1	Audit Report	Yes	* UNCSA * CDI	Previous	9/17/2018	Y
11	Investigation of CDI - Controls Review	Inadequate Contract Management	<p>1) The university administration should become familiar with contract guidelines and agreements with outside entities going forward. CDI should consider reporting on a biannual basis, contracts and research agreements the center has executed to applicable departments, including the Legal Affairs departments at both UNCSA and WSSU. (WSSU, UNCSA, & CDI)</p> <p>2) CDI, the UNCSA, and WSSU departments identified in the Administrative Service Agreements between CDI and both institutions, should familiarize themselves with administrative responsibilities as it pertains to CDI and the respective institution. Controls should be implemented to ensure matters of compliance are addressed appropriately. (WSSU, UNCSA, & CDI)</p>	2	Audit Report	Yes	* Legal Affairs * Office of Sponsored Programs * UNCSA * CDI	Previous	9/17/2018	Y
12	Investigation of CDI - Controls Review	Failure to Comply with Employment Disclosure Policies	The UNCSA should enforce the control procedures it has in place for avoiding conflicts of interest. Submission of annual COI disclosure forms, annual Secondary Employment Forms, and External Professional Activities for Pay disclosures should be closely monitored and disciplinary action should be taken when necessary actions are not followed, according to policy.	1	Audit Report	Yes	* UNCSA * CDI	Previous	9/17/2018	Y
13	Fiscal Year 2018 Audit Plan - Risk Monitoring	Risk Monitoring for Information Technology – Strategy, Operations & Performance	Ensure that the university adheres to the guidelines, internal controls, and procedures in place to mitigate risks and achieve its objectives	1	Risk Monitoring Memo	Yes	Information Technology	Previous	8/6/2018	N
14	Fiscal Year 2018 Audit Plan - Risk Monitoring	Risk Monitoring for Title IX Compliance	Ensure that your employees adhere to the guidelines, internal controls, and procedures in place to mitigate risks.	1	Risk Monitoring Memo	Yes	EEO/Title IX	Previous	8/1/2018	N

15	Investigation of the University's Processes for Immunization Compliance	<i>Noncompliance with Immunization Guidelines</i>	<p>1) The Registrar should work with the Student Health Center and perform a self-audit of the entire student population to determine enrolled students that are immunization noncompliant and implement corrective measures.</p> <p>2) The university should update its understanding of mandatory student immunization laws, policies, and standards and ensure its practices are efficient, effective and designed to facilitate and ensure compliance.</p>	2	Audit Report	Yes	* Enrollment Management * Registrar * Student Health Services	Previous	7/25/2018	Y
16	Investigation of Protocols within Admissions	<i>Deficient Evaluation & Monitoring Processes</i>	<p>1) Ensure employees are evaluated in accordance with university policies.</p> <p>2) Ensure major processes are monitored to assess the quality of performance over time.</p>	2	Risk Monitoring Memo	Yes	Admissions	Previous	7/3/2018	N



WINSTON-SALEM STATE UNIVERSITY

BOARD OF TRUSTEES AUDIT, RISK, AND COMPLIANCE COMMITTEE CHARTER

I. Purpose

To assist the Winston-Salem State University (WSSU) Board of Trustees in fulfilling its oversight responsibilities of the institution and associated entities which fall under the requirements established by the Board of Governors in the following areas:

1. The financial reporting process;
2. The effectiveness of the institution's internal control and enterprise-wide risk management systems;
3. The audit process;
4. The information governance and security infrastructure;
5. The institution's process for monitoring compliance with laws and regulations; and
6. The institution's code of conduct.

The committee provides open lines of communication between the university's Office of Audit, Risk, and Compliance, and other audit, risk management and compliance functions, and the WSSU Board of Trustees. The committee will take all appropriate actions to set the overall tone at the institutions for quality financial reporting, effective internal control, risk management and compliance, and ethical behavior. The University Chancellor and/or Audit, Risk and Compliance Committee (ARCC) Chair has the power to call a meeting whenever necessary.

II. Authority

The ARCC has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

1. Appoint, compensate, and oversee the work of the North Carolina Office of the State Auditor and any other registered public accounting firm employed by the organization;
2. Resolve any disagreements between management and the auditor regarding financial reporting;
3. Pre-approve all audit and related services;
4. Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation;
5. Seek any information it requires from employees — all of whom are directed to cooperate with the committee's requests — or external parties;
6. Meet with the organization's officers, external auditors, or outside counsel as necessary; and
7. Set the university's risk appetite.

III. Composition

1. The ARCC shall be a standing committee of at least three, and no more than six, members of the Board of Trustees.
2. The Chair of the Board will select both the chair of the ARCC and the members of the committee.

3. The Chair of the Board will serve as an ex officio member of the ARCC.
4. Voting committee members must be comprised only of trustees, however, committee members may be non-trustees. Non-trustee committee members shall have all of the rights and responsibilities of trustee members, except the right to vote.
5. Each ARCC member must be independent of WSSU management and free of any relationship with the University that would impair independence. Members may not receive from WSSU any consulting, advisory, or other fees paid monetarily or with other consideration. This is not intended to prevent committee members from receiving travel expense reimbursements for participating in meetings or meals furnished at meetings.
6. Each ARCC member will be financially literate. Financial literacy is defined as being able to read and understand fundamental financial statements. If possible, at least one member of the ARCC shall be designated as the "financial expert". This is defined as a person who has an understanding of generally accepted accounting principles and financial statements, the ability to assess the application of these principles, an understanding of ARCC functions, experience preparing, auditing, analyzing or evaluating financial statements, or experience supervising persons engaged in such activities and an understanding of internal controls and procedures for financial reporting.

IV. Meetings

1. The ARCC will meet at least four times a year, with authority to convene additional meetings as circumstances require.
2. All ARCC members are expected to attend each meeting in person or via teleconference or videoconference.
3. A majority of the voting members of the committee will constitute a quorum.
4. The ARCC will invite members of management, auditors, risk and compliance managers, or others to attend meetings and provide pertinent information as necessary.
5. The ARCC will hold private meetings with internal and external auditors and executive sessions. If the internal or external auditors request a meeting, the committee is required to meet as promptly as possible.
6. Meeting agendas will be prepared by WSSU staff and provided in advance to the committee members, along with the appropriate briefing materials.
7. The committee shall maintain written minutes of its meetings.

V. Responsibilities

With regards to each topic listed below, the ARCC will:

A. Financial Statements

1. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. Review with management and the external auditors the results of the audit, including any difficulties encountered.
3. Review the annual financial statements and other sections of the annual report and related regulatory filings.
4. Review with management and the external auditors all matters required to be communicated to the committee under auditing standards.
5. Understand how management develops financial information, and the nature and extent of internal and external auditor involvement.

B. Internal Control

1. Review the effectiveness of the internal control system, including information technology security and control, through activities of the internal and external auditors.
2. Understand the scope of internal and external auditor's reviews of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
3. Determine whether recommendations made by the internal and external auditors have been implemented by management.

C. Internal Audit

1. Review with management and the chief audit, risk and compliance officer (CARCO) the charter, activities, staffing, and organizational structure of the internal audit function. Consider and review any changes to the scope of the internal audit charter. Given the CARCO's responsibility for risk and compliance, ensure there are safeguards in place to limit impairments to independence or objectivity.
2. Have final authority to review and approve the annual audit plan, the internal audit budget and resource plan, and all major changes to the plans.
3. Ensure there are no unjustified restrictions, limitations or interferences, and review and concur in the appointment, compensation, replacement, or dismissal of the CARCO.
4. Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.
5. On a regular basis, meet separately with the CARCO to discuss any matters that the committee or internal auditing believes should be discussed privately.

D. External Audit

1. Review the external auditors' proposed audit scope and approach.
2. Review the performance of the external auditors and exercise final approval on their appointment or discharge.
3. On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

E. Compliance

1. The ARCC, through the Chancellor and CARCO, shall receive reports from management and the organization's legal counsel regarding compliance matters institution-wide, including, but not limited to, the following areas: athletics, environmental health and safety, diversity and affirmative action, research, contracts and grants, and financial aid.
2. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
3. Review the findings of any examinations by regulatory agencies and any auditor observations.
4. Review the process for communicating the code of conduct to the organization's personnel and for monitoring compliance therewith.

F. Risk Management

1. The ARCC is responsible for oversight of the processes to identify, assess, prioritize, and manage general business risks. This includes the current risk environment, emerging risks, and the interrelationship between risks and the context of the university's risk appetite.
2. The ARCC shall receive reports from management regarding the risk environment for WSSU and ensure that management's responses to significant risks are appropriate, and that resources to address high priority risks are allocated appropriately.
3. Monitor and evaluate guidelines and policies to govern the process by which risk assessment and management is undertaken.

G. Information Governance and Security

1. Ensure that information governance and security is addressed in the annual audit planning and risk assessments that are conducted by the institution's internal auditor.
2. Periodically include an agenda item for emerging information governance and security matters at its regularly scheduled meetings.
3. Receive a report at least annually from the appropriate senior officer on the institution's information governance and security infrastructure and information technology security controls.

H. Reporting

1. Regularly report to the Board of Trustees about committee activities, issues, and related recommendations.
2. Provide an open avenue of communication among internal auditing, risk and compliance managers, the external auditors, and the Board of Trustees.
3. Report annually to the UNC Board of Governors, describing the ARCC's composition, responsibilities and how they were discharged, and any other information required.
4. Review any other reports issued by the organization that relate to the ARCC's responsibilities.

I. Complaints and Ethics


Ensure policies and procedures are established to allow employees to report alleged improper activities.

J. Other Responsibilities


1. Review and assess the adequacy of the ARCC charter annually, requesting board approval for updates of its charter, as necessary.
2. Perform other activities related to this charter as requested by the Board of Trustees.
3. Institute and oversee special investigations as needed.
4. Evaluate the ARCC's and individual members' performance on a regular basis.
5. Consult with WSSU legal counsel to review any legal matters that may have a significant financial impact.
6. Ensure that the internal auditors receive continuing education annually.
7. Ensure that members of the Office of Audit, Risk and Compliance participate in the University of North Carolina Auditors' Association, the Institute of Internal Auditors, and other professional organizations in order to stay updated on professional standards, developments with audit, risk, and compliance procedures and other relevant issues.

Effective Date: This Charter becomes effective upon adoption by the Board of Trustees.

Modified: December 6, 2013
December 9, 2016
March 16, 2018



William U. Harris
Chairman, Board of Trustees
Winston-Salem State University



Scott F. Wierman
Secretary, Board of Trustees
Winston-Salem State University



**Winston-Salem State University Board of Trustees
GATE Committee Meeting
Tuesday, June 18, 2019
Meeting Location: Chancellor's Conference Room
2:30 PM**

Minutes

CALL TO ORDER

Chair Kelly called the meeting to order at 2:35 pm and apologized for delay and welcomed the committee members to the GATE Committee meeting.

CONFLICT OF INTEREST STATEMENT

Chair Kelly read the following statement:

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

There were no conflicts noted.

APPROVAL OF MARCH 15, 2019 MEETING MINUTES

Trustee Harris moved to approved minutes. Trustee Wierman seconded the motion.

APPROVAL OF APRIL 2, 2019 MEETING MINUTES

Trustee Farmer moved to approved minutes. Trustee Kelly seconded the motion.

ROLL CALL

Ms. Calloway conducted roll call. The committee had a quorum. A copy of the attendance roster is attached and incorporated herein by reference.

ADOPTION OF AGENDA

Trustee Farmer moved to adopt the agenda. Trustee Henderson seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees adopt the current agenda as distributed.

GOVERNANCE

Bylaws. Update information, Mrs. Kluttz-Leach informed committee they received a rough draft and will send them to legal by July 1, 2019 for approval and send them to GATE Committee for review in preparation for the September Committee Meeting. Should anyone have feedback contact Mrs. Kluttz-Leach with advisement. Chair Kelly inquired about a template for bylaws. Some schools have uniformity, many schools differ; Mrs. Kluttz-Leach will compare.

Page 16: Add specific information in Section 3. Mrs. Kluttz-Leach will revise a draft for final and send out for review.

ADVOCACY

Board Engagement and Advocacy: Trustee Henderson inquired about the Powers and Duties of Trustee Henderson and herself since going off the Board of Trustees (Section 4, pg. 17), according to the current Revised and Restated Bylaws of the BOT of Winston-Salem State University. Check to see if they qualify while transitioning. Mrs. Kluttz-Leach will check with Ivey Brown. Chair Kelly feels it is beneficial to keep Trustee Henderson and Trustee Wierman on the GATE Committee because of their experiences and years of serving on the Board will be a benefit rather than change members as they are familiar with WSSU and operational aspects. Trustee Harris noted as long as it is approved by the State it makes sense to keep them on the committee. Trustee Wierman shared we are in compliance with the State. Mrs. Kluttz-Leach will check with our Legal Team.

Trustee Expectations and Obligations Statement: Trustee Henderson on Advancement; make presentations, call members to talk about personal contributions, committee is liaison to encourage, promote follow up. Trustee Harris stated this process should be maintained. Mrs. Kluttz-Leach stated GATE Committee's accountability, monitoring Trust going forward. (pg. 32) Chair Kelly states there should be diversity on the BOT as it has committed \$1,000 which is a very reasonable request. Trustee Farmer, as Chair I have reached out to all having 99% participation currently. One member has not responded to several attempts and not returned calls. Trustee Henderson stated there should be an orientation making sure Board Members understand their commitment. Chair Kelly moved to adopt the draft. Trustee Harris seconded the motion. Oppose, none. We will introduce this at the next Board Meeting.

Motion: Resolved, that the GATE Committee adopts the Statement of Accountability and Commitment.

Trustee Orientation & Retreat: Mrs. Kluttz-Leach suggested we discuss expectations at the Orientation & Retreat. Trustee Henderson totally agreed.

Chair Kelly asked for trustee input towards the development of an agenda. She emphasized that as a trustee, it is valuable to know and understand departmental needs for input and that it would be an asset to hear from each group. Mrs. Kluttz-Leach agreed, each member should bring in their overall suggestions, a need for training on grievances, legal aspects. Chair Kelly added a need for additional Grievance training, re-structure Board Members of University engage during BOT training. Chair Kelly suggested starting with general understanding of departmental needs.

Trustee Harris shared what happened in the past and indicated that it would be a good starting point, and instructive. He suggested that we could add or delete as necessary.

Mrs. Kluttz-Leach asked if there were any comments today for Orientation Retreat. Trustee Wierman asked if Senior Staff have a quick introduction. Trustee Harris mentioned we are obligated to report as we have done in the past. Mrs. Kluttz-Leach mentioned that some matters must be reported to ensure compliance. It is important to also know their areas of expertise so we may assign new members to proper committees. Chair Kelly requesting initial draft with a follow up call to discuss. Scheduled time for call is Tuesday, June 25, 2019, 2:00 – 3:00 pm.

MOTION TO GO INTO CLOSED SESSION

Chair Kelly moved to go into executive closed session to: (1) prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), specifically state employee personnel records, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes; and (2) consider the qualifications, competence, performance, or condition of appointment of a public officer or employee under N.C.G.S. 143-318.11(a)(6). Trustee Harris seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees GATE Committee approve the motion to go into closed session.

(CLOSED SESSION)

RESUME IN OPEN SESSION

The meeting resumed in open session.

REPORT FROM THE CHAIR REGARDING CLOSED SESSION

While in closed session, the board discussed the Chancellor's comprehensive evaluation process. No actions were taken in closed session.

FORMER BUSINESS

No former business

NEW BUSINESS

Mrs. Kluttz-Leach indicated that a survey will be used to make informed committee assignments for 2019-2020. More information will be forthcoming.

ADJOURNMENT

The meeting adjourned at 4:15pm. The next meeting was announced for **June 25, 2019, 3:00pm-3:30pm**

**Winston-Salem State University Board of Trustees
GATE Committee Meeting
Tuesday, June 25, 2019
Meeting Location: Chancellor's Conference Room
3:00 PM**

Minutes

CALL TO ORDER

Chair Kelly called the meeting to order at 3:00 pm.

CONFLICT OF INTEREST STATEMENT

Chair Kelly read the following statement:

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

There were no conflicts noted.

ROLL CALL

Mrs. Kluttz-Leach conducted roll call. The committee had a quorum. A copy of the attendance roster is attached and incorporated herein by reference.

ADOPTION OF AGENDA

Trustee Henderson moved to adopt the agenda. Trustee Wierman seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees adopt the current agenda as distributed.

APPROVAL OF JUNE 18, 2019 MEETING MINUTES

Trustee Henderson moved to approved minutes. Trustee Harris seconded the motion.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approved the June 18, 2019 minutes.

TRUSTEE ORIENTATION & RETREAT

Trustees discussed the upcoming Orientation & Retreat scheduled for Thursday, September 19, 2019, in lieu of regular committee meetings.

- A. Draft Agenda. Reviewed the draft agenda and thanked Mrs. Kluttz-Leach for creating it on a short notice. Committee discussed adding information relating to athletics, UNC metrics, budget, and marching band. Ms. Kluttz-Leach will revise the agenda based on the discussion and ask Executive Staff members to submit sample agendas of information that will be discussed
- B. Logistics and Other Items for Consideration- Ms. Kluttz-Leach will look for a campus venue other than Reaves Center for this meeting and coordinate with university events and conferences and institutes for a space that will accommodate the orientation and committee session break out.

FORMER BUSINESS

No former business

NEW BUSINESS

Mrs. Kluttz-Leach indicated that a survey will be used to make informed committee assignments for 2019-2020. More information will be forthcoming.

ADJOURNMENT

Trustee Farmer moved to adjourn the meeting. Trustee Kelly seconded the motion. The meeting adjourned at 3:32pm. The next meeting was unannounced and will be decided at a later date.



**Board of Trustees, Endowment Committee
Thursday, September 19, 2019
Chancellor's Conference Room
8:00 am**

AGENDA

***Action Item**

1. Call to Order – Chairman Dr. William Harris
2. Roll Call – Leslie Gaynor
3. Enhanced Revenue/Integrated Planning and Budgeting:
 - University Endowment Financial Statements – Frank Lord
 - Foundation Endowment Financial Statements – Gordon Slade
4. Adjournment – Chairman Dr. Harris

UNC Investment Fund, LLC

Winston-Salem State University

Jonathon King: President & CEO, UNC Management Company

September 3, 2019



UNCMC

UNC MANAGEMENT COMPANY, INC

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Agenda

▪ **Headlines & Return Summary**

- Economic & Financial Market Outlook
- Asset Class Performance
- Long-Term Performance
- Wrap-Up / Questions

FY 2019 Headlines

UNCIF's FY 2019 return is strong on an absolute and relative basis

The UNC Investment Fund (“UNCIF” or “Fund”) returned +7.7% for FY 2019⁽¹⁾ (12 months)

- UNCIF's FY 2019 return ranks in the **top decile** of its peer universe⁽²⁾
- +9.9% for CYTD 2019⁽³⁾ through July (7 months)

For FY 2019⁽¹⁾, UNCIF beat SIPP, its L-T objective, the Global 70/30 Portfolio⁽⁴⁾ and is **top decile** relative to peers

1) FY 2019: July 1, 2018 to June 30, 2019 (12 months)

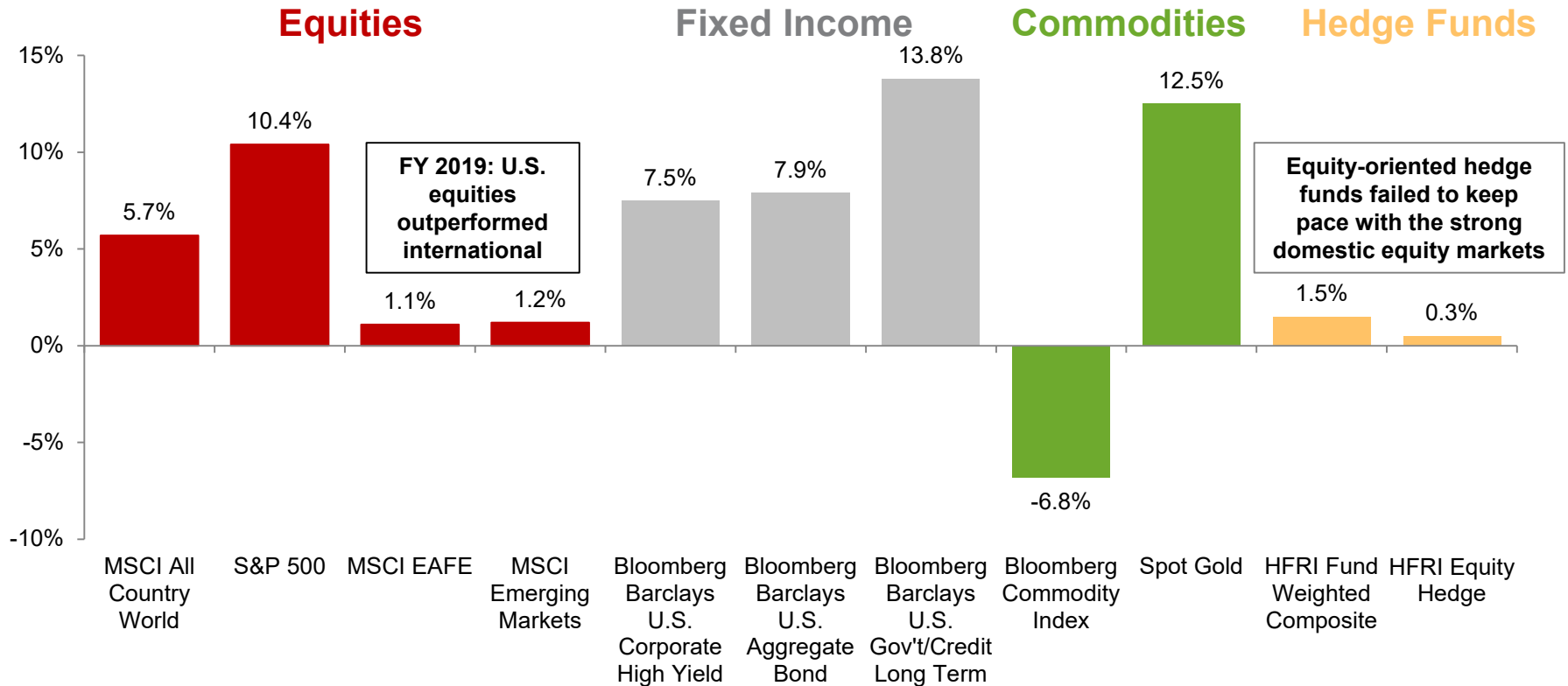
2) BNY Mellon Endowment & Foundation Funds universe

3) CYTD 2019: January 1, 2019 to July 31, 2019 (7 months)

4) Global 70/30 Portfolio: 70% MSCI All Country World Index (ACWI), 30% Bloomberg Barclays U.S. Aggregate Bond Index

Financial Markets Summary: FY 2019 (12 months)

Despite a difficult Q2 FY 2019, equities continued to climb



The equity bull market persisted in FY 2019, led by domestic equities

Performance is for FY 2019: July 1, 2018 to June 30, 2019 (12 months)

Return Summary: FY 2019 (12 months)

UNCIF's FY 2019 return is strong on an absolute and relative basis

	FY 2019 ⁽¹⁾ Return	UNCIF's Relative Performance
UNC Investment Fund	7.7%	
<i>Primary Benchmark: SIPP</i>	6.7%	1.0%
L-T Return Objective: CPI + 5.5%	7.2%	0.5%
Traditional Portfolio: Global 70/30 ⁽²⁾	6.7%	1.0%
Peer Universe Median ⁽³⁾	5.3%	2.4%
Domestic Equities: S&P 500 Index	10.4%	-2.7%
Global Equities: MSCI ACWI	5.7%	2.0%

For FY 2019⁽¹⁾, UNCIF beat SIPP, its L-T objective, the Global 70/30 Portfolio⁽²⁾ and is **top decile** relative to peers

1) FY 2019: July 1, 2018 to June 30, 2019 (12 months)

2) Global 70/30 Portfolio: 70% MSCI All Country World Index (ACWI), 30% Bloomberg Barclays U.S. Aggregate Bond Index

3) BNY Mellon Endowment & Foundation universe median return adjusted for internal fees

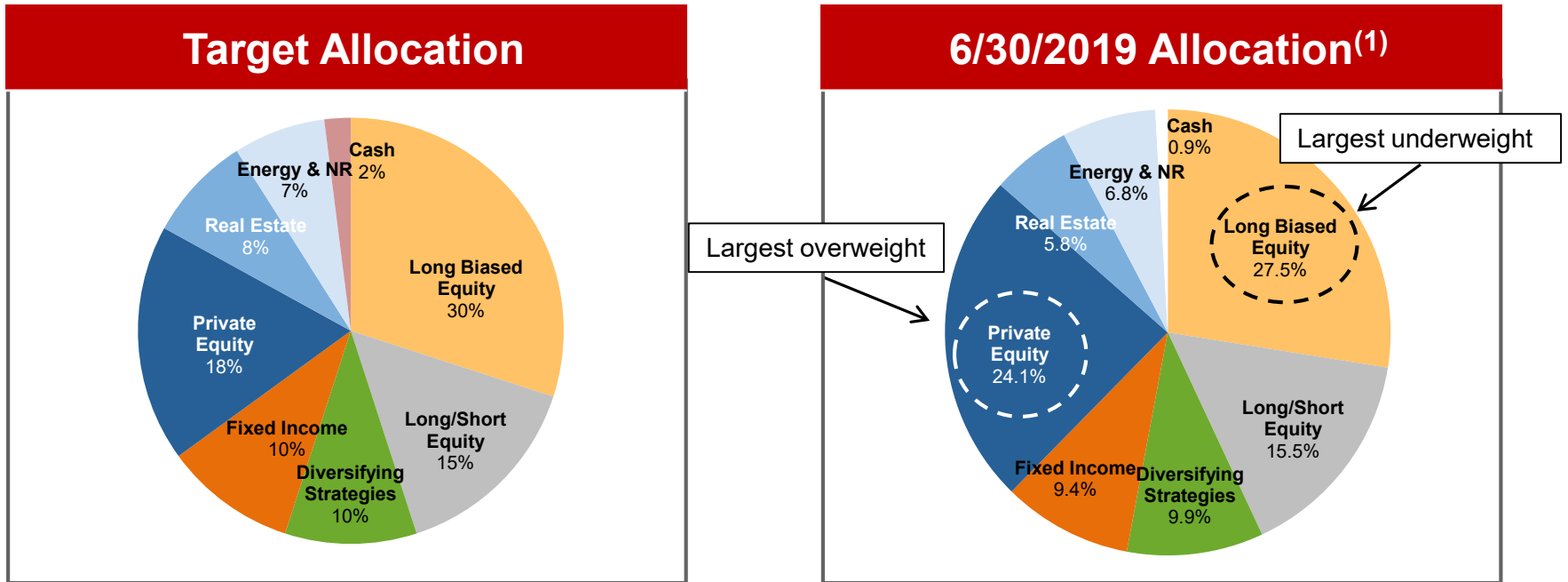
Positioning Relative to SIPP

- **The Fund is overweight private strategies with the combined Private Portfolio 3.7% above target**
- **The Fund is overweight equities (in aggregate)**
 - Long Biased Equity: -2.5% (underweight)
 - Long/Short Equity: +0.5% (overweight)
 - Private Equity: +6.1% (overweight)
- **Significant underweight (-2.2%) to Real Estate due to significant sales of underlying properties in 2018**

Relative to SIPP, UNCIF is tilted towards private strategies due primarily to their strong performance vs. public strategies

SIPP Target vs. Actual Allocation

UNCIF is currently overweight “private” strategies



Over / Under Weight vs SIPP Target			
Public Portfolio		Private Portfolio	
Long/Short Equity	0.5%	Private Equity	6.1%
Diversifying Strategies	-0.1%	Energy & Natural Resources	-0.2%
Fixed Income	-0.6%	Real Estate	-2.2%
Long Biased Equity	-2.5%	Cash	-1.1%

- **Overweight “private” strategies**
 - Private Equity: 6.1% overweight (strategic, relative performance)
 - Real Estate: 2.2% underweight (opportunity set)
- **Underweight “public” strategies**
 - Weak absolute/relative performance

(1) Excludes 0.2% allocation to Liquidating Managers

Agenda

- Headlines & Return Summary

- **Economic & Financial Market Outlook**

- Asset Class Performance
- Long-Term Performance
- Wrap-Up / Questions

Global Economic Outlook

- **The U.S. economy may continue to grow steadily but...**
- **...the strength of the global economy of recent years has lost momentum**
- **Risks to the global economic outlook include:**
 - U.S.-China Trade War
 - Cooling global demand
 - Geopolitical crises
- **With risks mounting, central banks have rushed to provide support and pressure has mounted on governments to provide fiscal stimulus**

The world economy is heading for its weakest expansion since the financial crisis

Financial Market Outlook (U.S.): 2H CY 2019

What now?

- **CY 2018 was a difficult year, but . . .**
- **The S&P 500 rose >17% in the first half of CY 2019 – its best first half since 1997**
- **Will the rally continue?**
 - **Interest Rates:** After four rate hikes in 2018, the U.S. Federal Reserve cut interest rates for the first time in 11 years with further rate cuts anticipated
 - **Trade Frictions:** U.S.-China trade tensions continue
 - **Economic Growth:** Economic growth in the U.S. has slowed but not as much as expected boosted by consumer spending and signaling continued momentum in the decade-long economic expansion (albeit at a slower pace)

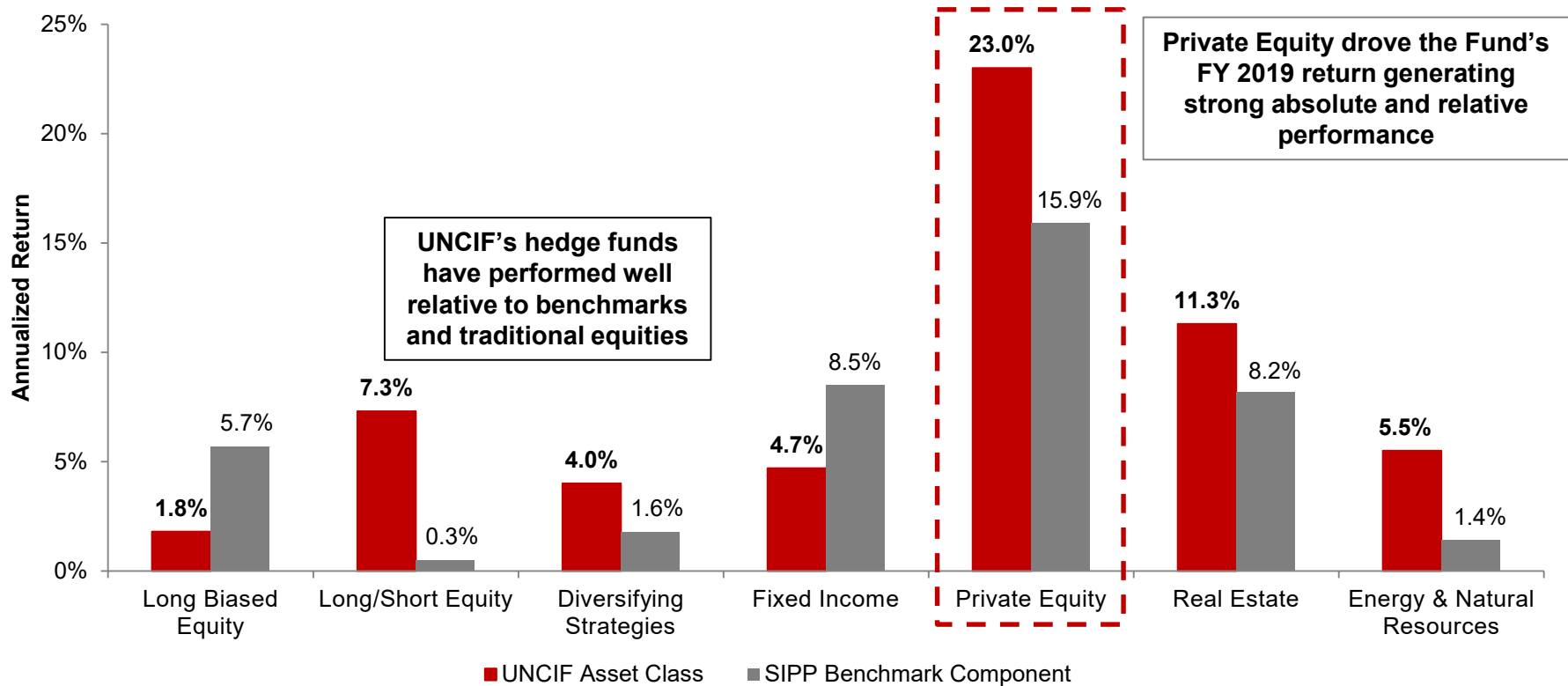
After a very strong start to CY 2019, markets could grind slowly higher rather than a straight shot

Agenda

- Headlines & Return Summary
- Economic & Financial Market Outlook
- **Asset Class Performance**
- Long-Term Performance
- Wrap-Up / Questions

UNCIF Asset Class Returns: FY 2019 (12 months)

Private Equity drove performance



Despite the volatile environment for public equities, UNCIF gained +7.7% for FY 2019

Performance is for FY 2019: July 1, 2018 to June 30, 2019 (12 months)

Public Portfolio: Performance

FY 2019: July 1, 2018 to June 30, 2019 (12 months)

The Public Portfolio⁽¹⁾ returned +3.7% in FY 2019⁽²⁾, underperforming the +4.5% return on the combined Public Portfolio SIPP benchmark

- Long/Short Equity and Diversifying Strategies outperformed their benchmarks by 7.0% and 2.4%, respectively
- Long Biased Equity and Fixed Income both underperformed their benchmarks by 3.9% and 3.8%, respectively
- The Public Portfolio outperformed over the past nine months but did not catch up from its underperformance in Q1 FY 2019⁽³⁾
- “Giving back” some of FY 2018’s significant outperformance was not unexpected
 - For FY 2018 and FY 2019 combined the Public Portfolio has outperformed the combined SIPP benchmark by 1.0% annualized

(1) Excluding cash

(2) FY 2019: July 1, 2018 to June 30, 2019 (12 months)

(3) Q1 FY 2019: July 1, 2018 to September 30, 2018 (3 months)

Public Portfolio: Activity

FY 2019: July 1, 2018 to June 30, 2019 (12 months)

- **Diversifying Strategies allocation has reached target weight**
 - Allocation increased from 9.1% at the beginning of the fiscal year to 9.9%, bringing it in line with its 10% SIPP Target Allocation
 - One manager terminated, one new manager relationship added and one new fund added (fund added to an existing relationship)

- **Long/Short Equity allocation decreased**
 - Decreased from 15.9% at the beginning of the fiscal year to 15.5%
 - Two managers closed their funds and two new relationships initiated

- **Long Biased Equity allocation decreased**
 - From 31.1% at the beginning of the fiscal year to 27.5%, bringing it below its 30% SIPP Target Allocation
 - Two managers terminated, one manager is in the process of winding down their fund

Public Portfolio: Looking Forward

FY 2019⁽¹⁾ was a good test of the portfolio's positioning

- **Global equities in CYTD 2019⁽²⁾ recovered their losses generated in Q2 FY 2019**
 - Equity markets continue to hit new highs
 - Valuation levels remain elevated and stocks remain sensitive to macro factors (China trade deal, Fed rate policy, etc.)
- **Long/Short Equity's performance during a volatile FY 2019 gives us confidence in portfolio positioning going forward**
- **Diversifying Strategies has reached target allocation but remains a key priority**
 - Allows the portfolio to maintain a higher level of equity exposure without an equivalent increase in overall risk
 - We continue to search for attractive additions to this asset class
- **We maintain a neutral to slightly negative view of most Fixed Income strategies**
- **Despite the market recovery, we expect periodic market volatility to continue with significant dispersion of returns across and within markets**

We continue to believe the portfolio is structured appropriately for increased volatility

(1) FY 2019: July 1, 2018 to June 30, 2019 (12 months)

(2) CYTD 2019: January 1, 2019 to June 30, 2019 (6 months)

Private Portfolio: Performance

FY 2019: July 1, 2018 to June 30, 2019 (12 months)

The Private Portfolio returned +17.1% in FY 2019, beating the +11.5% combined Private Portfolio SIPP benchmark

- **Relative performance was strong across the Private Portfolio**
 - All Private Portfolio asset classes beat their SIPP benchmark by at least +3%
 - Commodity prices impacted the Energy & Natural Resources portfolio, but Private Equity and Real Estate experienced strong 12-month periods returning +23.0% and +11.3%, respectively
- **Private Equity was a strong performer (once again), returning +23.0%**
 - Top asset class (by a wide margin) for the 3-, 5-, and 10-year periods
- **Real Estate returned +11.3%, surpassing SIPP by +3.1%**
 - Large realized gains from asset sales at valuations exceeding their carrying value

Private Portfolio: Activity

FY 2019: July 1, 2018 to June 30, 2019 (12 months)

- **\$405.8mm in distributions received** (~20% of beginning market value):
 - Buyout: \$119.4mm
 - Venture Capital: \$75.4mm
 - Real Estate: \$127.5mm
 - Energy & Natural Resources: \$83.4mm

- **Net cash outflow of \$18.9mm**
 - Buyout: -\$75.1mm (outflow)
 - Venture Capital: +\$3.8mm (inflow)
 - Real Estate: +\$28.4mm (inflow)
 - Energy & Natural Resources: +\$24.0mm (inflow)

- **\$536.2mm of commitments made, 7 new managers added**
 - Buyout: \$176.7mm (3 re-ups; 4 new; 4 co-investments; 1 secondary)
 - Venture Capital: \$141.5mm (5 re-ups; 3 new; 1 co-investment)
 - Real Estate: \$170.0mm (4 re-up; 0 new; 0 co-investment)
 - Energy & Natural Resources: \$48.0mm (1 re-up; 0 new; 1 co-investment)

Private Portfolio: Looking Forward

- **Continue to target specialist managers**
- **Strategic shift away from less driven, “AUM-focused” managers into fresher, “hungrier” managers with better alignment of interests**
- **Real Estate managers continue to take advantage of market conditions, returning significant capital through realizations and moderating their investment pace**

Agenda

- Headlines & Return Summary
- Economic & Financial Market Outlook
- Asset Class Performance
- **Long-Term Performance**
- Wrap-Up / Questions

Relative Return Summary

UNCIF has recorded strong relative returns over the past seven years

Periods ended 6/30/19	1 Year	3 Years ⁽¹⁾	5 Years ⁽¹⁾	7 Years ⁽¹⁾
UNC Investment Fund	7.7%	10.6%	7.7%	9.4%
<i>Primary Benchmark: SIPP</i>	6.7%	9.1%	5.8%	7.8%
Traditional Portfolio: Global 70/30 ⁽²⁾	6.7%	8.9%	5.4%	7.8%
Peer Universe ⁽³⁾ : Median	5.3%	8.8%	5.5%	7.9%
Peer Universe ⁽³⁾ : Top 10%	7.4%	10.5%	7.1%	9.3%

UNCIF has consistently outperformed its primary benchmark (SIPP), a Global 70/30 Portfolio⁽²⁾ and is strong relative to peers

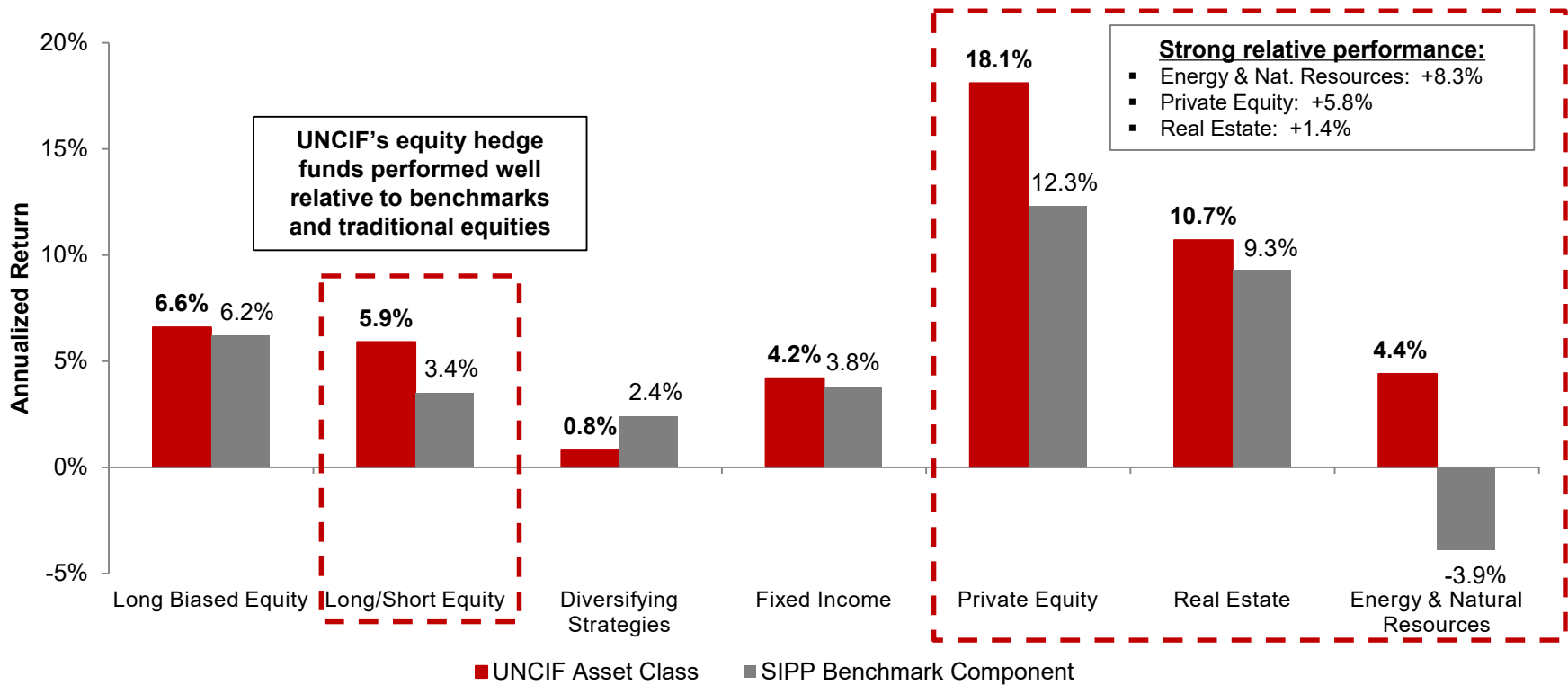
1) Annualized

2) Global 70/30 Portfolio: 70% MSCI All Country World Index (ACWI), 30% Bloomberg Barclays U.S. Aggregate Bond Index

3) BNY Mellon Endowment & Foundation universe adjusted for internal fees

UNCIF Asset Class Returns: 5 Years

Performance driven by exposure to private investments



- All asset classes positive; 6 of 7 beat their benchmarks
- The Fund's +7.7% 5-year return significantly beats SIPP's +5.8%

Note: Performance is for the five-year period ending June 30, 2019

Relative Return & Risk Statistics (Indices)^{(5 Years)⁽¹⁾}

The Fund's Sharpe Ratio tops comparable benchmarks

	Annualized Return	Annualized Standard Deviation	Sharpe Ratio	Beta vs. ACWI
UNCIF	7.7%	4.6%	1.5	0.34
Primary Benchmark: SIPP	5.8%	4.4%	1.1	0.38
Traditional Portfolio: Global 70/30 ⁽²⁾	5.4%	7.8%	0.6	0.71
Global Equities: MSCI ACWI	6.2%	11.0%	0.5	1.00
Domestic Equities: S&P 500	10.7%	11.0%	0.9	0.95

The Fund has produced a higher rate of return with a lower risk profile than comparable benchmarks

(1) Data for five-year period to June 30, 2019

(2) Global 70/30 Portfolio: 70% MSCI All Country World Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index

Relative Return & Risk Statistics (Indices)^{(10 Years)⁽¹⁾}

The Fund's Sharpe Ratio tops comparable benchmarks

	Annualized Return	Annualized Standard Deviation	Sharpe Ratio	Beta vs. ACWI
UNCIF	9.0%	5.0%	1.7	0.31
Primary Benchmark: SIPP	8.9%	5.6%	1.5	0.39
Traditional Portfolio: Global 70/30 ⁽²⁾	8.5%	9.8%	0.8	0.70
Global Equities: MSCI ACWI	10.1%	14.0%	0.7	1.00
Domestic Equities: S&P 500	14.7%	13.3%	1.1	0.91

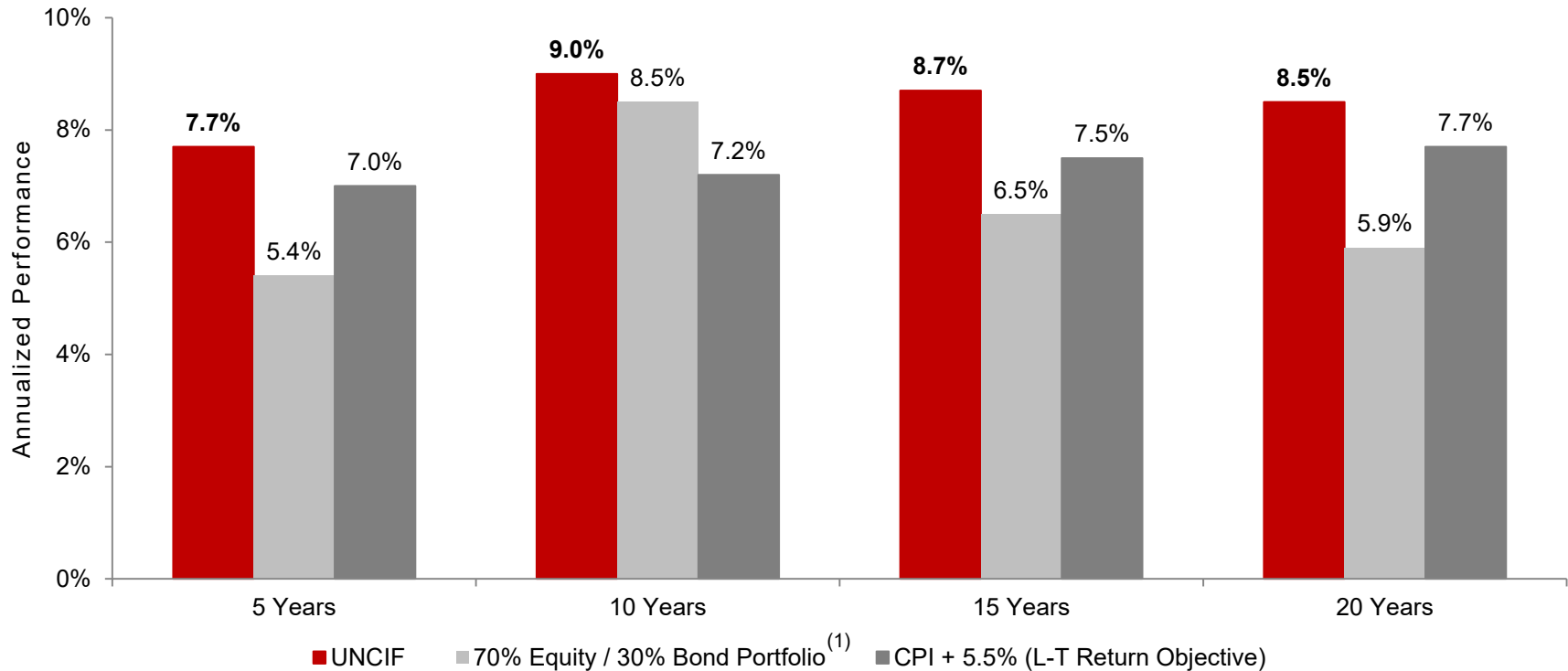
The Fund has produced a higher rate of return with a lower risk profile than comparable benchmarks

(1) Data for ten-year period to June 30, 2019

(2) Global 70/30 Portfolio: 70% MSCI All Country World Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index

Relative Long-Term Performance

Over the medium and long term, the Fund has achieved its return objective



UNCIF achieves its primary objective when a traditional equity/bond portfolio does not highlighting the need for diversification & private investments

Note: Performance to June 30, 2019

(1) 5, 10, 15 Years: Global 70/30 Portfolio - 70% MSCI All Country World Index (ACWI), 30% Bloomberg Barclays U.S. Aggregate Bond Index
20 Years: Domestic 70/30 Portfolio - 70% S&P 500 Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index

Agenda

- Headlines & Return Summary
- Economic & Financial Market Outlook
- Asset Class Performance
- Long-Term Performance
- **Wrap-Up / Questions**

Our Fundamental Beliefs

Over the long term, the Fund has achieved its objectives

Maintaining conviction in our investment approach and philosophy has led to the Fund achieving its long-term objectives

- Maintain a long-term time horizon
- Portfolio diversification is a key component in managing risk
- Focus assets with our highest conviction investment managers
- Alternative asset classes play a significant role
- Tactical portfolio shifts can be utilized selectively to capture shorter-term opportunities
- Downside protection matters

The most important and difficult challenge remains striking the proper balance between upside participation and downside protection

Wrap-Up

UNCIF's FY 2019 return is strong on an absolute and relative basis

The Fund returned **+7.7%** for FY 2019 (12 months)

- All asset classes generated positive performance
- Private Equity and Real Estate drove FY 2019's performance
- For the 1-, 3-, 5- and 7-year periods, UNCIF:
 - Beat SIPP and the Global 70/30 Portfolio⁽¹⁾ by significant margins
 - Ranks in the **top decile** relative to peers⁽²⁾
- Over the long term, the Fund has achieved its primary return objective

UNCIF continues to generate solid returns on both a relative and absolute basis

(1) Global 70/30 Portfolio: 70% MSCI All Country World Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index

(2) BNY Mellon Endowment & Foundation universe adjusted for internal fees

QUARTERLY INVESTMENT REPORT

June 30, 2019

“The UNC Investment Fund maintained momentum from Q3 to return +3.6% in Q4 FY 2019 bringing the Fund’s 12-month FY 2019 return to +7.7%.”

*- Jonathon King,
President & CEO,
UNCMC*

This Quarterly Investment Report provides summary and detailed analysis of the UNC Investment Fund, LLC. There are four primary sections to the report:

1. Quarterly Commentary: This section provides an overview of the financial markets and the Investment Fund’s performance.
2. Executive Summary: This section provides a complete overview of the Investment Fund including current asset allocation, performance and Fund activity for the previous quarter. Also included in this section is historical data of the Investment Fund.
3. Public Portfolio: This section provides a detailed analysis of the public portion of UNC Investment Fund.
4. Private Portfolio: This section provides a detailed analysis of the private portion of UNC Investment Fund.

The Appendix section provides additional sub-asset class level detail for the portfolio. Reference materials, including information on the Strategic Investment Policy Portfolio (SIPP) and a Glossary of Terms used in the report can be found on the UNC Management Company website.

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CONFIDENTIALITY NOTICE

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QUARTERLY INVESTMENT REPORT

Overview

Effective January 1, 2003, the assets of The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. (the "Chapel Hill Investment Fund") were contributed to UNC Investment Fund, LLC (the "UNC Investment Fund"), a North Carolina limited liability company organized and operated to invest assets contributed to it from time to time by the Chapel Hill Investment Fund and by The University of North Carolina and its constituent institutions and their related endowments and tax-exempt foundations.

INVESTMENT PHILOSOPHY

The UNC Investment Fund makes investments in a wide array of asset classes, including, but not limited to:

- Domestic equities, international equities, emerging market equities, opportunistic equity, absolute return, venture capital, direct real estate and real estate securities, energy, domestic bonds, foreign bonds, and cash equivalents.

The UNC Investment Fund assets are primarily managed by external, professional investment management organizations through separate accounts and commingled investment vehicles.

- The public portion of the portfolio will be invested in corporations, limited partnerships, investment trusts and other entities which utilize alternative investment strategies, such as investing long and short in a variety of asset classes, and that otherwise have characteristics such as performance based fees, limited liquidity and a lockup period.
- The private portion of the portfolio will be invested in limited partnerships or limited liability companies that make the majority of their private investments in illiquid securities representing ownership interests in various entities including, but not limited to, emerging companies, leveraged buyouts, real estate and oil and gas properties.

ASSET ALLOCATION

All investment allocations are made in compliance with a long-term Strategic Investment Policy Portfolio (SIPP) developed by the Board of Directors of the Chapel Hill Investment Fund. The policy specifies target allocations for each individual asset class as well as permissible ranges around those strategic targets. The policy was developed to maintain a diversified portfolio designed to achieve the overall UNC Investment Fund goal of returning 5.5% real returns in perpetuity.

BOARD OF DIRECTORS AND UNC MANAGEMENT COMPANY

The Board of Directors and Executive Committee of the Chapel Hill Investment Fund are responsible for establishing and reviewing UNC Investment Fund's investment policies, objectives and guidelines and for the approval to hire and terminate UNC Investment Fund's investment managers. The Board and Executive Committee are assisted by UNC Management Company, Inc. (the "Management Company") for monitoring and reporting UNC Investment Fund's performance.

BENEFITS OF INVESTING IN THE UNC INVESTMENT FUND

1. Professional Investment Management and Continual Oversight
2. Superior Long-Term Investment Returns
3. Asset Class and Manager Diversification
4. Significant downside protection and moderate portfolio volatility
5. Reduced Management and Administrative Costs
6. Investment Accounting and Administrative Services

This overview is intended to provide a brief summary of the overall structure and investment philosophy of UNC Management Company and UNC Investment Fund, LLC. UNC Management Company is always available to respond to any questions you may have.

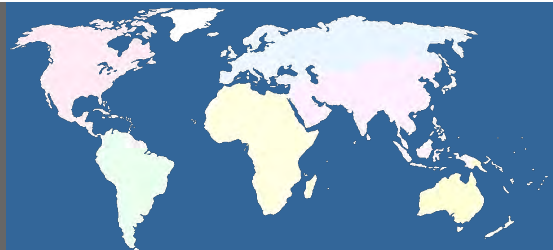
June 30, 2019

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QUARTERLY COMMENTARY



June 30, 2019



EXECUTIVE SUMMARY

- UNCIF generated an investment return of +3.6% for the final quarter of FY 2019 (3 months ending June 30, 2019) bringing the FY 2019 (12 months) return to +7.7%
- UNCIF's solid performance for the quarter is in line with both SIPP and the Global 70/30 Portfolio and ranks in the top quartile of the BNY Mellon Endowment and Foundation Funds universe
- UNCIF's 3, 5, and 10 year annualized returns of +10.6%, +7.7%, and +9.0%, respectively exceed its primary return objective of preserving purchasing power after accounting for spending and inflation

FINANCIAL MARKETS OVERVIEW

Equities recorded solid gains for the final quarter of fiscal year ("FY") 2019 (three months ending June 30, 2019) after overcoming a sharp pullback in May. The large-cap S&P 500 Index advanced +4.3% during the quarter, reaching record highs. The rise, fall, and resurgence of hopes for a resolution to the trade dispute between the U.S. and China played a large role in driving sentiment during the quarter. In early April, President Trump announced that the U.S. and China were nearing an "epic" trade deal. Hopes for a deal were dashed in early May, however, sending stocks sharply lower. Stocks declined further in late May when the president announced that the U.S. would impose a 5% tariff on Mexican goods unless the Mexican government stopped the flow of unauthorized migrants across the border. In early June, however, trade tensions eased and sentiment was boosted when President Trump announced that the Mexican tariffs would be suspended following new security pledges from the Mexican government. Investors further welcomed Treasury Secretary Steven Mnuchin's remark that negotiators were "90% of the way there" in reaching a deal with China. While trade signals fluctuated, economic data generally worsened throughout the quarter with durable goods orders falling back sharply in the first two months of the quarter and surveys of both U.S. manufacturing and service sector activity in June indicating the weakest growth in overall business activity in three years. Additionally, May payroll increases fell short of expectations and consumers appeared to be growing less optimistic despite healthy wage gains with June consumer confidence hitting its lowest level in two years. Expectations that the U.S. Federal Reserve ("Fed") would respond to the slowdown by cutting interest rates seemed to be the primary factor in June's market rebound. A pledge from Fed Chair Jerome Powell that policymakers were paying close attention to the impact of trade tensions on the economy and would "act as appropriate to sustain the expansion" sent markets sharply higher. Notable during the quarter was Uber's initial public offering, one of the 10 largest in history and the biggest since Chinese internet giant Alibaba Group's debut in 2014.

Developed international equities also posted solid gains for the quarter with the MSCI EAFE Index (Europe, Australasia, Far East) returning +3.7% for the three-month period. Like domestic markets, assurances from the Fed and other central banks that they would support growth and counteract an economic downturn reas-

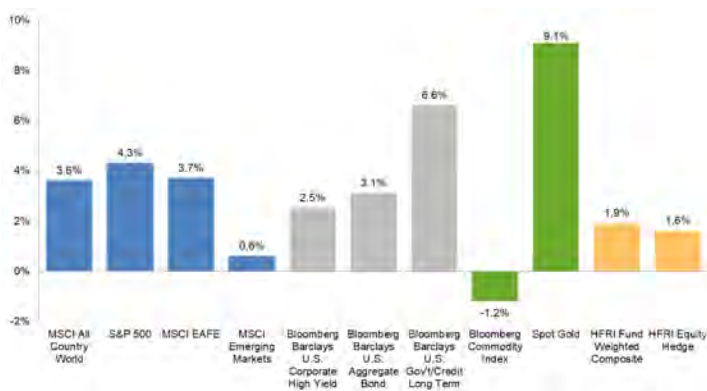
sured investors and provided a strong tailwind for riskier assets. Emerging markets also advanced for the quarter with the MSCI Emerging Markets Index gaining +0.6%.

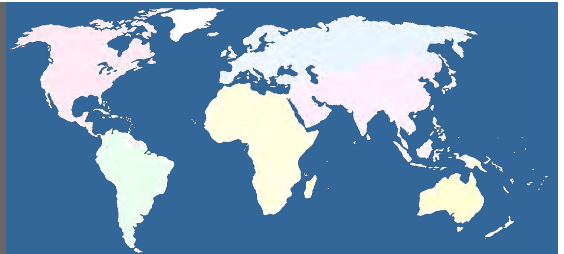
Amid increasingly dovish signals from the Fed and other developed market central banks, the yield on the 10-year Treasury fell during the quarter. After starting the quarter at 2.41%, the 10-year Treasury note slid lower to close June at 2.00%, its lowest level since President Trump's election in November 2016. Other maturities also saw significant yield declines. The broader domestic fixed income market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, gained +3.1% for the quarter with corporate bonds being the strongest segment in the index as they benefited from declining interest rates and the positive momentum in the stock market.

UNC INVESTMENT FUND RESULTS

With the strong performance of global equity markets in June acting as a substantial tailwind, the UNC Investment Fund ("UNCIF" or the "Fund") advanced +3.6% for the final quarter of FY 2019, in line with both its primary benchmark, the Strategic Investment Policy Portfolio ("SIPP"), and a more "traditional" and equity market focused Global 70/30 Portfolio comprised of 70% global equities (MSCI All Country World Index ("ACWI")) and 30% bonds (Bloomberg Barclays U.S. Aggregate Bond Index) which returned +3.7% and +3.6%, respectively. The Fund's return for the quarter is also strong relative to peers ranking

**Market Index Returns
Q4 FY 2019 (3 months to 6/30/19)**





QUARTERLY COMMENTARY

June 30, 2019

in the top quartile of the BNY Mellon Endowment and Foundation Funds universe.

For the quarter, each of the Fund's primary asset classes generated a positive return though just three of the seven beat their respective benchmark. Performance was primarily driven by the Fund's Private Portfolio with Energy & Natural Resources (+9.2%) and Private Equity (+5.8%) being the Fund's top performing asset classes on an absolute basis. These asset classes were also strong relative performers finishing 1.2% and 0.3% ahead of their respective benchmarks. Real Estate returned +2.5% for the period but trailed its benchmark by 0.8%.

Within the Public Portfolio, Long/Short Equity was the top absolute and relative performer for Q4 FY 2019 returning +4.5%, 2.9% ahead of its benchmark and ahead of global equity markets more broadly with the MSCI ACWI returning +3.6%. Long Biased Equity returned +2.7% for the quarter trailing its MSCI ACWI benchmark by 0.9% as the Fund's domestic equity managers struggled to keep pace over the period. Diversifying Strategies and Fixed Income returned +1.1% and +2.8%, respectively with both trailing their benchmark.

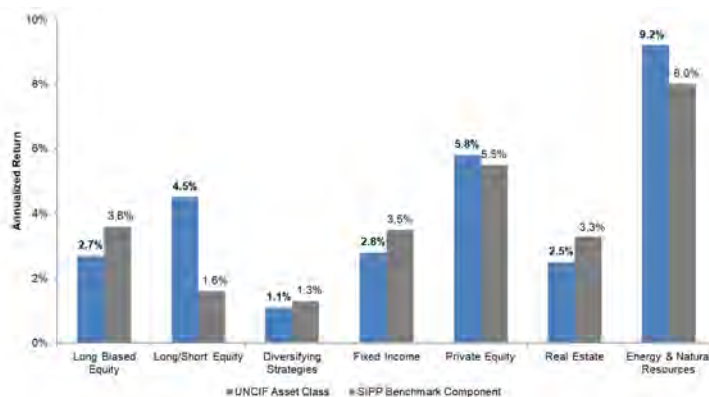
For the 12-month FY 2019 period, the Fund returned +7.7%, beating SIPP's and the Global 70/30 Portfolio's +6.7% return. Relative to its peers, the Fund's FY 2019 return ranks in the top quartile of the BNY Mellon Endowment and Foundation Funds universe. Private Equity and Real Estate drove the fiscal year's absolute performance. Strong relative performance was generated across the portfolio as five of the Fund's seven asset classes outperformed their benchmark. In aggregate, the Private Portfolio returned +17.1% for the 12-month period led by Private Equity which returned +23.0%, 7.1% ahead of its benchmark. Real Estate was also a solid absolute and relative performer with its +11.3% return beating its benchmarks by 3.1%. The Public Portfolio, in aggregate, returned +3.7% for FY 2019. Long/Short

Equity generated very strong absolute and relative performance with its +7.3% return for the year significantly outdistancing its benchmark by 7.0% and outpacing global equities more broadly. On the heels of weak performance from domestic equity managers, Long Biased Equity, the Fund's largest allocation, returned +1.8% for the period and trailed its MSCI ACWI benchmark by 3.9%. Diversifying Strategies and Fixed Income both generated a positive return for the 12-month period returning +4.0% and +4.7%, respectively with Diversifying Strategies beating its benchmark by 2.4%.

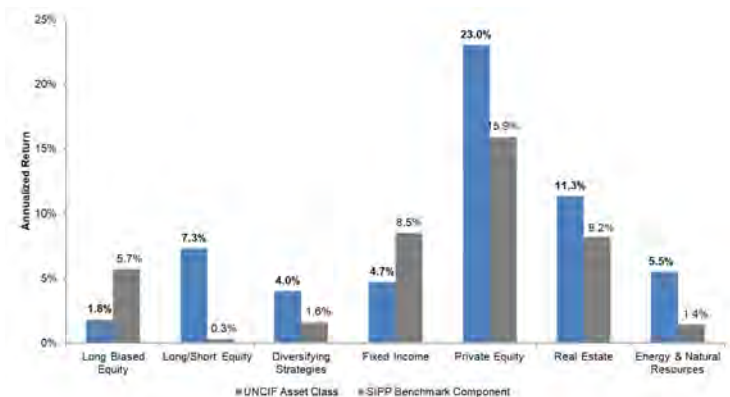
LONGER-TERM RESULTS

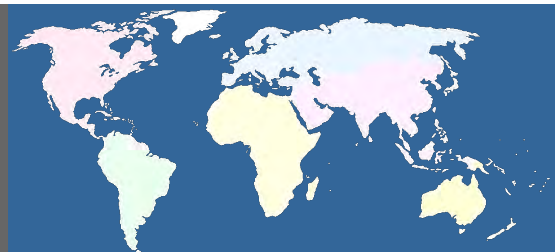
With a primary return objective to provide a stream of distributions to support members' underlying programs in "real dollars" in perpetuity, the Fund is managed with a long-term time horizon. With the negative impact of the Global Financial Crisis of 2007-2008 now excluded from the calculation, the Fund's ten-year annualized return to June 30, 2019 of +9.0% easily exceeds the +7.2% return of this long-term objective. Additionally, the Fund's return over the ten-year period exceeds both the SIPP benchmark and the Global 70/30 Portfolio which returned +8.9% and +8.5%, respectively. Over the last ten years, each of the Fund's asset classes has positively contributed to performance. Real Estate is the only laggard to its benchmark over the period, trailing its benchmark by 4.0%. With a ten-year annualized return of +17.1%, the Fund's Private Equity asset class has added significant value over public equity markets, returning 7.0% over the +10.1% return of the broader global equity market (MSCI ACWI) and highlighting the integral role private investments play in helping the Fund achieve its long-term investment objectives. Over more medium-term time horizons, the Fund easily exceeds its SIPP benchmark with three- and five-year annualized returns of +10.6% and +7.7%, respectively versus +9.1% and +5.8% for SIPP. Compared to its peers, the Fund's three- and five-year returns rank in the top quartile of the

**Asset Class Returns vs. SIPP Benchmarks
Q4 FY 2019 (3 months to 6/30/19)**



**Asset Class Returns vs. SIPP Benchmarks
FY 2019 (12 months to 6/30/19)**





June 30, 2019

BNY Mellon Endowment and Foundation Funds universe.

ASSET ALLOCATION

At June 30, 2019, the Fund was overweight private investment strategies, primarily due to their strong performance versus public strategies, with the Private Portfolio in aggregate 3.7% above its SIPP Target Allocation. With a 24.1% allocation at June 30, 2019, Private Equity represents the Fund's largest overweight position, 6.1% above its 18% SIPP Target Allocation. Tempering the Fund's overweight to Private Equity are the relative underweight positions of both Energy & Natural Resources (0.2% below SIPP Target Allocation) and Real Estate (2.2% below SIPP Target Allocation). With the opportunity set for attractive investments within Real Estate proving to be limited, we expect this relative underweight position to persist over the short to medium term. Due to generally weak absolute performance, the Fund's allocation to Long Biased Equity is 2.5% below its SIPP Target Allocation. Driven by our neutral to slightly negative view of most Fixed Income strategies, the Fund is also modestly under allocated to Fixed Income with its 9.4% allocation registering 0.6% below its SIPP Target Allocation. However, amid the volatile market environment expected going forward and the increased need for capital preservation, the Fund is now at its SIPP Target Allocation to Diversifying Strategies at June 30, 2019. Finally, the Fund's 0.9% Cash allocation is below the 2% SIPP Target Allocation for Cash following the fiscal year end distribution.

SUMMARY

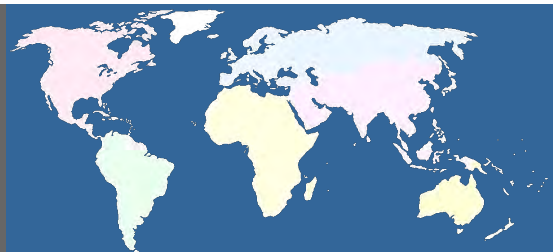
The Fund's +3.6% return for the final quarter of FY 2019 is strong on an absolute basis and in line with the +3.7% return of its primary SIPP benchmark and the +3.6% return of a more traditional Global 70/30 Portfolio. Relative to its peer universe, the Fund's return for the quarter ranks in the top quartile. With its +7.7% (five-year) and +9.0% (ten-year) annualized investment returns, the Fund exceeds its primary return objective of maintaining purchasing power after accounting for a 5.5% spending rate and inflation over both the medium and long term.

Relative to its SIPP Target Allocations, the Fund is significantly overweight Private Equity due to its strong performance with a partially offsetting underweight to public markets strategies. We maintain our belief that market volatility will persist as political and geopolitical tensions around the world and trade escalations between China and the U.S. continue to weigh on investor sentiment. While global economic strength of recent years has lost momentum, central banks appear to be committed to supporting growth and counteracting a potential downturn. We continue to examine the Fund's asset allocation and manager line-up, evaluating managers across the globe to ensure the Fund is posi-

tioned to meet its objectives despite continued market volatility. We also seek out niche investment opportunities that will enhance the Fund's ability to meet its long-term objective and maintain our conviction in our investment philosophy and its key tenets of capital preservation and downside protection.

NEXT BOARD MEETING

We will review the Fund's FY 2019 results and outlook for FY 2020 via a webcast on Friday, September 20, 2019 at 1pm. Registration details for this webcast will be communicated to Members a few weeks in advance. Please contact Janine Vanzetta Burke Director, Investor Relations & Communications (jvanzetta@uncmc.unc.edu) with any questions you would like addressed during the webcast. Following this, the Fund's next Board of Directors meeting will be held on Friday, October 18, 2019 in Chapel Hill. We appreciate your continued support and look forward to FY 2020.



June 30, 2019

Financial Markets Summary

Benchmarks	Total Returns (%)					
	QTR	CYTD	1 Year	3 Year ¹	5 Year ¹	10 Year ¹
Domestic Equity						
S&P 500	4.3	18.5	10.4	14.2	10.7	14.7
Russell 3000	4.1	18.7	9.0	14.0	10.2	14.7
Russell 2000	2.1	17.0	(3.3)	12.3	7.1	13.4
International Equity						
MSCI EAFE	3.7	14.0	1.1	9.1	2.2	6.9
MSCI Emerging Markets	0.6	10.6	1.2	10.7	2.5	5.8
MSCI All Country World	3.6	16.2	5.7	11.6	6.2	10.1
Fixed Income						
Bloomberg Barclays U.S. Aggregate Bond	3.1	6.1	7.9	2.3	2.9	3.9
Bloomberg Barclays U.S. Gov't/Credit Long-Term	6.6	13.5	13.8	3.8	5.7	7.6
Bloomberg Barclays U.S. Corporate High Yield	2.5	9.9	7.5	7.5	4.7	9.2
90 Day T-Bill	0.6	1.2	2.3	1.4	0.9	0.5
Commodities						
Goldman Sachs Commodity	(1.4)	13.3	(11.5)	1.6	(13.3)	(5.2)
Hedge Funds						
HFRI Equity Hedge	1.6	9.3	0.3	6.8	3.4	5.4
HFRI Fund of Funds Market Defensive	1.0	1.3	0.1	0.6	1.6	0.7
HFRI Conservative Fund of Funds	1.5	4.6	2.0	3.8	2.1	3.1

1. Annualized Return

June 30, 2019

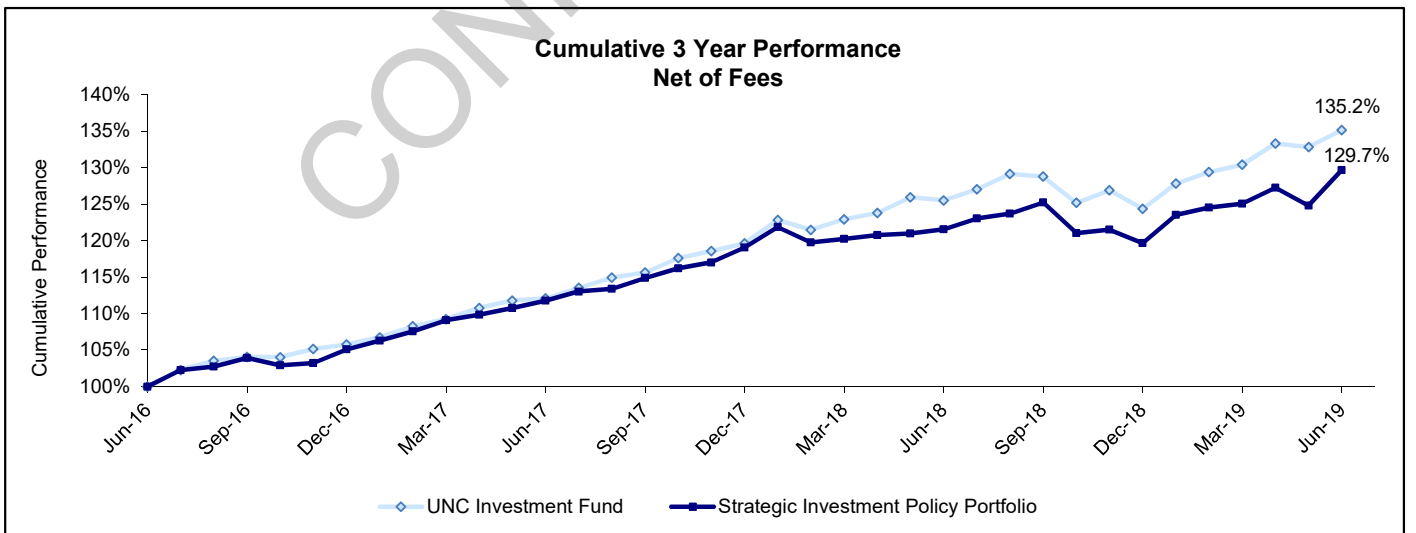
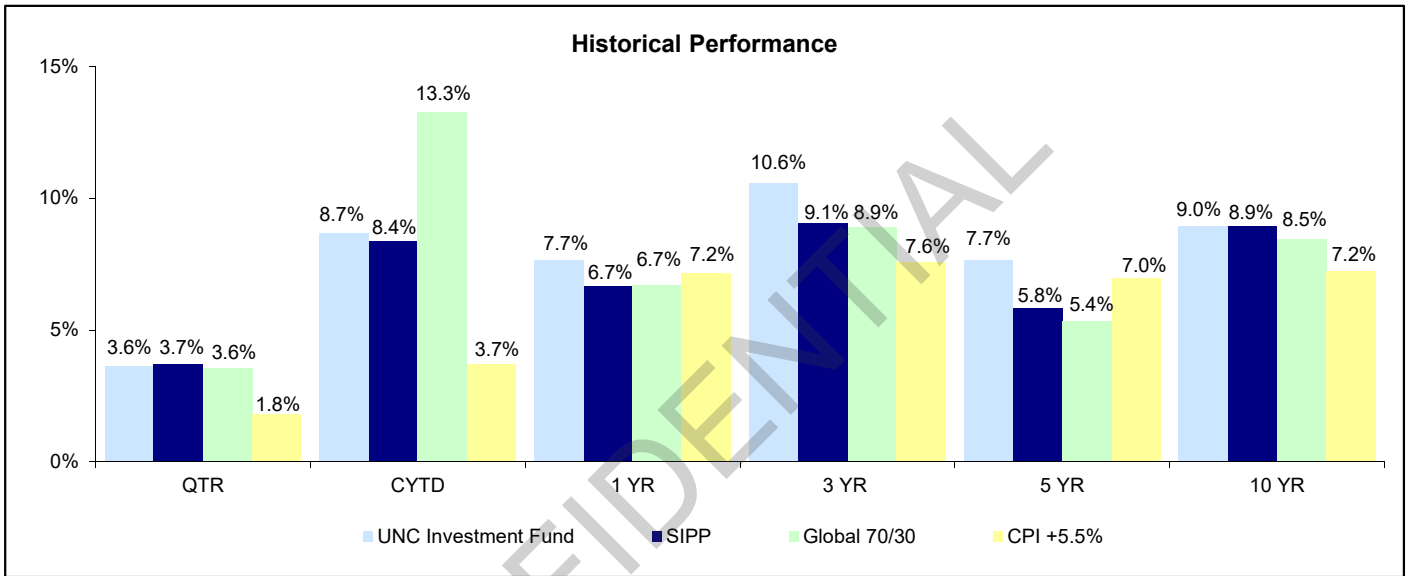
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UNC Investment Fund, LLC
Total Fund Performance vs. Benchmarks
 June 30, 2019

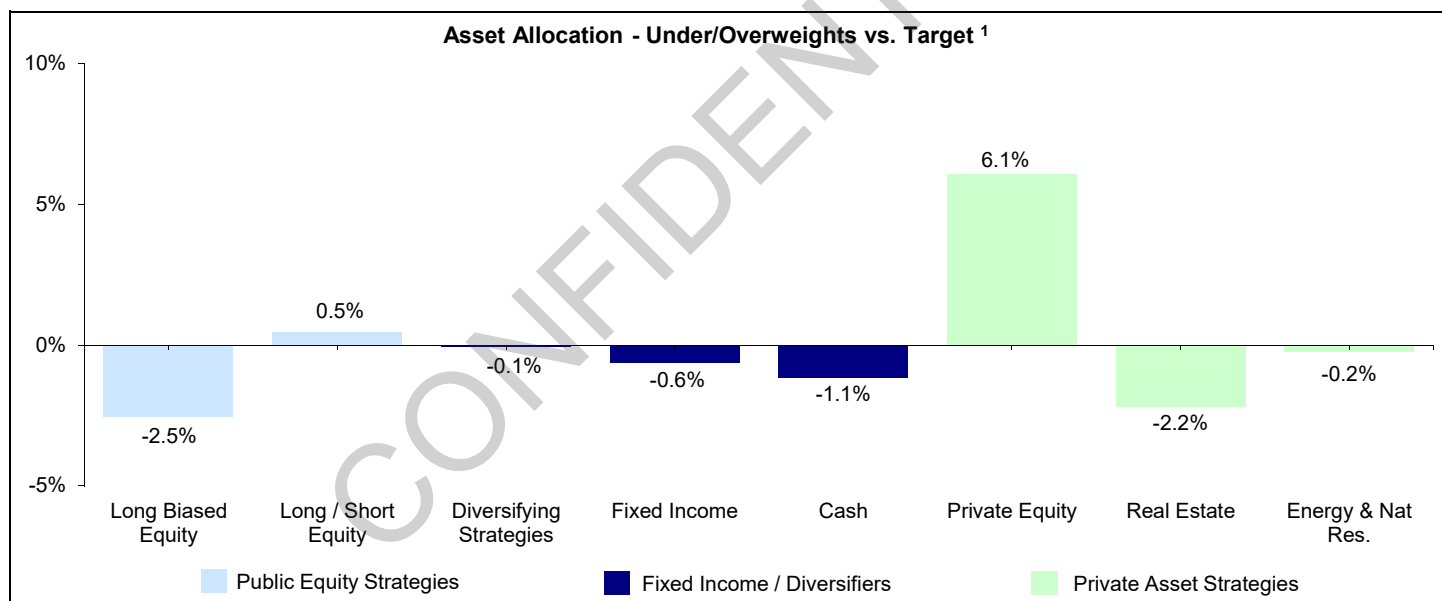
	Market Value (\$ millions)	Net Total Returns (%)					
		QTR	CYTD	1 Year	3 Year ¹	5 Year ¹	10 Year ¹
UNC Investment Fund, LLC	\$6,568.9	3.6	8.7	7.7	10.6	7.7	9.0
Strategic Investment Policy Portfolio²		3.7	8.4	6.7	9.1	5.8	8.9
Global 70/30 ³		3.6	13.3	6.7	8.9	5.4	8.5
CPI + 5.5%		1.8	3.7	7.2	7.6	7.0	7.2
BNY Mellon Endowment & Foundation Universe Median		3.0	10.1	5.5	9.0	5.7	8.9
S&P 500		4.3	18.5	10.4	14.2	10.7	14.7



1. Annualized returns
 2. This calculation is subject to change based on HFRI benchmark revisions
 3. 70% MSCI All Country World Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index

UNC Investment Fund, LLC
 Asset Allocation (%)
 June 30, 2019

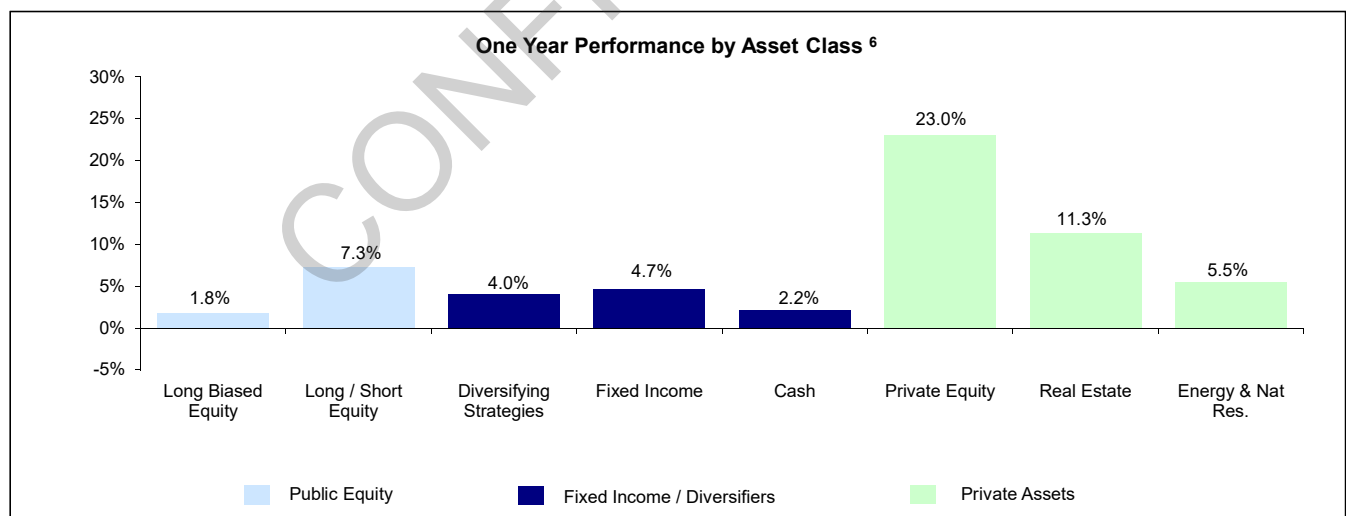
	Current		One Year Ago		Policy Ranges	
	Actual (%)	Policy (%)	Change (%)	Change (%)	Min (%)	Max (%)
Total Public Equity Strategies	42.9	45.0	47.0	(4.1)	34.0	56.0
Long Biased Equity	27.5	30.0	31.1	(3.7)	24.0	36.0
Long / Short Equity	15.5	15.0	15.9	(0.4)	10.0	20.0
Total Fixed Income / Diversifiers	20.4	22.0	20.1	0.3	10.0	36.0
Fixed Income	9.4	10.0	8.9	0.5	6.0	14.0
Diversifying Strategies	9.9	10.0	9.1	0.8	6.0	14.0
Cash	0.9	2.0	1.9	(1.1)	(2.0)	8.0
Liquidating Managers	0.2	0.0	0.2	0.1	0.0	0.0
Total Private Strategies	36.7	33.0	32.9	3.8	24.0	44.0
Private Equity	24.1	18.0	19.6	4.5	14.0	22.0
Real Estate	5.8	8.0	6.0	(0.2)	5.0	12.0
Energy and Natural Resources	6.8	7.0	7.2	(0.5)	5.0	10.0



1. Chart does not include Liquidating Managers

UNC Investment Fund, LLC
Asset Class Performance
June 30, 2019

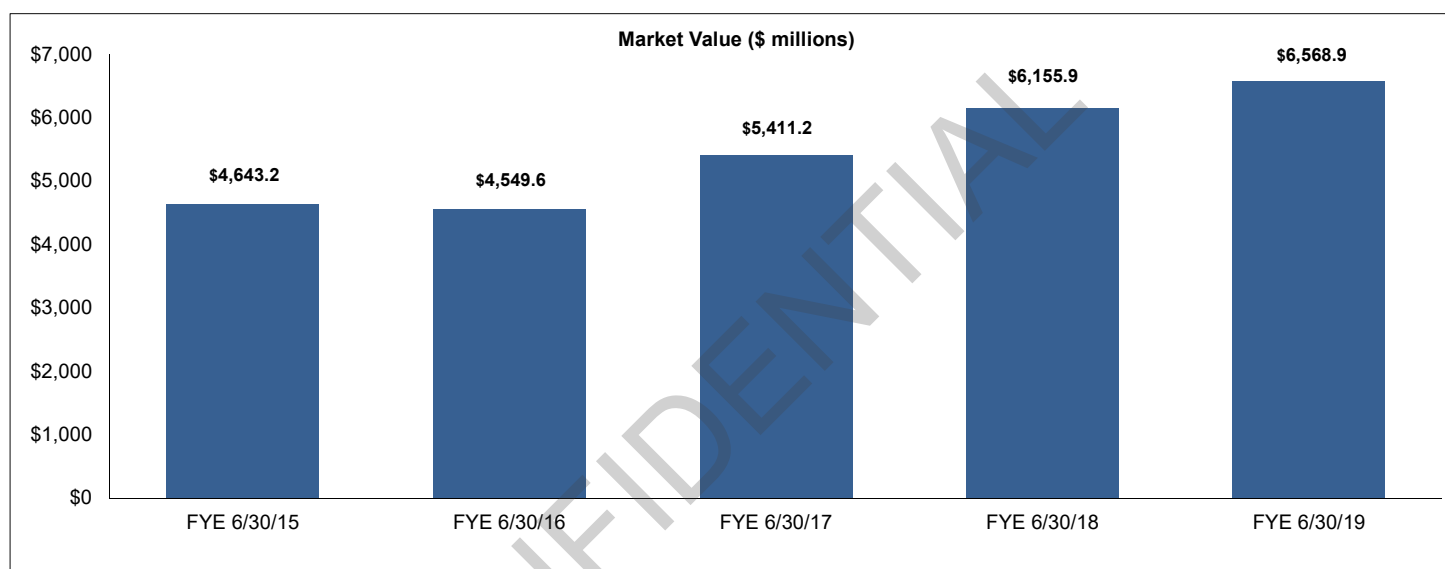
Actual vs. Policy Portfolio	Market Value (\$ millions)	Percent of Total (%)	Net Total Returns (%)					
			QTR	CYTD	1 Year	3 Year ¹	5 Year ¹	10 Year ¹
Total UNC Investment Fund, LLC	\$6,568.9	100.0	3.6	8.7	7.7	10.6	7.7	9.0
Strategic Investment Policy Portfolio²			3.7	8.4	6.7	9.1	5.8	8.9
Total Public Equity Strategies	\$2,819.8	42.9						
Long Biased Equity <i>MSCI All Country World Index</i>	1,803.5	27.5	2.7 3.6	15.5 16.2	1.8 5.7	11.8 11.6	6.6 6.2	11.3 10.1
Long / Short Equity <i>HFRI Equity Hedge Index</i>	1,016.3	15.5	4.5 1.6	14.3 9.3	7.3 0.3	8.8 6.8	5.9 3.4	6.7 5.4
Total Fixed Income / Diversifiers	\$1,339.1	20.4						
Diversifying Strategies <i>HFRI Fund of Funds Custom + .5%³</i>	652.4	9.9	1.1 1.3	3.9 3.2	4.0 1.6	1.9 2.7	0.8 2.4	3.5 2.4
Fixed Income <i>Fixed Income Custom Index⁴</i>	615.6	9.4	2.8 3.5	4.7 8.1	4.7 8.5	6.2 3.6	4.2 3.8	7.4 5.4
Cash <i>90-Day T-Bill</i>	56.0	0.9	0.6 0.6	1.2 1.2	2.2 2.3	1.4 1.4	0.9 0.9	0.5 0.5
Liquidating Managers	15.0	0.2	-	-	-	-	-	-
Total Private Strategies	\$2,410.0	36.7						
Private Equity <i>Cambridge Composite⁵</i>	1,582.4	24.1	5.8 5.5	8.5 5.1	23.0 15.9	18.5 14.8	18.1 12.3	17.1 13.8
Real Estate <i>90% NCREIF / 10% NAREIT</i>	382.7	5.8	2.5 3.3	4.8 3.9	11.3 8.2	11.2 7.3	10.7 9.3	5.7 9.7
Energy and Natural Resources <i>50% GSCI / 50% (CPI + 3%)</i>	444.9	6.8	9.2 8.0	(3.6) (4.4)	5.5 1.4	15.0 6.1	4.4 (3.9)	7.4 (0.4)



1. Annualized returns
2. This calculation is subject to change based on HFRI benchmark revisions
3. 50% HFRI Conservative Fund of Funds, 50% HFRI Fund of Funds Market Defensive, + annualized 0.5%
4. 30% Bloomberg Barclays U.S. Gov/Credit Long Term Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index, 20% Bloomberg Barclays Corp. High Yield, 20% 90 Day T-Bill
5. 60% Cambridge Private Equity Index, 40% Cambridge Venture Capital Index
6. Chart does not include Liquidating Managers
Note: Totals may vary due to rounding throughout

UNC Investment Fund, LLC
Market Value and Peer Comparison
June 30, 2019

Change in Market Value (\$ millions)						
	FYE 6/30/15	FYE 6/30/16	FYE 6/30/17	FYE 6/30/18	FYE 6/30/19	Cumulative 5 Years
Beginning Market Value	\$4,137.3	\$4,643.2	\$4,549.6	\$5,411.2	\$6,155.9	\$4,137.3
Net Investment Gains	401.0	(84.2)	591.5	675.9	495.5	2,079.7
Additions	268.2	159.4	490.5	297.7	164.9	1,380.7
Withdrawals ¹	(163.3)	(168.8)	(220.4)	(228.9)	(247.4)	(1,028.8)
Net Additions & Withdrawals	104.9	(9.4)	270.1	68.8	(82.5)	351.9
Change in Market Value	505.9	(93.6)	861.6	744.7	413.0	2,431.6
Ending Market Value	\$4,643.2	\$4,549.6	\$5,411.2	\$6,155.9	\$6,568.9	\$6,568.9



Peer Comparison						
BNY Mellon Endowment and Foundation Funds Universe						
	QTR	CYTD	1 Year	3 Year ²	5 Year ²	10 Year ²
	(n=142)	(n=141)	(n=138)	(n=130)	(n=126)	(n=109)
UNC Investment Fund ³	3.7%	8.8%	8.0%	10.9%	7.9%	9.2%
SIPP ⁴	3.7%	8.4%	6.7%	9.1%	5.8%	8.9%
BNY Mellon Universe:						
25th Percentile	3.4%	11.9%	6.3%	10.0%	6.4%	9.7%
Median	3.0%	10.1%	5.5%	9.0%	5.7%	8.9%
75th Percentile	2.6%	8.7%	4.6%	8.2%	4.8%	8.1%
UNCIF Quartile	Top	Third	Top	Top	Top	Second

1. Includes member withdrawals, annual payouts, and quarterly management fee payments
2. Annualized returns
3. Shown gross of UNC Management Company's fees for comparison purposes
4. This calculation is subject to change based on HFR1 benchmark revisions

June 30, 2019

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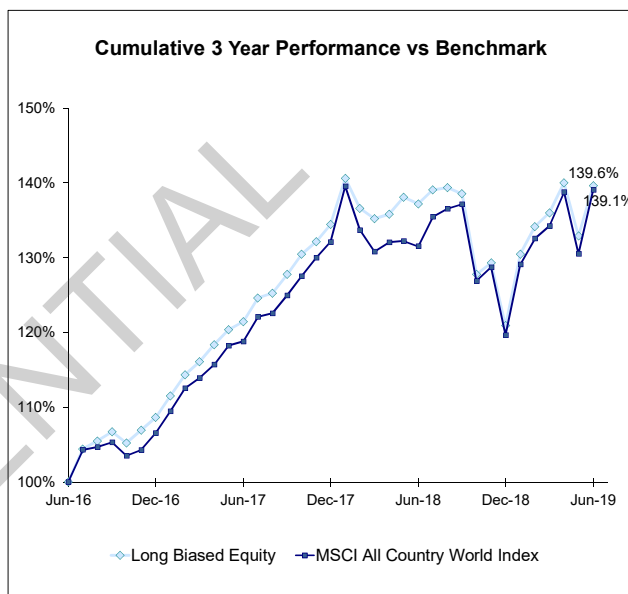
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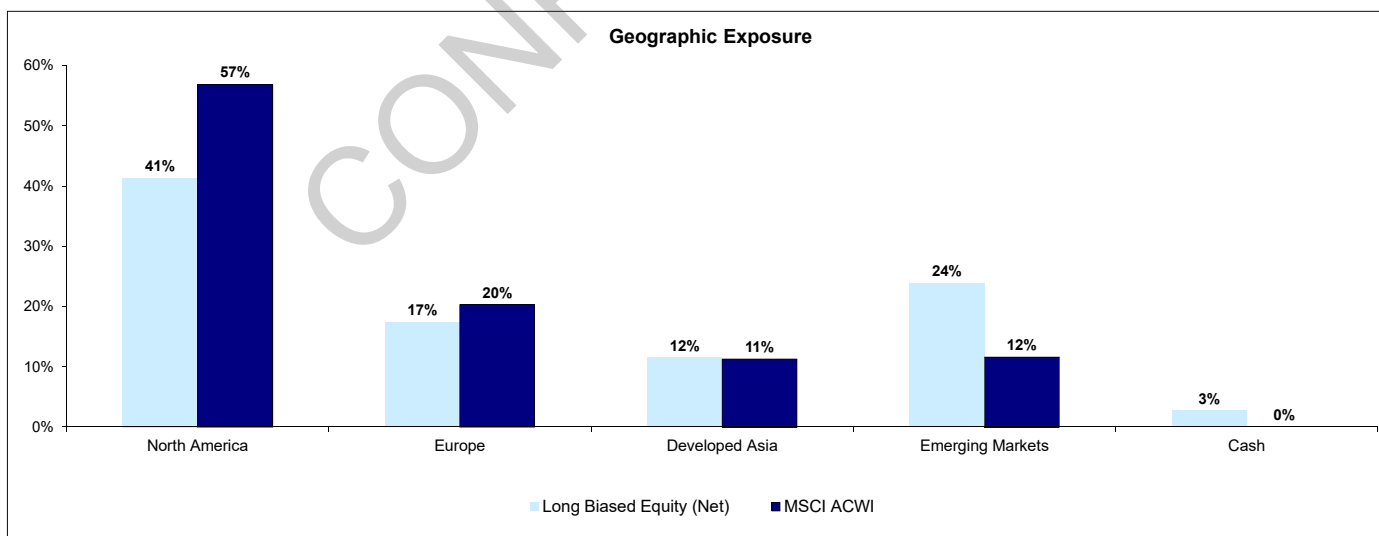
UNC Investment Fund, LLC
 Long Biased Equity Profile
 June 30, 2019

	Market Value (\$ millions)	Percent of Fund (%)	% Allocation vs. Policy	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Long Biased Equity²	\$1,803.5	27.5	(2.5)	2.7	15.5	1.8	11.8	6.6
Domestic	567.2	8.6		0.9	15.1	2.1	10.9	7.0
Developed International	446.7	6.8		3.0	15.0	(1.6)	10.6	7.3
Emerging Markets	419.9	6.4		3.5	12.7	2.6	11.5	5.6
Global	369.7	5.6		5.0	20.9	5.2	15.2	6.7
Benchmark								
<i>MSCI All Country World Index</i>				3.6	16.2	5.7	11.6	6.2
Over (Under) Performance vs. MSCI All Country World Index				(0.9)	(0.7)	(3.9)	0.2	0.4

Long Biased Equity: Top 5 Managers by Market Value			
Manager Strategy	Subasset Class	Market Value (\$ millions)	% of Long Biased Equity
Large And Small-Cap Core	Domestic	\$173.4	9.6%
Europe Long Only	Developed International	\$158.7	8.8%
Global Long Only	Global	\$98.4	5.5%
Large Cap Core	Domestic	\$97.4	5.4%
China	Emerging	\$97.2	5.4%
Total		\$625.1	34.7%



Long Biased Equity Investment Activity (\$ millions)		
	QTR	FY 2019
Contributions	\$30.0	\$177.9
Withdrawals	(\$170.6)	(\$321.1)
# of New Managers	-	-
# of Terminated Managers	2	6



1. Annualized returns

2. See Glossary of Terms on the UNCMC website: <https://uncmc.unc.edu/>

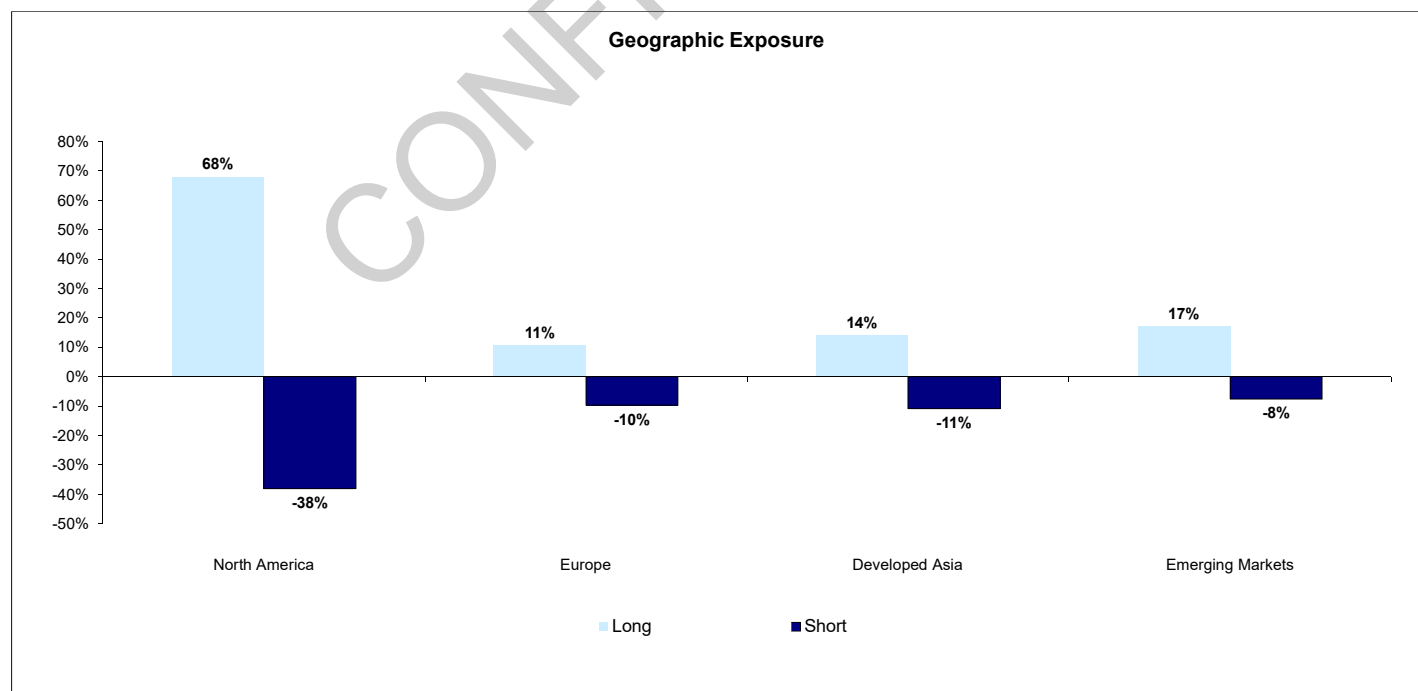
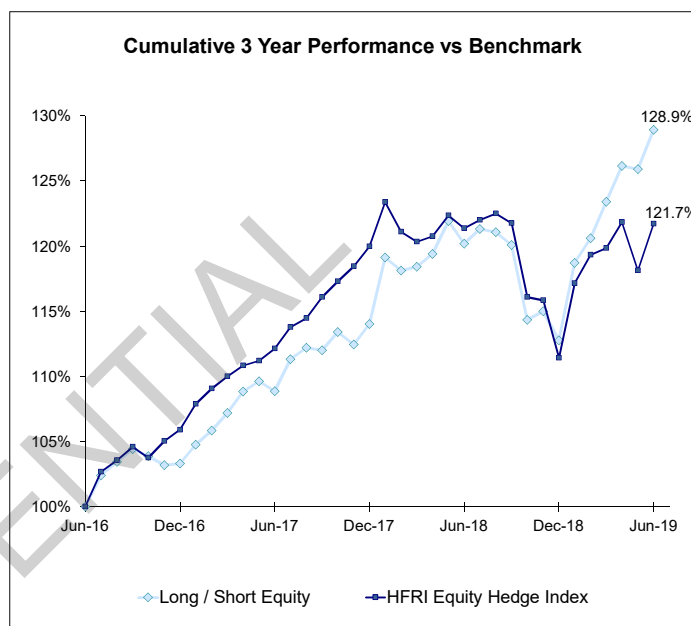
Note: See page 5 - 1 for additional performance details

UNC Investment Fund, LLC
 Long / Short Equity Profile
 June 30, 2019

	Market Value (\$ millions)	Percent of Fund (%)	% Allocation vs. Policy	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Long / Short Equity²	\$1,016.3	15.5	0.5	4.5	14.3	7.3	8.8	5.9
Hedged Equity	560.7	8.5		3.7	13.0	5.3	8.0	5.1
Low Beta	455.6	6.9		5.5	16.0	10.1	10.0	6.7
Benchmark								
<i>HFRI Equity Hedge Index</i>				<i>1.6</i>	<i>9.3</i>	<i>0.3</i>	<i>6.8</i>	<i>3.4</i>
<i>Over (Under) Performance vs. HFRI Equity Hedge Index</i>				<i>2.9</i>	<i>5.0</i>	<i>7.0</i>	<i>2.0</i>	<i>2.5</i>

Long / Short Equity: Top 5 Managers by Market Value			
Managers Strategy	Subasset Class	Market Value (\$ millions)	% of Long/Short Equity
U.S. Event-Driven	Hedged Equity	\$101.1	10.0%
Global	Hedged Equity	\$92.9	9.1%
Europe	Hedged Equity	\$87.2	8.6%
Global	Hedged Equity	\$84.9	8.4%
Global	Low Beta	\$81.8	8.1%
Total		\$447.9	44.1%

Long / Short Equity Investment Activity (\$ millions)		
	QTR	FY 2019
Contributions	-	\$80.0
Withdrawals	(\$12.1)	(\$109.1)
# of New Managers	-	2
# of Terminated Managers	-	2



1. Annualized returns

2. Hedged Equity generally has higher net exposure than Low Beta. See Glossary of Terms on the UNCMC website: <https://uncmc.unc.edu/>

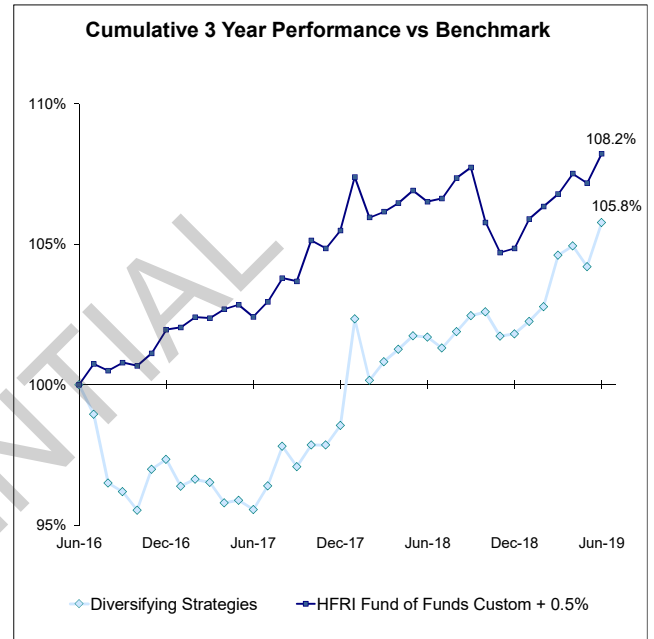
Note: See page 5 - 2 for additional performance details

UNC Investment Fund, LLC
Diversifying Strategies Profile
June 30, 2019

	Market Value (\$ millions)	Percent of Fund (%)	% Allocation vs. Policy	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Diversifying Strategies ²	\$652.4	9.9	(0.1)	1.1	3.9	4.0	1.9	0.8
Public Diversifying Strategies	511.6	7.8		0.7	2.3	1.8	1.1	0.4
Private Diversifying Strategies	140.9	2.1		2.8	10.1	16.1	-	-
Benchmark								
<i>HFRI Fund of Funds Custom + 0.5%</i> ³				1.3	3.2	1.6	2.7	2.4
Over (Under) Performance vs. HFRI Fund of Funds Custom + 0.5%				(0.2)	0.7	2.4	(0.8)	(1.6)

Diversifying Strategies: Top 5 Managers by Market Value			
Manager Strategy	Subasset Class	Market Value (\$ millions)	% of Diversifying Strategies
Priv. Diversifying Strat.	Priv. Diversifying	\$140.9	21.6%
Multi-Strategy	Pub. Diversifying	\$112.2	17.2%
Macro	Pub. Diversifying	\$65.5	10.0%
Event-Driven Arbitrage	Pub. Diversifying	\$57.2	8.8%
Macro	Pub. Diversifying	\$51.3	7.9%
Total		\$427.1	65.5%

Diversifying Strategies Investment Activity (\$ millions)		
	QTR	FY 2019
Contributions	-	\$125.0
Withdrawals	(\$16.6)	(\$48.9)
# of New Managers	-	1
# of Terminated Managers	-	1



1. Annualized returns
2. See Glossary of Terms on the UNCMC website: <https://uncmc.unc.edu/>
3. 50% HFRI Conservative Fund of Funds, 50% HFRI Fund of Funds Market Defensive, + annualized 0.5%
Note: See page 5 - 2 for additional performance details

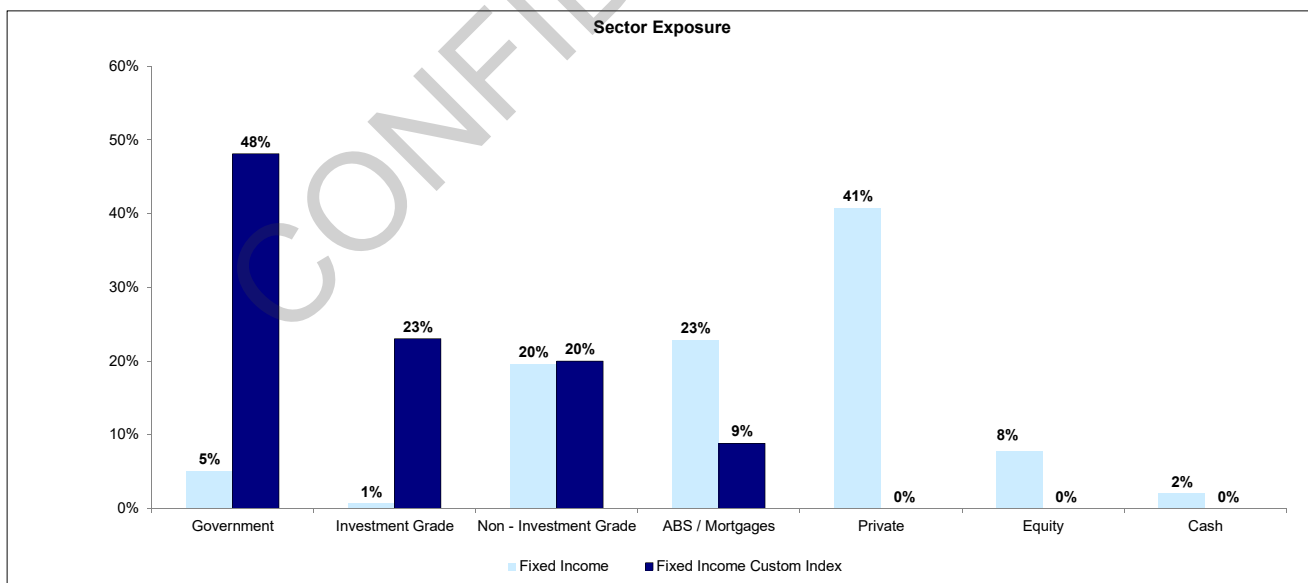
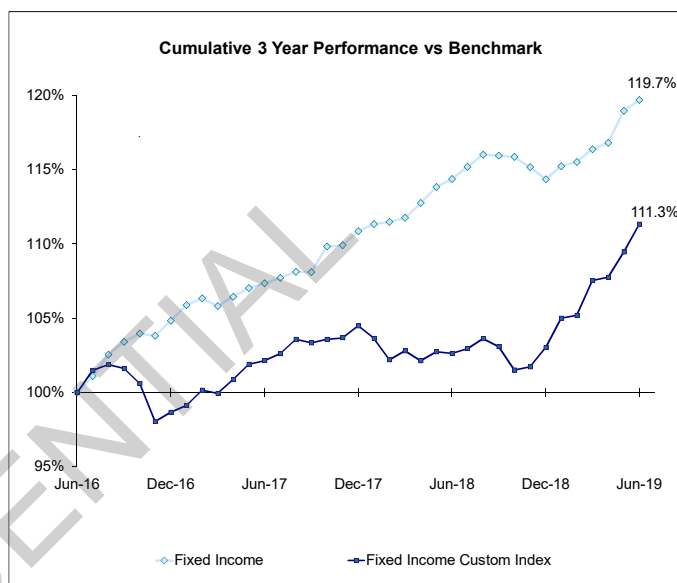
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UNC Investment Fund, LLC
Fixed Income Profile
 June 30, 2019

	Market Value (\$ millions)	Percent of Fund (%)	% Allocation vs. Policy	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Fixed Income²	\$615.6	9.4	(0.6)	2.8	4.7	4.7	6.2	4.2
Core	31.9	0.5		2.9	5.4	6.8	1.8	2.5
Opportunistic	332.6	5.1		2.5	5.9	2.4	6.6	3.9
Private Credit	251.0	3.8		3.3	3.0	7.9	4.6	4.5
Benchmark								
<i>Fixed Income Custom Index³</i>				3.5	8.1	8.5	3.6	3.8
Over (Under) Performance vs. Fixed Income Custom Index				(0.7)	(3.4)	(3.8)	2.6	0.4

Fixed Income: Top 5 Managers by Market Value			
Manager	Subasset Class	Market Value (\$ millions)	% of Fixed Income
Private Credit	Private Credit	\$91.6	14.9%
Opportunistic Fixed Income	Opportunistic	\$84.5	13.7%
Distressed ABS	Opportunistic	\$58.0	9.4%
Private Credit	Private Credit	\$53.6	8.7%
Multi-Strategy Credit	Opportunistic	\$49.1	8.0%
Total		\$336.8	54.7%

Fixed Income Investment Activity (\$ millions)		
	QTR	FY 2019
Contributions	\$30.0	\$30.0
Withdrawals	(\$26.1)	(\$26.1)
# of New Managers	1	1
# of Terminated Managers	-	-



1. Annualized returns

2. See Glossary of Terms on the UNCMC website: <https://uncmc.unc.edu/>

3. 30% Bloomberg Barclays U.S. Gov/Credit Long Term Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index, 20% Bloomberg Barclays Corp. High Yield, and 20% 90 Day T-Bill Note: See page 5 - 3 for additional performance details

June 30, 2019

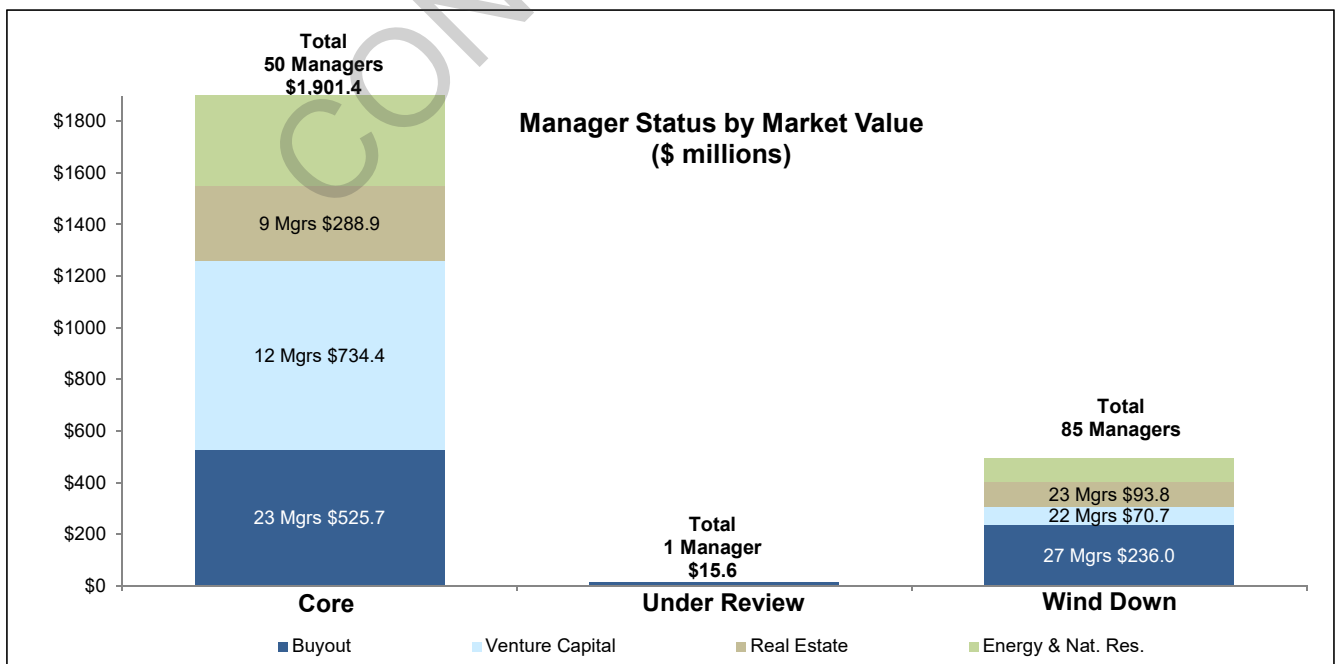
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UNC Investment Fund, LLC
Private Investments Portfolio Summary
June 30, 2019

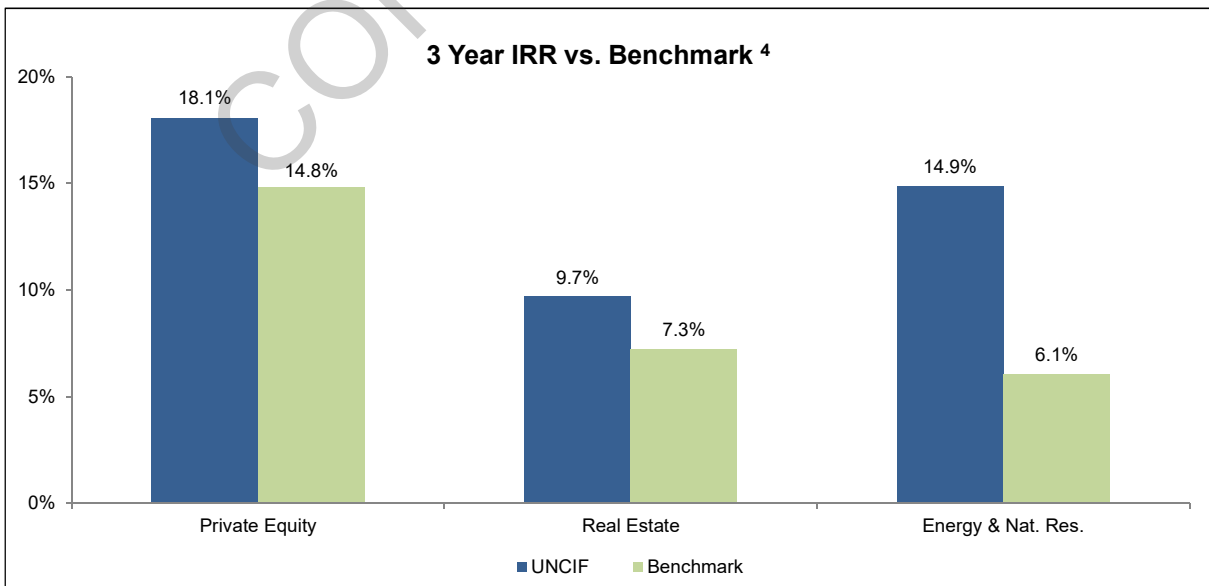
	Market Value (\$ millions)	Percent of Fund (%)	Committed (\$ millions)	Called (\$ millions)	Distributed (\$ millions)	Unfunded ² (\$ millions)	Percent Invested (%)	Multiple
% of Private Equity	49.1		67.4			71.2		
Domestic	194.6	3.0	458.7	361.8	364.2	146.7	71.1	1.54x
International	172.7	2.6	340.6	248.0	176.2	132.2	65.2	1.41x
Growth Equity	215.2	3.3	356.0	210.6	69.7	148.7	58.6	1.35x
Global	15.8	0.2	84.5	89.5	141.0	3.7	96.1	1.75x
International Growth	128.0	1.9	112.0	90.6	14.8	32.6	73.5	1.58x
Direct Co-Investments	41.1	0.6	32.5	28.8	0.0	3.9	88.1	1.42x
Wind Down Managers ³	10.1	0.2	125.7	138.5	236.5	2.1	98.5	1.78x
% of Private Equity	50.9		32.6			28.8		
Early/Mid Stage	543.8	8.3	493.3	318.3	244.4	176.1	64.4	2.48x
Later/Growth Stage	112.0	1.7	80.1	68.0	62.3	12.1	84.9	2.56x
Direct Co-Investments	114.8	1.7	21.5	21.5	14.9	0.0	100.0	6.03x
Distributed Stock	22.1	0.3	0.0	0.0	0.0	0.0	—	—
Wind Down Managers ³	12.3	0.2	135.9	135.6	121.5	2.2	98.4	0.99x
Domestic	293.0	4.5	763.5	470.7	375.6	326.2	59.1	1.42x
International	15.8	0.2	42.5	45.1	9.7	0.2	99.6	0.57x
Public REIT	37.1	0.6	30.0	30.0	9.0	0.0	100.0	1.54x
Direct Co-Investments	22.1	0.3	26.8	23.0	3.3	3.8	85.7	1.11x
Wind Down Managers ³	14.6	0.2	324.6	339.0	272.3	16.4	95.4	0.85x
Oil & Gas	370.2	5.6	618.0	503.4	396.9	151.0	76.9	1.52x
Power Infrastructure	35.4	0.5	92.0	81.0	81.7	23.3	77.7	1.45x
Timber	6.8	0.1	15.0	15.0	19.4	0.0	100.0	1.75x
Metals & Mining	6.6	0.1	15.0	12.7	3.6	2.4	83.8	0.80x
Direct Co-Investments	20.8	0.3	21.4	17.4	0.0	4.0	81.2	1.19x
Wind Down Managers ³	5.0	0.1	56.3	57.1	74.9	5.9	90.6	1.40x



1. Profile data includes only those managers in our current portfolio; Managers that have no remaining market value are excluded from the analysis
2. Unfunded amount may be greater than committed capital net of called amount due to recallable distributions
3. Includes only those Wind Down managers with a remaining market value of less than \$3 million

UNC Investment Fund, LLC
Private Investments Performance Summary
June 30, 2019

	Performance ^{1,2}			
	1 Year % IRR	3 Year % IRR	5 Year % IRR	Since Incep. % IRR
Total Private Equity	22.5	18.1	18.2	13.5
Cambridge Private Equity Composite ³	16.0	14.8	12.5	10.3
Total Buyout	17.3	16.6	12.9	12.5
Cambridge Private Equity Index	12.8	15.9	12.0	12.1
Domestic	11.7	12.8	13.3	12.7
International	13.0	17.1	7.5	9.6
Growth Equity	20.9	17.3	16.6	12.8
Global	(1.5)	14.0	14.1	14.3
International Growth	28.6	23.4	21.0	19.3
Direct Co-Investments	39.1	27.0	22.2	14.7
Total Venture Capital	27.6	19.5	24.3	14.5
Cambridge Venture Capital Index	20.9	13.1	13.1	7.6
Early/Mid Stage	23.4	18.5	25.0	13.4
Later/Growth Stage	35.5	17.7	17.3	73.9
Direct Co-Investments	41.6	28.7	35.7	16.0
Total Real Estate	11.3	9.7	10.4	4.0
90% NCREIF / 10% NAREIT ⁴	8.2	7.3	9.3	9.9
Domestic	14.5	14.1	18.0	7.8
International	(17.1)	(12.0)	(11.5)	(5.7)
Public REIT ⁵	10.4	4.1	8.2	7.5
Direct Co-Investments	6.7	12.0	5.8	4.1
Total Energy & Nat. Res.	5.1	14.9	5.5	21.8
50% GSCI / 50% (CPI + 3%) ⁴	1.4	6.1	(3.9)	2.3
Oil & Gas	3.4	16.6	4.6	23.3
Power Infrastructure	37.6	10.4	12.5	13.3
Timber	(7.9)	(4.9)	(1.7)	5.0
Metals & Mining	12.4	12.8	(3.0)	(5.6)
Direct Co-Investments	(9.9)	17.1	16.5	157.0

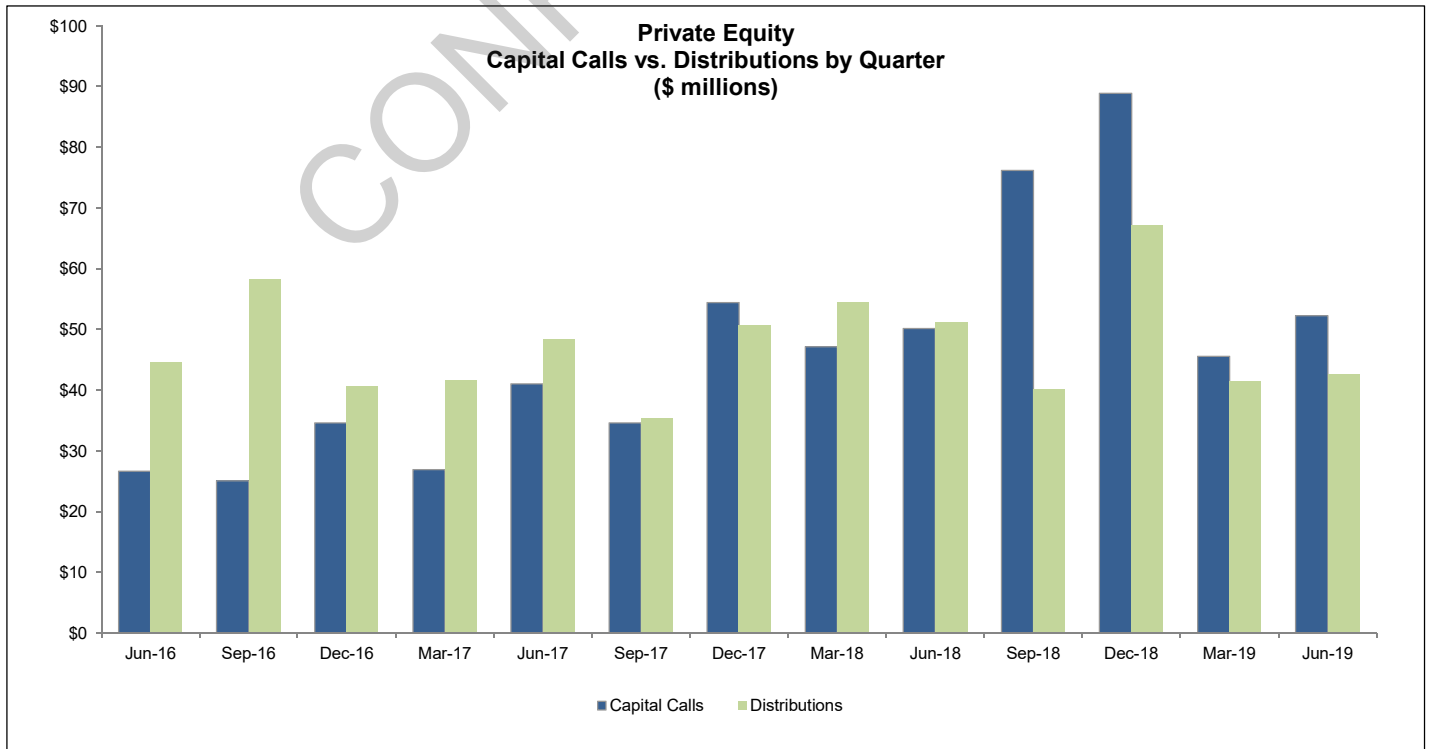
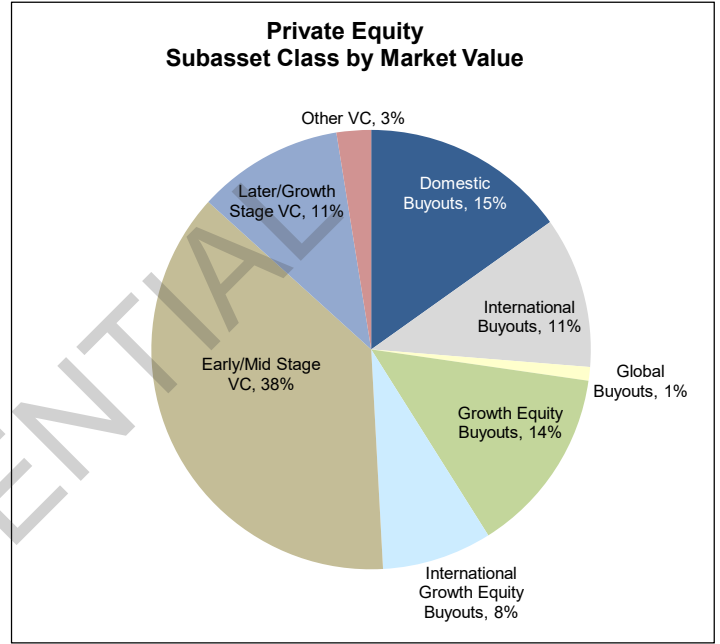
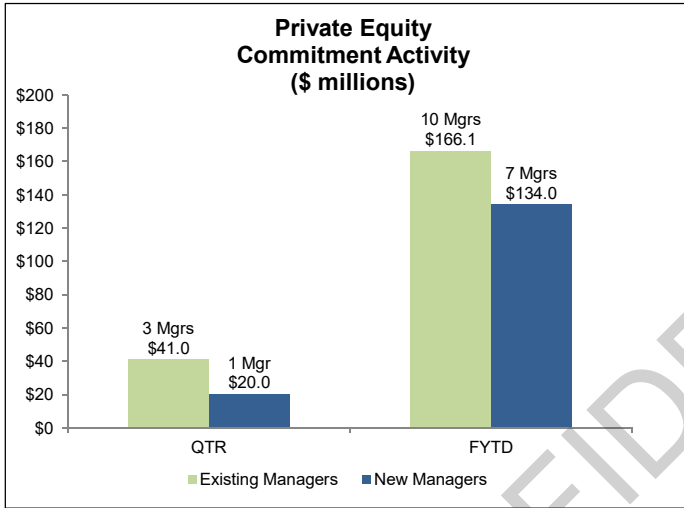


1. Due to the timing of partnership reporting, performance reported is as of March 31, 2019
2. Asset class performance data include all historical funds since inception; All performance returns are dollar-weighted IRRs
3. Cambridge Composite is weighted 60% Cambridge Private Equity Index, 40% Cambridge Venture Capital Index
4. Aggregate Real Estate and Energy & Natural Resources benchmark return calculations use cash-on-cash time-weighted returns
5. Public REIT performance calculations are time-weighted and as of June 30, 2019

UNC Investment Fund, LLC
Private Equity Profile and Performance
June 30, 2019

	Market Value	Committed	Called	Distributed	Unfunded ² (\$ millions)	Multiple	Performance ^{3,4}			
							1 Year % IRR	3 Year % IRR	5 Year % IRR	Since Incep. % IRR
Total Private Equity¹	\$1,582.4	\$2,240.6	\$1,711.2	\$1,445.5	\$660.4	1.77x	22.5	18.1	18.2	13.5
Cambridge Private Equity Composite							16.0	14.8	12.5	10.3
Total Buyout	\$777.4	\$1,509.9	\$1,167.8	\$1,002.4	\$470.0	1.52x	17.3	16.6	12.9	12.5
Cambridge Private Equity Index							12.8	15.9	12.0	12.1
% of Private Equity	49.1	67.4			71.2					
Total Venture Capital	\$805.0	\$730.7	\$543.4	\$443.1	\$190.4	2.30x	27.6	19.5	24.3	14.5
Cambridge Venture Capital Index							20.9	13.1	13.1	7.6
% of Private Equity	50.9	32.6			28.8					

	QTR (\$ millions)	FYTD (\$ millions)
Private Equity Cash Activity⁵		
Funded Commitments	\$52.2	\$262.8
Distributions Received	\$42.7	\$191.3

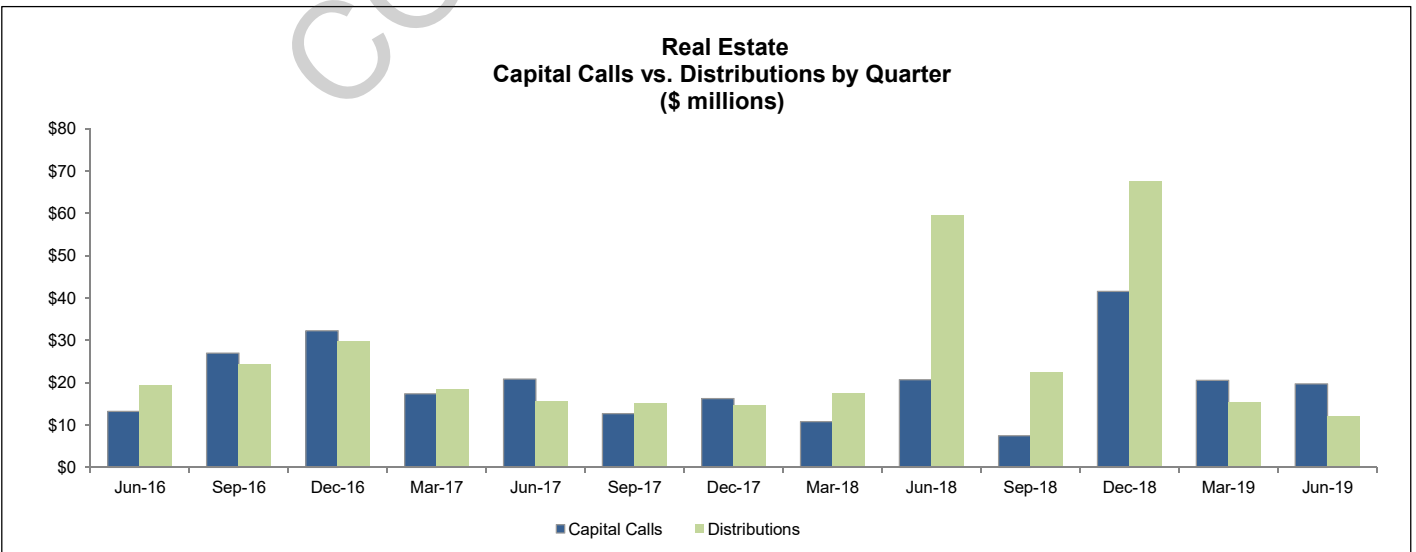
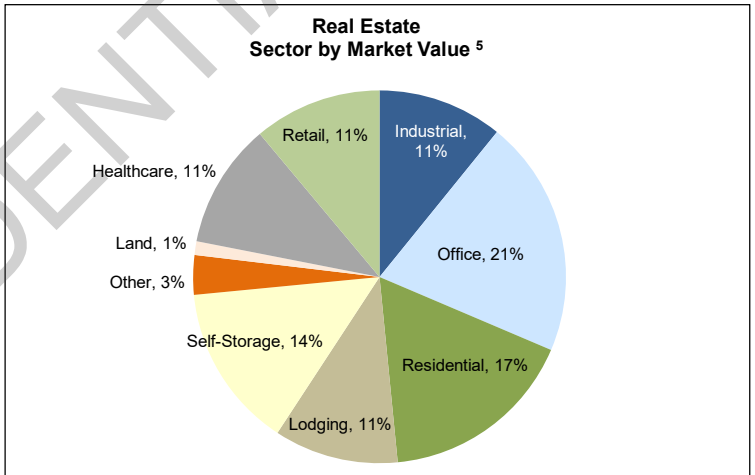
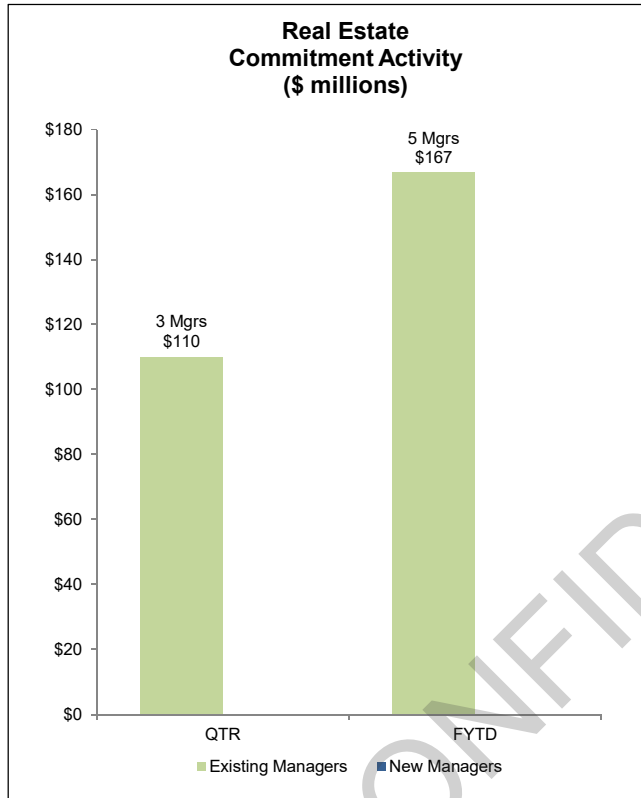
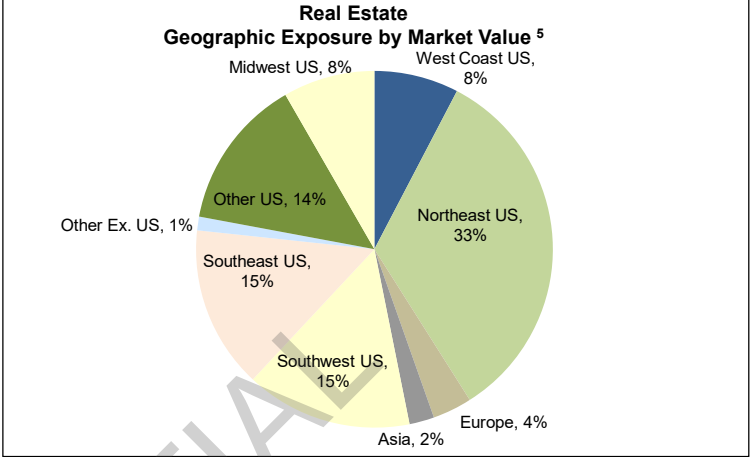


1. Profile data includes only those managers in our current portfolio; Managers that have no remaining market value are excluded from the analysis
2. Unfunded amount may be greater than committed capital net of called amount due to callable distributions
3. Due to the timing of partnership reporting, performance reported is as of March 31, 2019
4. Asset class-level performance data include all historical funds since inception; All performance returns are dollar-weighted IRRs
5. Private Equity Cash Activity does not include proceeds from stock distributions

UNC Investment Fund, LLC
Real Estate Profile and Performance
June 30, 2019

	Market Value (\$ millions)	Committed (\$ millions)	Called (\$ millions)	Distributed (\$ millions)	Unfunded ² (\$ millions)	Multiple	Performance ^{3,4}			
							1 Year % IRR	3 Year % IRR	5 Year % IRR	Since Incep. % IRR
Total Real Estate¹	\$382.7	\$1,187.3	\$907.7	\$669.9	\$346.6	1.16x	11.3	9.7	10.4	4.0
90% NCREIF / 10% NAREIT							8.2	7.3	9.3	9.9

	QTR (\$ millions)	FYTD (\$ millions)
Real Estate Cash Activity		
Funded Commitments	\$19.7	\$89.2
Distributions Received	\$12.0	\$117.5

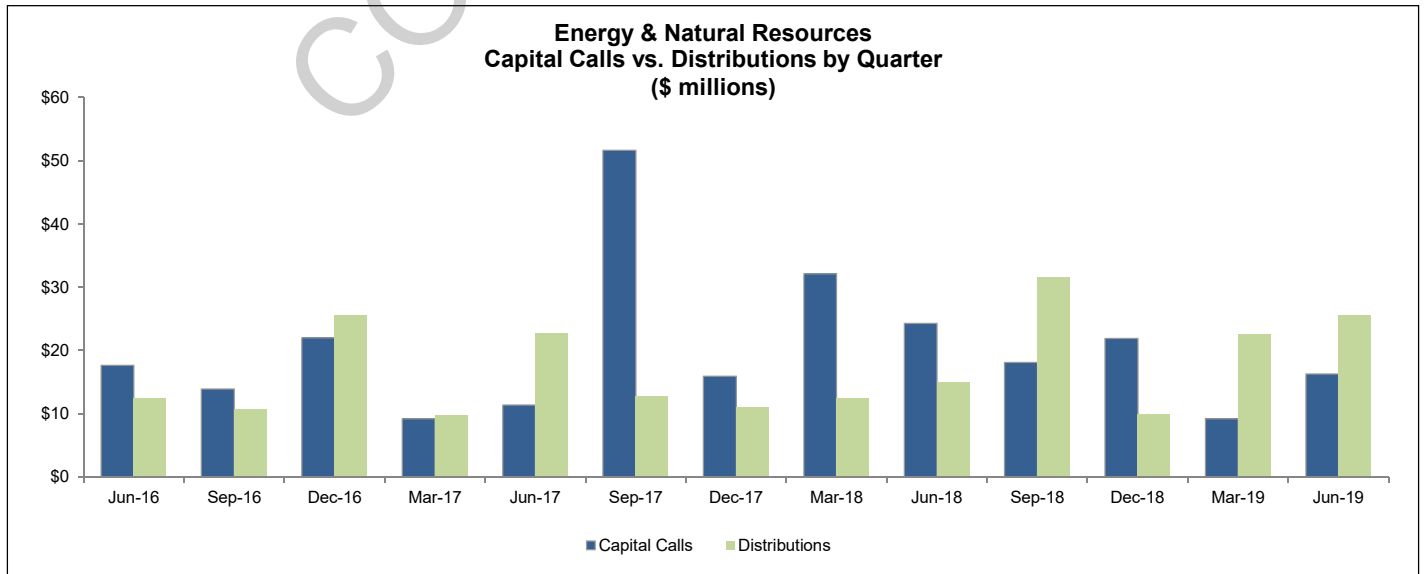
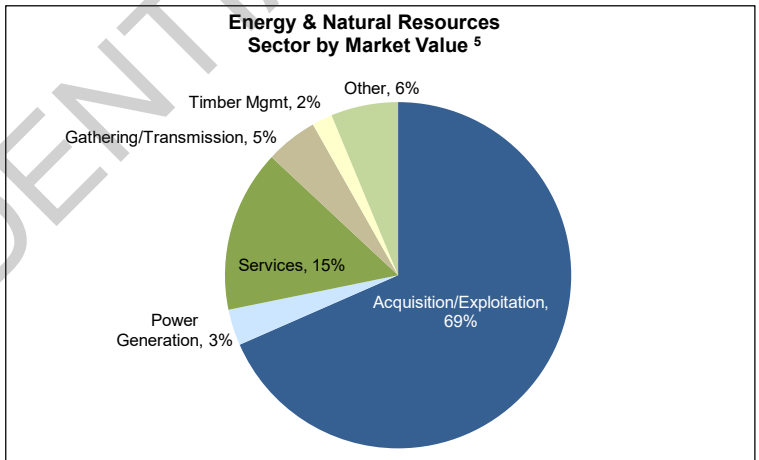
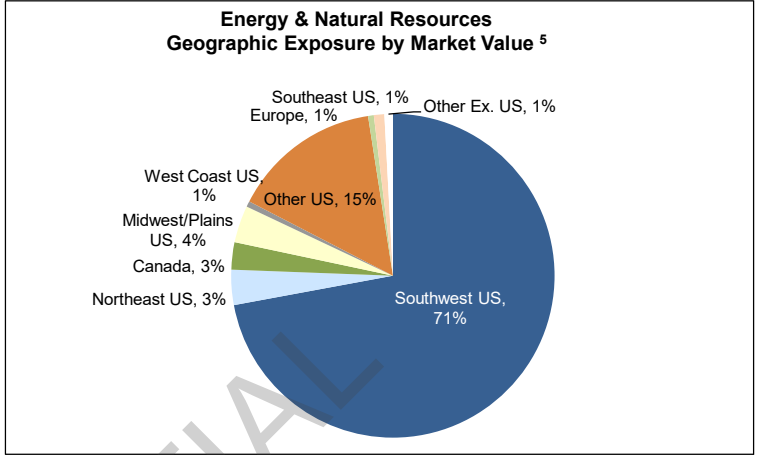
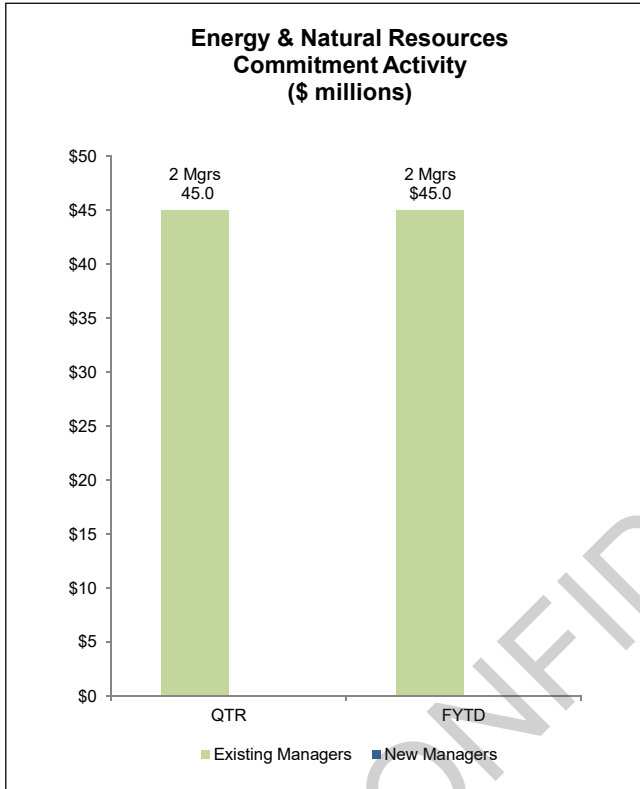


1. Profile data includes only those managers in our current portfolio; Managers that have no remaining market value are excluded from the analysis
2. Unfunded amount may be greater than committed capital net of called amount due to recallable distributions
3. Due to the timing of partnership reporting, performance reported is as of March 31, 2019
4. Asset class-level performance data include all historical funds since inception; All performance returns are dollar-weighted IRRs
5. As of March 31, 2019

UNC Investment Fund, LLC
Energy & Natural Resources Profile and Performance
June 30, 2019

	Market Value	Committed	Called	Distributed	Unfunded ² (\$ millions)	Multiple	Performance ^{3,4}			
							1 Year % IRR	3 Year % IRR	5 Year % IRR	Since Incep. % IRR
Total Energy & Natural Resources¹	\$444.9	\$817.8	\$686.6	\$576.5	\$186.6	1.49x	5.1	14.9	5.5	21.8
50% GSCI / 50% (CPI + 3%)							1.4	6.1	(3.9)	2.3

Energy & Natural Resources Cash Activity	QTR (\$ millions)	FYTD (\$ millions)
Funded Commitments	\$16.2	\$65.4
Distributions Received	\$25.6	\$89.4

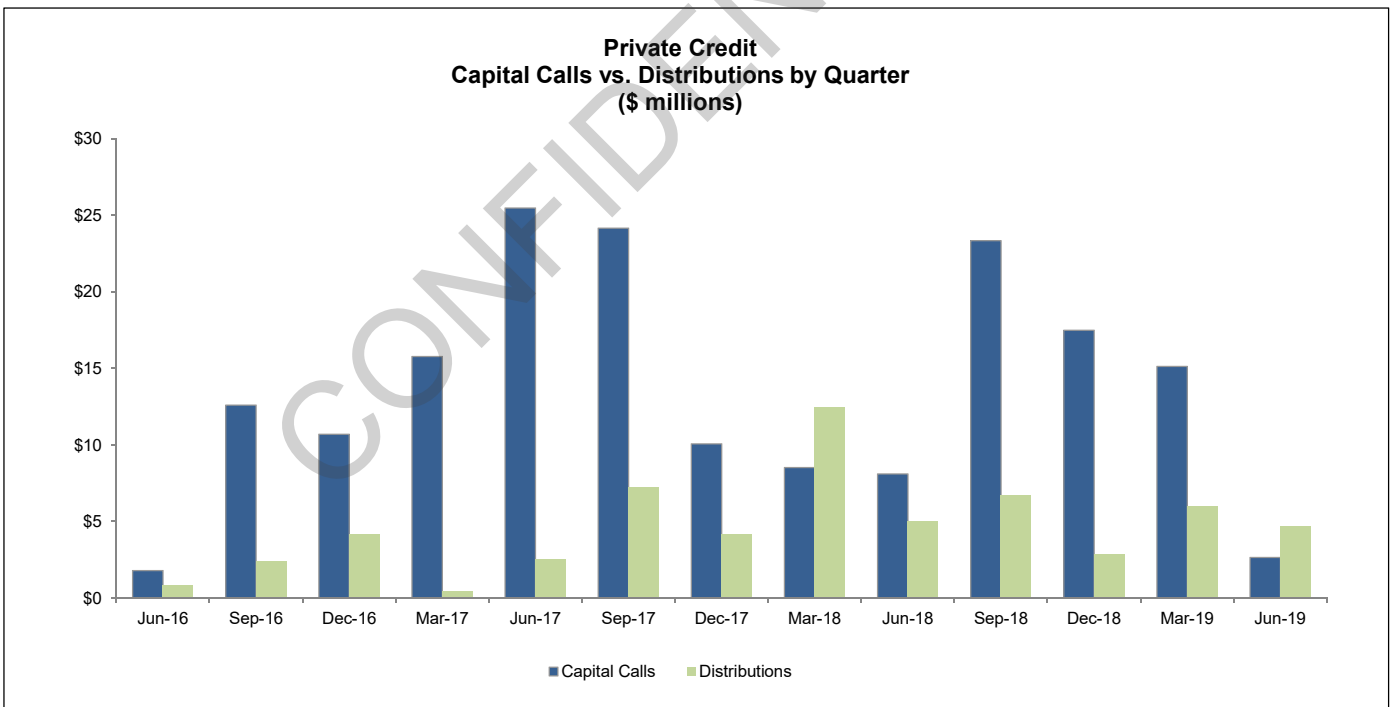
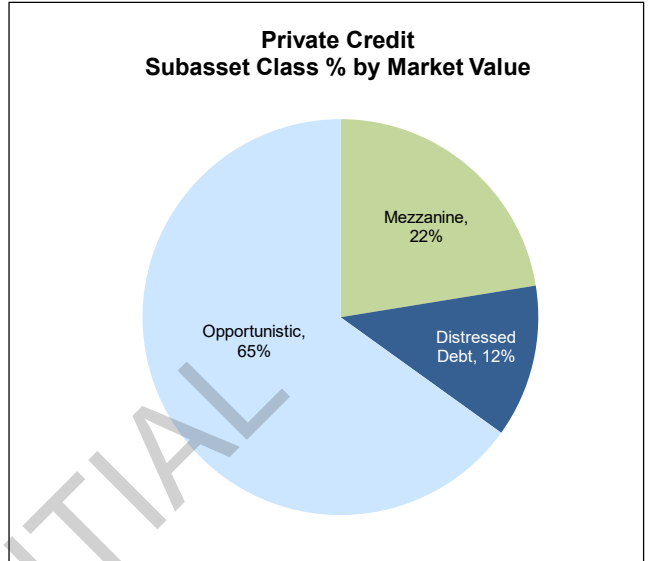
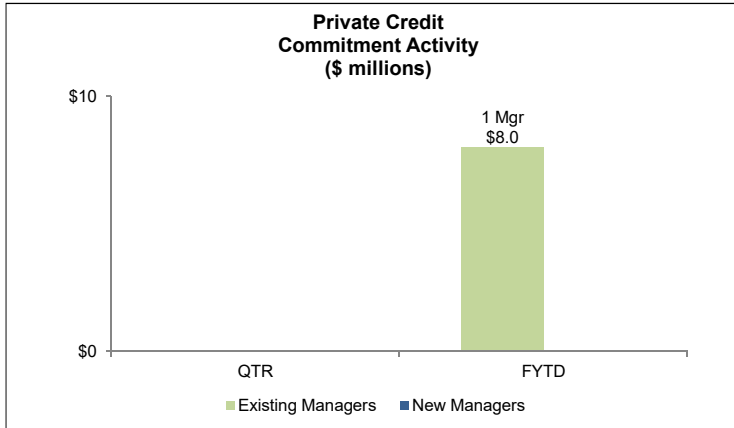


1. Profile data includes only those managers in our current portfolio; Managers that have no remaining market value are excluded from the analysis
2. Unfunded amount may be greater than committed capital net of called amount due to recallable distributions
3. Due to the timing of partnership reporting, performance reported is as of March 31, 2019
4. Asset class-level performance data include all historical funds since inception; All performance returns are dollar-weighted IRRs
5. As of March 31, 2019

UNC Investment Fund, LLC
Private Credit Profile and Performance
June 30, 2019

	Market Value (\$ millions)	Committed (\$ millions)	Called (\$ millions)	Distributed (\$ millions)	Unfunded ² (\$ millions)	Multiple	Performance ^{3,4}			
							1 Year % IRR	3 Year % IRR	5 Year % IRR	Since Incep. % IRR
Total Private Credit¹	\$251.0	\$388.2	\$368.3	\$202.3	\$86.3	1.23x	8.2	5.8	5.3	12.2

Private Credit Cash Activity	QTR (\$ millions)	FYTD (\$ millions)
Funded Commitments	\$2.6	\$58.6
Distributions Received	\$4.6	\$20.1



1. Profile data includes only those managers in our current portfolio; Managers that have no remaining market value are excluded from the analysis
2. Unfunded amount may be greater than committed capital net of called amount due to recallable distributions
3. Due to the timing of partnership reporting, performance reported is as of March 31, 2019
4. Asset class-level performance data include all historical funds since inception All performance returns are dollar-weighted IRRs

June 30, 2019

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UNC Investment Fund, LLC
Long Biased Equity Profile
June 30, 2019

	Inception Date	Market Value (\$ millions)	Percent of Fund (%)	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Long Biased Equity		\$1,803.5	27.5	2.7	15.5	1.8	11.8	6.6
Domestic		\$567.2	8.6	0.9	15.1	2.1	10.9	7.0
Large-Cap Low Volatility	Jan-16	136.5	2.1	4.2	18.4	11.7	11.8	-
Large-Cap Core	Mar-06	97.4	1.5	7.1	21.1	11.0	16.7	11.2
S&P 500 Index	Nov-17	76.2	1.2	4.2	19.2	10.9	-	-
All-Cap Core	Apr-14	72.6	1.1	(4.5)	12.4	1.2	11.8	3.9
Healthcare	Sep-08	51.0	0.8	(13.9)	3.4	(20.5)	10.9	7.9
All-Cap Core ²	Mar-11	45.1	0.7	(9.3)	0.2	(11.3)	4.5	1.5
Small-Cap Low Volatility	Mar-16	37.0	0.6	2.2	13.8	(3.5)	9.9	-
Large-Cap Core	Apr-16	29.6	0.5	1.0	8.3	1.7	5.4	-
Small-Cap Value	Sep-12	21.8	0.3	3.4	15.6	7.7	10.6	5.5
Developed International		\$446.7	6.8	3.0	15.0	(1.6)	10.6	7.3
Europe	Feb-13	88.9	1.4	6.7	21.2	7.8	15.1	12.0
Japan Long Only	May-13	85.4	1.3	0.4	9.6	(17.5)	5.0	6.1
Japan Small-Cap	Jun-16	80.9	1.2	(0.4)	12.8	(2.8)	17.8	-
Europe Opportunistic	Nov-10	69.9	1.1	4.9	15.9	9.7	13.5	11.5
Large and Mid-Cap Value	Mar-96	66.4	1.0	2.9	12.9	(1.7)	7.8	2.5
European Long Only	May-15	55.3	0.8	4.9	19.8	3.1	8.8	-
Emerging Markets		\$419.9	6.4	3.5	12.7	2.6	11.5	5.6
China	Jun-09	97.2	1.5	1.8	13.3	(5.0)	16.3	10.2
Long Biased Asia	Aug-16	68.7	1.0	6.2	21.2	4.8	-	-
Asia ex-Japan	Sep-02	67.7	1.0	1.5	6.1	0.8	13.9	12.1
Global Emerging Markets	Nov-16	53.9	0.8	0.6	11.9	(3.2)	-	-
Global Emerging Markets	Feb-17	38.0	0.6	2.1	7.8	6.0	-	-
Brazil	Jan-13	28.5	0.4	8.2	20.6	56.2	18.6	4.9
Russia	Jun-11	25.6	0.4	15.6	26.8	18.4	19.0	4.6
Africa/Middle East	Aug-04	19.7	0.3	3.6	4.2	(9.9)	(1.7)	(8.7)
India	Jan-11	18.5	0.3	2.2	8.5	2.2	10.0	10.7
China	Oct-16	2.2	0.0	(0.2)	(0.4)	5.3	-	-
Global		\$369.7	5.6	5.0	20.9	5.2	15.2	6.7
Global Long Only	Nov-10	98.4	1.5	6.6	22.9	14.2	17.5	9.7
Global Long Only	Oct-13	79.7	1.2	6.1	30.4	11.7	27.4	12.9
Global Long Only	Sep-14	76.9	1.2	0.6	8.5	(5.3)	7.3	-
Global Long Only	Jan-05	72.1	1.1	6.3	23.4	5.0	14.1	8.0
Financials	Jan-11	42.5	0.6	5.3	20.3	(3.9)	16.6	3.8
Benchmarks				3.6	16.2	5.7	11.6	6.2
<i>MSCI All Country World Index</i>				4.1	18.7	9.0	14.0	10.2
<i>Domestic - Russell 3000 Index</i>				3.7	14.0	1.1	9.1	2.2
<i>Developed International - MSCI EAFE Index</i>				0.6	10.6	1.2	10.7	2.5
<i>Emerging Markets - MSCI Emerging Markets Index</i>								

1. Annualized returns

2. Terminated Manager / Closed Position

UNC Investment Fund, LLC
Long / Short Equity Profile
June 30, 2019

	Inception Date	Market Value (\$ millions)	Percent of Fund (%)	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Long / Short Equity		\$1,016.3	15.5	4.5	14.3	7.3	8.8	5.9
Hedged Equity		\$560.7	8.5	3.7	13.0	5.3	8.0	5.1
U.S. Event-Driven	Dec-09	101.1	1.5	2.5	9.9	2.5	12.3	7.8
Global	Jul-14	92.9	1.4	7.5	17.5	15.4	7.5	-
Europe	Jan-02	87.2	1.3	3.1	6.6	(0.5)	7.5	5.8
Global	Feb-15	84.9	1.3	1.5	9.8	3.1	3.5	-
Core	Jan-08	47.6	0.7	(0.8)	16.5	(1.2)	7.1	1.5
Core	Jan-08	45.9	0.7	0.6	13.1	1.0	3.7	3.7
Global	Oct-18	44.7	0.7	7.9	21.0	-	-	-
Global	Mar-19	32.5	0.5	8.2	-	-	-	-
Global	Jun-02	24.0	0.4	7.0	21.3	5.9	7.5	6.9
Low Beta		\$455.6	6.9	5.5	16.0	10.1	10.0	6.7
Global	Feb-14	81.8	1.2	4.2	11.1	10.8	13.1	12.2
Global	Apr-02	80.7	1.2	8.6	30.0	26.9	26.1	11.5
China	Dec-13	75.5	1.1	12.1	28.0	19.0	16.3	11.3
Global	Jul-02	67.0	1.0	6.4	18.3	12.9	10.5	8.1
Global	Sep-12	53.9	0.8	5.6	11.7	(6.8)	(2.0)	0.3
China	Mar-13	47.9	0.7	(2.4)	6.1	(4.2)	4.3	4.8
Core	Sep-09	40.7	0.6	1.7	0.8	(5.1)	(0.1)	1.6
Global	Nov-15	8.0	0.1	(6.7)	5.3	3.1	(11.4)	-
Benchmark				1.6	9.3	0.3	6.8	3.4
<i>HFRI Equity Hedge Index</i>								

UNC Investment Fund, LLC
Diversifying Strategies Profile
June 30, 2019

	Inception Date	Market Value (\$ millions)	Percent of Fund (%)	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Diversifying Strategies		\$652.4	9.9	1.1	3.9	4.0	1.9	0.8
Public Diversifying Strategies		\$511.6	7.8	0.7	2.3	1.8	1.1	0.4
Macro	Dec-17	65.5	1.0	3.2	7.7	1.7	-	-
Absolute Return	Oct-17	59.7	0.9	1.4	3.9	16.6	-	-
Event-Driven Arbitrage	Jan-09	57.2	0.9	(0.1)	4.8	(0.6)	4.8	2.8
Systematic Risk Premia	Nov-16	52.6	0.8	(2.3)	(3.1)	0.6	-	-
Macro	Aug-18	51.3	0.8	0.6	6.3	-	-	-
Event-Driven Arbitrage - Asia	Aug-11	39.2	0.6	1.1	3.8	6.7	5.4	5.1
Multi-Strategy Quantitative	Dec-17	36.7	0.6	1.4	5.5	(5.0)	-	-
Quantitative	Jun-16	35.2	0.5	(0.1)	(11.3)	(0.5)	(7.9)	-
Macro	Jul-16	34.5	0.5	(0.4)	(1.2)	(0.3)	(0.4)	-
Multi-Strategy Quantitative	Aug-16	28.6	0.4	7.2	14.9	4.8	-	-
Multi-Strategy	Nov-16	27.0	0.4	1.4	4.7	0.4	-	-
CTA / Macro	Dec-16	24.2	0.4	(4.4)	(4.7)	1.7	-	-
Private Diversifying Strategies		\$140.9	2.1	2.8	10.1	16.1	-	-
Benchmark				1.3	3.2	1.6	2.7	2.4
<i>HFRI Fund of Funds Custom + 0.5%²</i>								

1. Annualized returns

2. 50% HFRI Conservative Fund of Funds, 50% HFRI Fund of Funds Market Defensive, + annualized 0.5%

UNC Investment Fund, LLC
Fixed Income Profile
June 30, 2019

	Inception Date	Market Value (\$ millions)	Percent of Fund (%)	Net Total Returns (%)				
				QTR	CYTD	1 Year	3 Year ¹	5 Year ¹
Fixed Income		\$615.6	9.4	2.8	4.7	4.7	6.2	4.2
Core		\$31.9	0.5	2.9	5.4	6.8	1.8	2.5
Domestic Fixed Income	Jun-02	31.9	0.5	2.9	5.4	6.8	1.8	2.6
Opportunistic		\$332.6	5.1	2.5	5.9	2.4	6.6	3.9
Opportunistic Fixed Income	Oct-14	84.5	1.3	4.2	7.6	9.9	4.2	-
Multi-Strategy Credit	Jun-90	58.0	0.9	(0.4)	(0.3)	(15.7)	3.1	0.2
Distressed ABS	Jun-09	49.1	0.7	3.0	6.5	8.7	11.1	8.1
Distressed Debt	Dec-07	39.2	0.6	3.3	6.8	4.6	6.7	0.8
Event-Driven Arbitrage	Sep-13	38.8	0.6	2.2	11.7	8.9	9.5	3.7
Multi-Strategy Credit	Sep-07	32.5	0.5	2.3	4.6	0.5	7.5	3.9
Multi-Strategy Credit	Apr-19	30.7	0.5	2.3	-	-	-	-
Private Credit		\$251.0	3.8	3.3	3.0	7.9	4.6	4.5
Benchmark								
Fixed Income Custom Index²				3.5	8.1	8.5	3.6	3.8

1. Annualized returns

2. 30% Bloomberg Barclays U.S. Gov/Credit Long Term Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index, 20% Bloomberg Barclays Corp. High Yield, and 20% 90 Day T-Bill

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June 30, 2019

1. Please refer to the UNC Management Company Website for the Statement of Investment Objectives & Policies and Glossary of Terms.
2. The information in this document related to UNC Investment Fund's ("UNCIF's") portfolio fund investments was prepared by the Management Company from UNCIF's records regarding investments, including from reporting provided by such portfolio funds. No such information, however, has been prepared, reviewed or approved by any of our portfolio funds or portfolio fund managers.

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For Questions Contact:

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Director, Investor Relations &
Communications

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Chapel Hill, NC 27517

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Visit us on the web:
<https://uncmc.unc.edu/>



UNCMC

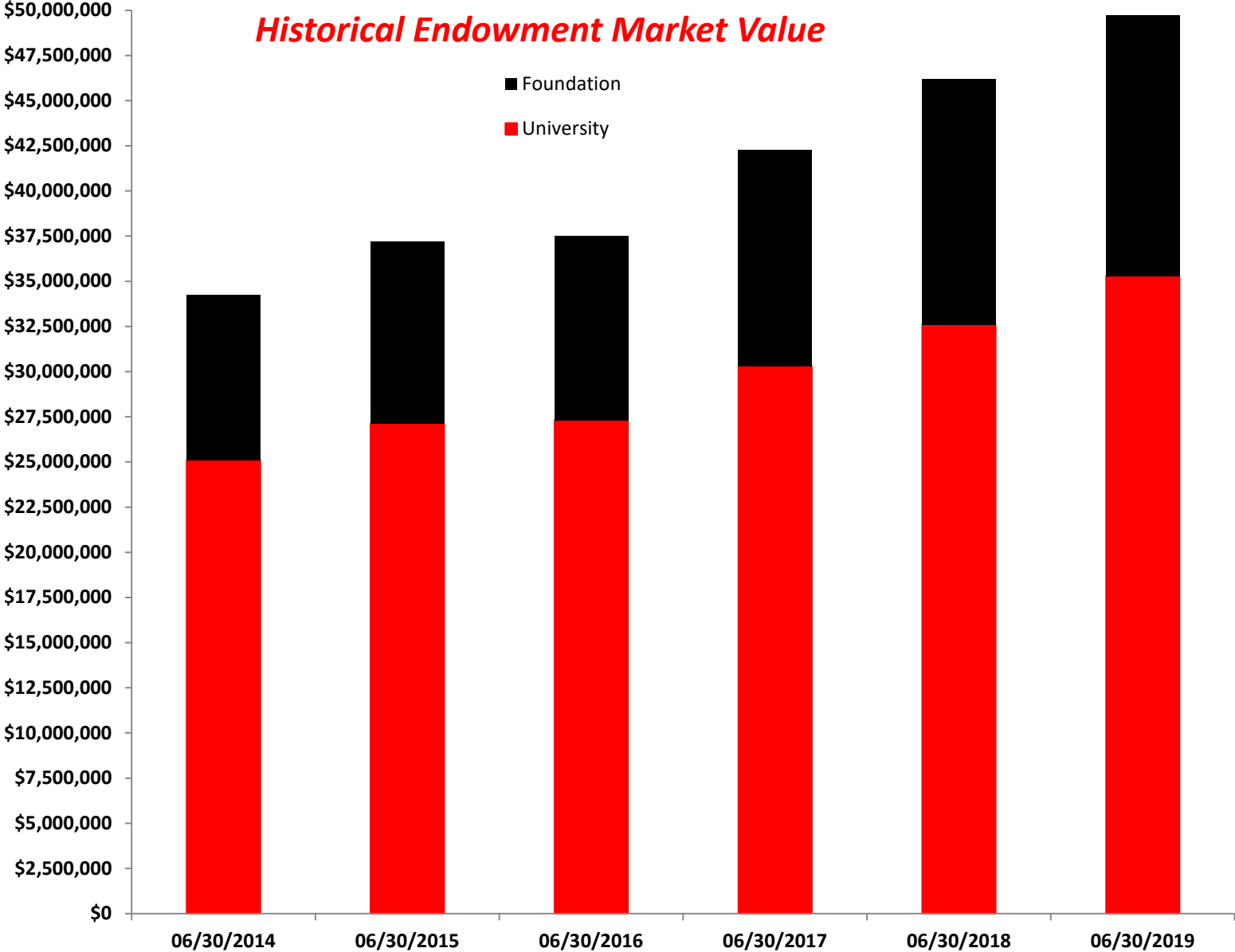
UNC MANAGEMENT COMPANY, INC

Mission Statement

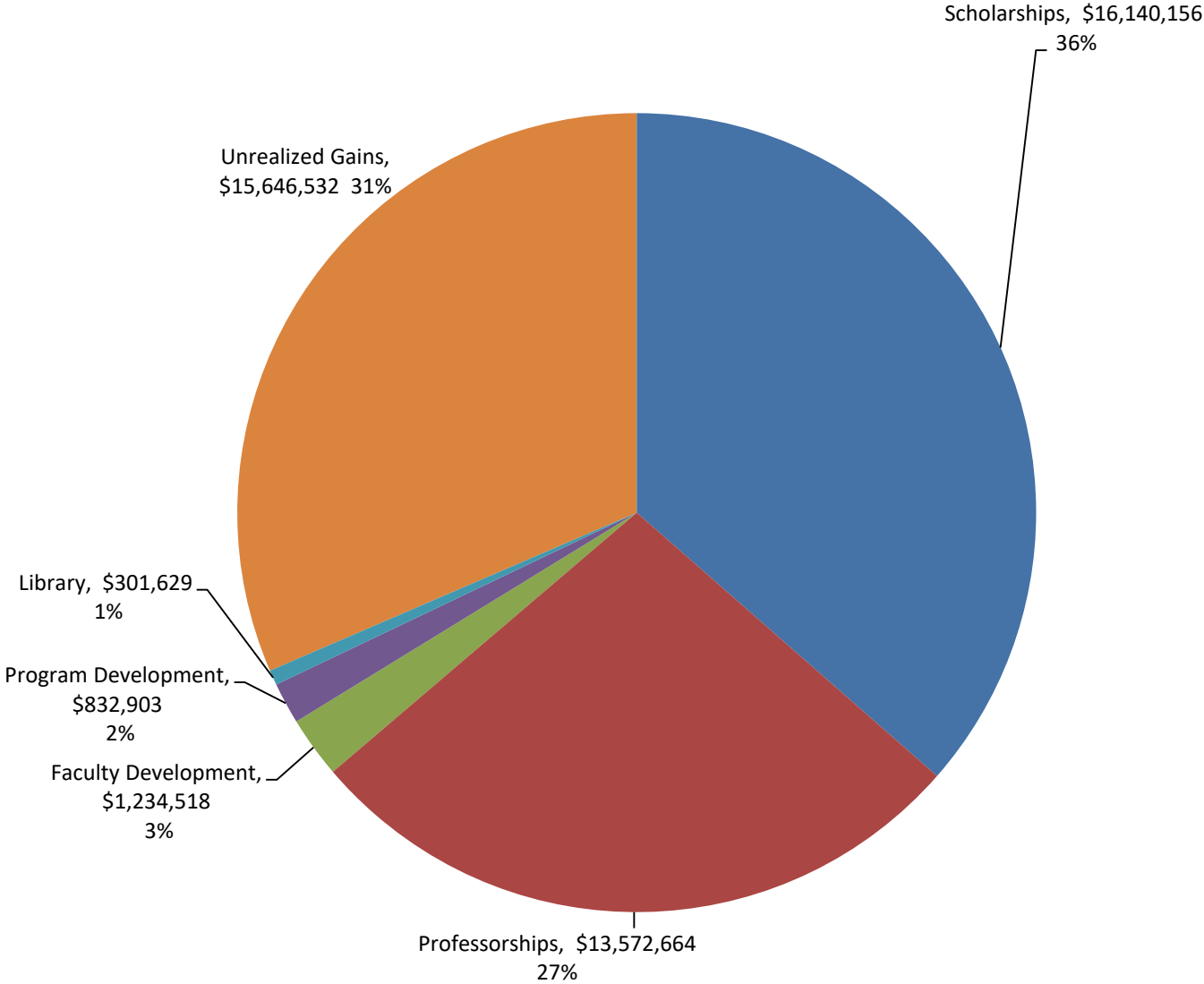
“To provide a superior level of professional asset management services to our constituent clients including the UNC Investment Fund, LLC, the UNC-Chapel Hill Endowment Fund, the UNC Chapel Hill Foundation and the Affiliated Foundations. To maximize the return on the investment portfolios within specified risk parameters and in keeping with the social and ethical values of the University. To assist the Trustees and Directors of the funds and foundations holding the invested assets in their fiduciary roles to protect and enhance the value of the assets entrusted to them. To establish UNC Management Company as the preferred provider of choice for investment management services for University and Affiliated assets.”

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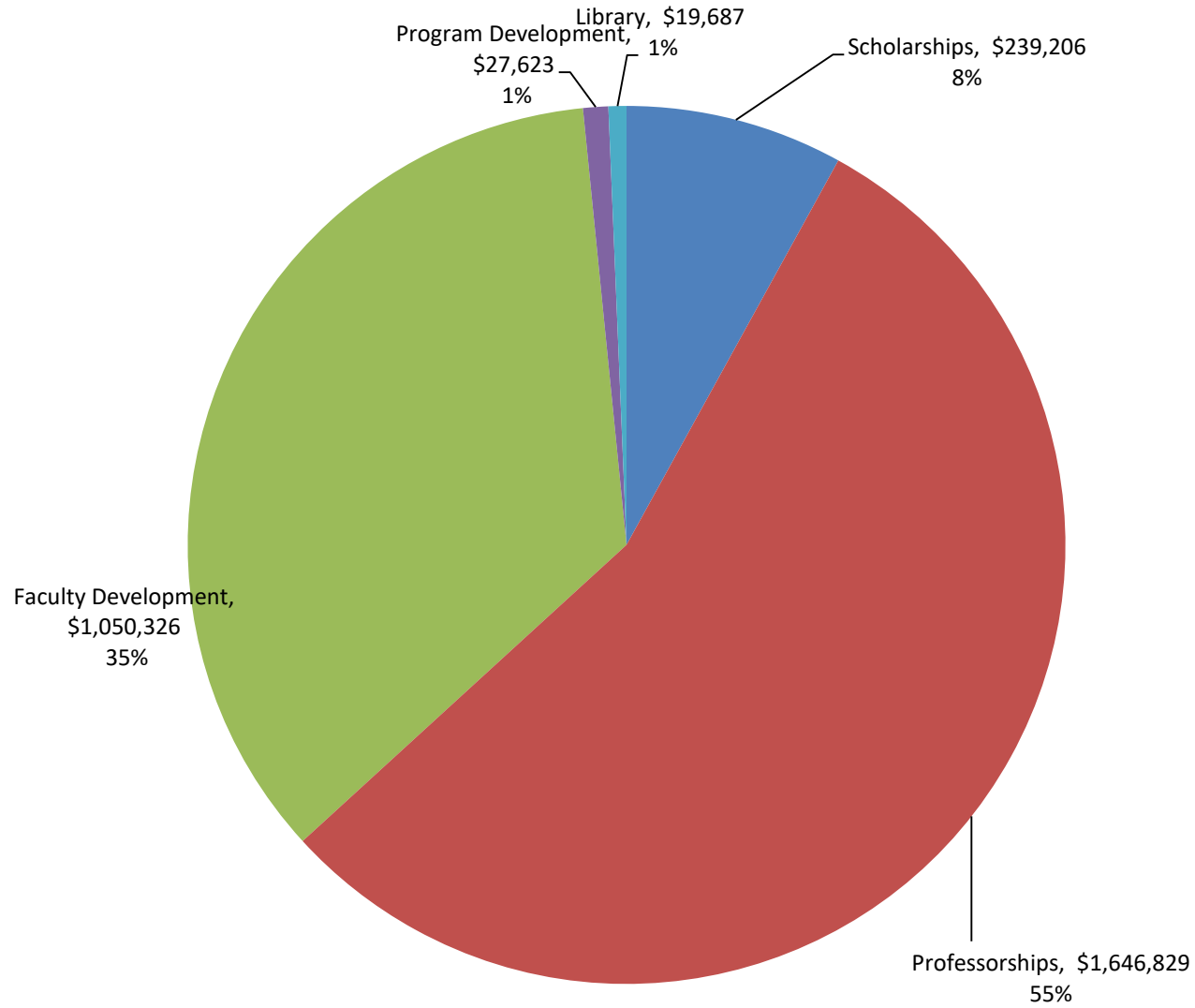
Historical Endowment Market Value



**Endowed Invested Funds at
June 30, 2019
\$49,711,708**



**Endowed Restricted Funds Available for Spending at
June 30, 2019
\$2,983,671**



Winston-Salem State University
Board of Trustees Endowment Committee Report
Thursday September 19, 2019

Fiscal Year to Date as of June 30, 2019

• Endowment Principle Balance		
Invested with UNC Management trust account	\$18,459,648	
• Fair Market Value	35,295,005	
• Cash gifts received	0	
• Net Realized and Unrealized Gains(losses)	1,047,963	
• Permanently Restricted Cash to be invested	0	
• Restricted Cash for spending	2,874,576	
• Transfer to Foundation/Other	0	
• Income Distributed	1,318,038	
• Reinvested Endowment	1,670,364	
• Amount spent:		
Scholarships	\$20,160	
Chair/Professorships	99,148	
Program Development/Inst Support	41,203	
Library	0	
Total amount spent	\$160,511	

Winston-Salem State University Foundation
Board of Trustees Endowment Committee Report
Thursday September 19, 2019

Fiscal Year to Date as of June 30, 2019

• Endowment Principle Balance	
Invested with UNC Management trust account	\$9,728,170
• Fair Market Value	14,416,703
• Cash gifts received	720,550
• Net Realized and Unrealized Gains(losses)	1,078,463
• Permanently Restricted Cash to be invested	323,419
• Restricted Cash for spending	109,095
• Income Distributed	323,419
• Amount spent on scholarships	215,309

Current Date: 07/24/2019

Current Time: 08.45.19

**Winston-Salem State University
Banner Finance**

**Board of Trustees Endowment Fund Account Balances
As Of
Month: June Fiscal Year: 2019**

FUND NAME	PRINCIPAL	QUASI-ENDOWMENT	RESTRICTED	RESTRICTED EARNINGS TO-DATE	RESTRICTED DISBURSEMENTS TO-DATE
Scholarships					
Alumni Scholarships	10,980.00	10,691.03	.00	1,534.57	1,889.11
Anne Hanes Willis Schol	85,000.00	-1,187.50	1,374.32	5,393.98	.00
Athletic Endowment Sch	85,431.52	-892.31	8,567.23	5,639.21	800.00
Bank of America Schol	250,000.00	-2,582.49	5,981.28	16,261.96	.00
Bernice James Davenport Sch	18,764.69	-195.99	5,112.66	1,238.63	.00
Bryan Family Schol	150,000.00	-1,904.70	2,426.12	9,659.77	.00
C C Ross BB&T Schol	122,500.00	-1,884.16	1,975.95	7,867.38	.00
C E Gaines Athletic Sch	410,202.56	-4,311.06	6,649.38	26,474.97	.00
Chancellor s Scholarship	63,455.88	-652.75	1,245.74	4,110.37	.00
Class of 1938 Schol	4,200.00	10,076.28	.00	1,010.95	1,244.51
Cleon Edwina Thompson Sch	54,940.32	-702.93	888.53	3,537.74	.00
Coca Cola Dist Schol	50,000.00	-648.22	808.49	3,219.06	.00
Corn Products Schol	.00	.00	.00	.00	.00
George Virginia Newell Sch	.00	.00	.00	.00	.00
Glenn Family Schol	110,000.00	-1,376.20	1,779.49	7,085.16	.00
HBCU Masters Scholarship	175,500.00	-1,833.05	8,292.89	11,584.48	.00
Hanes Scholarship	100,000.00	1,578.38	.00	7,193.00	8,854.85
Haywood L Wilson Jr Schol	170,950.00	-1,771.43	4,638.19	11,154.76	.00
James G Hanes Schol	400,000.00	-5,065.57	6,469.88	25,760.27	.00

John Lillian Lewis Schol	7,500.00	-80.76	7,728.67	516.66	.00
Kenneth R Williams Schol	20,130.07	-242.94	325.79	1,297.16	.00
Laura Sawyer Schol	27,394.43	-286.13	.00	1,808.25	973.70
Lillie Middleton Schol	10,000.00	-104.45	7,239.55	660.09	.00
Merit Scholarships	396,070.72	-6,158.42	6,387.60	25,432.68	.00
Nettie Frank Setzer Sch	11,464.92	-211.18	394.10	749.66	.00
North Car Assoc Insur Agt Sch	70,000.00	-916.51	1,131.74	4,506.10	.00
Omega Psi Phi Schol	21,626.09	-400.17	874.47	1,418.43	.00
Paul Fulton Sara Lee Emer Fund	150,000.00	9,853.28	38,010.39	11,319.58	.00
Peter Kim Schol	20,000.00	-208.89	1,257.25	1,320.18	.00
R H Barringer Schol	.00	.00	.00	.00	.00
Robert Emken Schol	180,000.00	-1,880.05	.00	11,881.51	6,397.95
Sam Walton Memo Schol	102,000.00	-1,570.94	1,543.61	6,544.14	.00
So Area Links Inc Scholarship	10,513.43	-109.81	623.70	693.98	.00
Student Gen Scholarships	58,418.97	-748.61	944.76	3,761.63	.00
Wells Fargo Scholarship	65,000.00	-667.94	1,207.92	4,206.05	.00
Winston Salem Beauticians Sch	5,000.00	-53.45	1,274.90	341.60	.00
Z Smith Reynolds Schol	300,000.00	-3,835.55	4,956.76	19,804.77	.00
Total Scholarships	3,717,043.60	-10,285.19	130,111.36	244,988.73	20,160.12

Chairs/Professorships

ARF Dist Prof in Biopharm	500,000.00	60,710.67	109,185.65	36,573.30	.00
Anne Reynolds Forsyth Chr SOE	500,000.00	41,745.92	108,874.97	35,336.30	.00
BB&T End Prof Fin Ethics	250,000.00	-13,969.27	14,068.39	16,308.95	.00
CD Spangler Dist Prof Phy Ther	500,000.00	-5,222.46	24,162.70	32,991.88	.00
Dist Prof African Amer History	500,000.00	-5,222.37	36,290.44	33,004.22	.00
Dist Prof African Amer Lit	500,000.00	-5,222.37	32,843.52	33,004.22	.00
Dist Prof Nur/Allied Health L4	500,000.00	-5,175.53	13,008.97	32,590.38	.00
Dist Prof Political Science	500,000.00	-5,222.37	38,614.91	33,004.22	.00
Gray Chair of Religion	458,681.27	53,431.28	108,196.14	32,899.75	.00
Hanes Dist Prof Coll Arts Sci	1,000,000.00	-10,444.74	56,013.35	66,008.42	7,903.07
Novant Health FMC Chair Recrui	500,000.00	-5,222.37	35,695.69	33,004.22	18,651.85
Paul Fulton 2nd Chair CS	800,000.00	-8,355.80	43,018.25	52,806.73	.00
Paul Fulton Chair CS	500,000.00	-5,222.37	44,202.51	33,004.22	.00
RJR Computer Science Prof	1,000,000.00	284,209.52	227,711.91	90,937.89	4,140.58
Sara Lee Chr Accounting	1,000,000.00	242,996.21	205,838.84	88,019.48	39,507.57
Sara Lee Foreign Language Chr	500,000.00	41,745.92	108,874.97	35,336.30	.00
Shelton Foundation Chr Nurs	583,500.00	-6,248.03	100,463.07	39,973.29	27,639.72
Vivian Chambers Prof-Math/Elem	500,000.00	-5,222.37	26,886.34	33,004.22	.00

Wells Fargo Chair-Education	500,000.00	-5,222.37	26,886.34	33,004.22	.00
Willie Bradsher Prof Educ	150,000.00	614,987.14	112,532.14	49,897.58	.00
Wilveria B Atkinson Chr Lif Sc	500,000.00	81,850.80	148,761.03	40,553.48	1,305.15
Z Smith Reynolds-Justice	500,000.00	-5,222.40	24,699.02	33,000.36	.00
Total Chairs/Professorships	12,242,181.27	1,330,482.64	1,646,829.15	914,263.63	99,147.94
Faculty Development					
Faculty Enrichment	16,011.15	-167.23	9,351.30	1,056.86	.00
Wells Fargo Teach Excellence	1,241,686.04	-23,011.35	1,040,974.87	81,674.53	10,459.91
Total Faculty Development	1,257,697.19	-23,178.58	1,050,326.17	82,731.39	10,459.91
Program Development					
Academic Development	.00	.00	.00	.00	.00
Athletics Program Development	10,335.13	-107.95	8,028.24	682.19	.00
James G Hanes Curr Dev	.00	.00	.00	.00	.00
Nursing Program	900,000.00	-104,623.25	-1,585.69	53,487.82	30,743.32
Program Development	27,587.00	-288.14	21,179.87	1,820.96	.00
Total Program Development	937,922.13	-105,019.34	27,622.42	55,990.97	30,743.32
Library					
Friends of the Library	244,803.50	-2,556.91	18,714.19	16,159.10	.00
JG Hanes Diggs Gallery	60,000.00	-617.13	972.27	3,904.14	.00
Total Library	304,803.50	-3,174.04	19,686.46	20,063.24	.00
Other					
Realized Gains Losses	.00	.00	.00	.00	.00
Unrealized Gains Losses	.00	15,646,531.97	.00	.00	.00
Total Other	.00	15,646,531.97	.00	.00	.00
TOTAL ALL	\$18,459,647.69	16,835,357.46	2,874,575.56	1,318,037.96	160,511.29

WINSTON SALEM STATE UNIVERSITY
 BOARD OF TRUSTEES ENDOWMENT FUND
 STATEMENT OF CHANGES IN FUND EQUITY
 FOR JULY 1, 2018 THROUGH JUNE 30, 2019
 WITH COMPARISON TO PRIOR QUARTER

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	Jun 30 2019	Mar 31 2019	VARIANCE	Jun 30 2019	Mar 31 2019	VARIANCE	Jun 30 2019	Mar 31 2019	VARIANCE
REVENUES:									
Private Gifts, Grants and Contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest and Investment Income	\$1,318,037.96	\$988,528.47	\$329,509.49	\$0.00	\$0.00	\$0.00	\$1,318,037.96	\$988,528.47	\$329,509.49
Realized Gain(Loss) From Sale on Securities	\$0.00	\$0.00	\$0.00	(\$921,514.31)	(\$713,167.20)	(\$208,347.11)	(\$921,514.31)	(\$713,167.20)	(\$208,347.11)
Unrealized Gain(Loss) on Securities Held by Fiscal Agent	\$0.00	\$0.00	\$0.00	\$1,969,477.04	\$885,727.28	\$1,083,749.76	\$1,969,477.04	\$885,727.28	\$1,083,749.76
Transfers to/from Restricted	\$0.00	\$0.00	\$0.00	\$1,670,364.38	\$845,614.37	\$824,750.01	\$1,670,364.38	\$845,614.37	\$824,750.01
TOTAL REVENUE	\$1,318,037.96	\$988,528.47	\$329,509.49	\$2,718,327.11	\$1,018,174.45	\$1,700,152.66	\$4,036,365.07	\$2,006,702.92	\$2,029,662.15
EXPENDITURES:									
Student Financial Aid	\$20,160.12	\$800.00	\$19,360.12	\$0.00	\$0.00	\$0.00	\$20,160.12	\$800.00	\$19,360.12
Academic Support	\$99,147.94	\$76,510.12	\$22,637.82	\$0.00	\$0.00	\$0.00	\$99,147.94	\$76,510.12	\$22,637.82
Institutional Support	\$41,203.23	\$20,602.42	\$20,600.81	\$0.00	\$0.00	\$0.00	\$41,203.23	\$20,602.42	\$20,600.81
Transfers to Endowment/Other	\$1,670,364.38	\$845,614.37	\$824,750.01	\$0.00	\$0.00	\$0.00	\$1,670,364.38	\$845,614.37	\$824,750.01
TOTAL EXPENDITURES	\$1,830,875.67	\$943,526.91	\$887,348.76	\$0.00	\$0.00	\$0.00	\$1,830,875.67	\$943,526.91	\$887,348.76
NET INCREASE (DECREASE)	(\$512,837.71)	\$45,001.56	(\$557,839.27)	\$2,718,327.11	\$1,018,174.45	\$1,700,152.66	\$2,205,489.40	\$1,063,176.01	\$1,142,313.39
FUND EQUITY JULY 1, 2018	\$3,387,413.27	\$3,387,413.27	\$0.00	\$32,576,678.04	\$32,576,678.04	\$0.00	\$35,964,091.31	\$35,964,091.31	\$0.00
FUND EQUITY DECEMBER 31, 2018	\$2,874,575.56	\$3,432,414.83	(\$557,839.27)	\$35,295,005.15	\$33,594,852.49	\$1,700,152.66	\$38,169,580.71	\$37,027,267.32	\$1,142,313.39

EXPLANATION OF VARIANCES:

Restricted Funds:

Variance is due to difference in quarters' income and expenditures

Endowed Funds:

Variance is due to realized and unrealized gains and losses for the quarter

WINSTON SALEM STATE UNIVERSITY
 BOARD OF TRUSTEES ENDOWMENT FUND
 BALANCE SHEET
 JUNE 30, 2019
 WITH COMPARISON TO PRIOR QUARTER

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS	
	Jun 30 2019	Mar 31 2019	VARIANCE	Jun 30 2019	Mar 31 2019	VARIANCE	Jun 30 2019	Mar 31 2019
ASSETS								
Cash in Institutional Trust	\$ 2,874,575.56	\$ 3,432,414.83	\$(557,839.27)	\$ -	\$ -	\$ -	\$ 2,874,575.56	\$ 3,432,414.83
Cash with Fiscal Agent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	35,295,005.15	33,594,852.49	1,700,152.66	35,295,005.15	33,594,852.49
Due from WSSU Foundation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	\$ 2,874,575.56	\$ 3,432,414.83	\$(557,839.27)	\$ 35,295,005.15	\$ 33,594,852.49	\$ 1,700,152.66	\$ 38,169,580.71	\$ 37,027,267.32
LIABILITIES AND FUND EQUITY								
LIABILITIES								
Due to Institutional Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FUND EQUITY								
Fund Balances:								
Endowment	0.00	0.00	0.00	18,459,647.69	18,449,312.39	10,335.30	18,459,647.69	18,449,312.39
Quasi-Endowment - Restricted	0.00	0.00	0.00	16,835,357.46	15,145,540.10	1,689,817.36	16,835,357.46	15,145,540.10
Other Restricted Funds	2,874,575.56	3,432,414.83	(557,839.27)	0.00	0.00	0.00	2,874,575.56	3,432,414.83
TOTAL FUND EQUITY	\$ 2,874,575.56	\$ 3,432,414.83	\$(557,839.27)	\$ 35,295,005.15	\$ 33,594,852.49	\$ 1,700,152.66	\$ 38,169,580.71	\$ 37,027,267.32
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,874,575.56	\$ 3,432,414.83	\$(557,839.27)	\$35,295,005.15	\$ 33,594,852.49	\$ 1,700,152.66	\$ 38,169,580.71	\$ 37,027,267.32

Restricted Funds - Funds which are available for current operating purposes subject to limitations placed by a donor or grantor.

Endowment Funds - Funds for which the donor has stipulated, as a condition of the gift, that the principal is to be maintained inviolate and in perpetuity.

The principal is to be invested for the purpose of producing income for expenditures as provided by the terms of the gift.

Term Endowment - Same definition as above except for that the conditions provide that the gift can be released from inviolability upon the happening of a particular event or the passage of a stated period of time.

Quasi-Endowment - Income generated by realized gains on the endowment principal that is reinvested in the endowment pool. These amounts can be spent at the discretion of the Board of Trustees.

Principal - Original gift awarded by the donor for an established endowment account.

EXPLANATION OF VARIANCES:

Restricted Funds:

Variance is due to difference in quarters' income and expenditures

Endowed Funds:

Variance is due to realized and unrealized gains and losses for the quarter

VARIANCE

\$ (557,839.27)
0.00
1,700,152.66
0.00

\$ 1,142,313.39

0.00

0.00

10,335.30
1,689,817.36
(557,839.27)

\$ 1,142,313.39

\$ 1,142,313.39

WINSTON-SALEM STATE UNIVERSITY FOUNDATION
BOARD OF TRUSTEES ENDOWMENT FUND
BALANCE SHEET as of
June 30, 2019
WITH COMPARISON TO PRIOR QUARTERS

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	30-Jun-19	31-Mar-19	VARIANCE	30-Jun-19	31-Mar-19	VARIANCE	30-Jun-19	31-Mar-19	VARIANCE
ASSETS									
Cash	109,095	39,878	69,217	323,419	196,647	126,772	432,514	236,525	195,989
Cash with Fiscal Agent	-	-	-	-	-	-	-	-	-
Investments	-	-	-	14,416,703	14,222,298	194,405	14,416,703	14,222,298	194,405
Other	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	109,095	39,878	69,217	14,740,122	14,418,945	321,177	14,849,217	14,458,823	390,394
LIABILITIES AND FUND EQUITY									
LIABILITIES									
Due to Restricted Funds	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
FUND EQUITY									
Fund Balances:									
Endowment Invested	-	-	-	14,416,703	14,222,298	194,405	14,416,703	14,222,298	(194,405)
Quasi-Endowment - Restricted	-	-	-	-	-	-	-	-	-
Other Restricted Funds	109,095	39,878	69,217	323,419	196,647	126,772	432,515	236,525	(195,990)
TOTAL FUND EQUITY	109,095	39,878	69,217	14,740,122	14,418,945	321,177	14,849,218	14,458,823	390,395
TOTAL LIABILITIES AND FUND EQUITY	109,095	39,878	69,217	14,740,122	14,418,945	321,177	14,849,218	14,458,823	390,395

Schedule of Endowments
06/30/2019

Schedule of Endowments
06/30/2019

Account Number	Account Name	Principle	Balance Invested 6/30/2019	Cash not met min. requirement
4001	Peyton Thomas & Jannie Marie Hairston Endowed Scholarship Fu	57,890.94	57,090.94	-
4002	College Endowment	350,000.00	350,000.00	-
4003	Christopher Endowed Scholarship	44,000.00	44,000.00	-
4004	Mary Williams Endow	15,736.56	15,736.56	-
4005	Leslie M & Suzanne Baker Endow Sch	246,488.47	246,488.47	-
4006	Doris Lee Hairston Dye endow	11,825.00	11,825.00	-
4007	Mary & Rufus Hairston Endow. Sch	1,040,000.00	1,040,000.00	-
4008	Chelyn Cheryl Conner Endowed Scholarship	13,304.00	11,304.00	-
4009	East Area Council Sch.	30,000.00	30,000.00	-
4010	EL Davis	1,680.00	-	1,680.00
4011	Goler AME Zion Endow.	8,000.00	8,000.00	-
4012	Class of 81 Manderline Scales Endowed Scholar	10,140.70	9,065.70	-
4013	BIG FOUR	20,000.00	20,000.00	-
4014	W & P Blackwell Endow. Sch.	75,250.00	75,250.00	-
4015	Class of 1958	112,405.27	112,405.27	-
4016	Class of 1946 Endowed	23,123.61	23,123.61	-
4017	Schexnider/Pleasants Endowed Scholarship	25,000.00	25,000.00	-
4018	Kennedy & Diggs Family Endow	-	-	-
4019	Graduating Class Endow	9,909.59	9,909.59	-
4020	Logan T. & Vivian H. Burke Endow Scholarships	150,021.52	150,021.52	-
4021	Ellen & Andrew Schindler Endow Sch.	200,000.00	200,000.00	-
4022	WSSU Alumni Queens Endowed	9,100.00	9,100.00	-
4023	Harold & Davida Martin Endowed Sch	16,700.49	16,700.49	-
4024	Elva Jones Endow. Scholarship	73,115.73	72,597.73	-
4025	Class of 1953 End. Sch.	25,275.79	25,275.79	-
4026	Class of 1954 End. Sch.	50,105.00	50,105.00	-
4027	1000 Rams 1000 Donors Endowed	14,250.33	14,250.33	-
4028	Atkins Gleason Carew Endowment	464,797.40	464,797.40	-
4029	Anne Reynolds Forsyth Endow. Sch	200,000.00	200,000.00	-
4030	BB&T Merit	180,000.00	180,000.00	-
4031	Barney and Catherine Pettie Hart WSSU Choir Endowed Scholars	16,655.00	16,655.00	-
4032	Class of 1955 End. Sch.	56,990.00	56,990.00	-
4033	Henry Jones, Jr. Endow	24,931.80	24,931.80	-

4034 John & Peggy Taylor Endow. Student Tech. Fund	420,000.00	420,000.00	-
4035 John G. Medlin Endow. Scholarship	247,226.44	247,226.44	-
4036 Class of 1973 Endowed Scholarship Fund	45,160.58	44,430.58	-
4037 Larry and Carrie Poole	10,000.00	10,000.00	-
4038 Lucille Mauge Endowed	20,214.86	20,214.86	-
4039 Rebecca O. Bailey Endowed Scholarship	50,250.00	50,250.00	-
4040 Reynolds American Endow. Sch.	750,000.00	750,000.00	-
4041 Ruth W. Payne Endow	27,996.32	27,996.32	-
4042 Sara Lee Int'l Endowed Fund	100,000.00	100,000.00	-
4043 Sophia Pierce	110,050.00	110,050.00	-
4044 Joseph H. Daniels Endowment	33,837.00	33,387.00	-
4046 J.M. & B.H. DAVENPORT MUSIC ENDOW	1,245.00	-	1,245.00
4047 John Henry Martin Endowment	29,755.34	26,815.34	-
4048 The Cedric S. and Mae L. Rodney Endowed Undergraduate Resear	21,065.00	21,065.00	-
4051 John and Peggy Taylor	-	-	-
4065 J Alston Atkins Lecture Endowment	86,496.21	86,496.21	-
4066 WSSU Class of 1962 Endowed Scholarship	44,045.00	44,045.00	-
4068 John and Clarice Scarritt Scholarship for Education Abroad	14,290.00	14,290.00	-
4069 Aurelia and Samuel McFadden Endowed Scholarship	10,000.00	10,000.00	-
4070 Donald J. & Deborah R. Reaves Endowed Scholarship	337,896.27	337,896.27	-
4071 Fannie M. Williams Endowed Scholarship	11,281.73	11,281.73	-
4072 Herrell-Bell Endowed Scholarship Fund	6,945.00	6,845.00	6,445.00
4073 Rachel E. Diggs Wilkinson Endowed Scholarship	110,000.00	110,000.00	-
4074 Diggs Art Gallery Endowment	110,050.00	110,050.00	-
4075 Warren C. & Gladys D. Oldham Endowed	28,375.00	28,375.00	-
4076 Lelia, John & Ruth Vickers Endowed Scholarship	100.00	-	100.00
4077 R. H. Barringer Endowed	20,000.00	20,000.00	-
4078 William U. & C. Estell Harris Endowed Scholarship	103,641.00	101,218.04	-
4079 Harden '74 & Janet Wheeler Endowed Scholarship Fund	-	-	-
4080 William, Patricia and Valeria Price Endowed Scholarship	60,000.00	55,000.00	-
4081 Class of 1965 Endowed Scholarship	59,469.50	59,594.50	-
4082 Class of 1964 Endowed	108,466.66	108,266.66	-
4083 Terry and Yvette Griffin Endowed Scholarship	63,440.00	58,440.00	-
4084 Henry & Viola Gwyn, Dorothy Gwyn Womble & Owen Luchion Wombl	25,512.60	25,512.60	-
4085 Carl J. Miller Endowed Scholarship	23,020.90	23,020.90	-
4086 Carl J. Miller Non-Scholarship Endowed	6,030.00	6,030.00	-
4087 Carolyn Anderson Torch of Wisdom Endowment	25,060.00	20,560.00	-
4088 Class of 1966 Endowed Scholarship	32,566.69	32,416.69	-
4091 Class of 1974 Endowed Scholarship	60,322.71	49,954.57	-
4092 Class of 1968 Conley Rice Endowment	52,641.24	52,641.24	-

4093 Louise Smith Endowment	13,957.00	13,957.00	-
4094 Eleanor Dalton and Michael Williams Endowed Scholarship Fund	16,125.00	10,125.00	5,000.00
4100 Kennedy & Diggs Family Endow	46,360.00	46,260.00	-
4102 The Class of 1985 Endowed Scholarship	3,822.00	-	-
4112 Emma Duren Endowed	3,140.00	-	3,140.00
4113 Graduate School Endowed	1,000.00	-	1,000.00
4114 Class of 1975	8,475.00	-	7,775.00
4115 Evelyn E. Botley-Ervin Endowed	120.00	-	120.00
4144 Class of 1996 Endowed Scholarship	976.54	-	972.54
4145 James G. Hanes Memorial Trust Endowed Scholarship	250,000.00	250,000.00	-
4146 Wayland Cato, Jr. Endowed Scholarship	10,000.00	10,000.00	-
4147 WSSU Class of 1957 Endowed Sch	36,819.43	36,819.43	-
4148 Cunningham & Winston Family Endowed Scholarship	11,025.00	11,025.00	-
4149 Class of 1949 Endowed Sch.	14,300.00	14,300.00	-
4150 GSK Women In Science Endowed Sch.	50,000.00	50,000.00	-
4158 Nigel & Sarah Alston Endowed Scholarship	26,000.00	26,000.00	-
4159 St. Peter's World Outreach Ctr.Endowment	10,000.00	10,000.00	-
4167 Steve & Allison Williams Endowed Scholarship	25,000.00	25,000.00	-
4168 The Tommy L. and Patricia B Hickman Endowed Scholarship Fund	25,000.00	-	9,000.00
4170 The Michelle M. Cook Endowed Scholarship Fund	11,005.00	-	-
4171 Class of 1978 Endowed Scholarship	50,899.14	49,173.50	-
4172 Helen Powers Stevens Endowed Scholarship	41,649.22	41,649.22	-
4173 Eryca Burch Endowed Scholarship	27,168.75	-	12,206.11
4174 Class of 1960 Endowed Scholarship	84,440.00	83,840.00	-
4175 CLASS OF 1956 Endowment	17,611.28	17,611.28	-
4176 Ethical Values of Capitalism -endowed	-	-	-
4177 George and Virginia Newell Endowed Scholarship	28,520.42	27,495.42	-
4178 Class of 1959 Endowed Scholarship	57,260.57	57,060.57	1,712.20
4179 Black Men For Change Walter Harley Endowed Scholarship	10,138.73	10,138.73	-
4180 Bettie Harvey Little Endowed Scholarship	6,760.00	-	6,594.00
4181 Cleveland and Marlene Ellison Endowed Scholarship	50,195.03	50,195.03	-
4182 Kelvin and Tammy Farmer Endowed Scholarship	60,000.00	60,000.00	-
4183 Shirley Faison Endowed	15,945.00	15,945.00	-
4184 Isabell Samuel Tate Endowed	14,000.00	14,000.00	-
4185 Eva W. Bovender Endowed	11,805.00	11,805.00	-
4186 Doretha Mcknight Stone Endowment	10,000.00	10,000.00	-
4187 Reynolda Rotary/Clarence Bighouse Gaines Memorial Endowed	72,949.75	72,949.75	-
4188 L'Tanya Bailey Endowed Scholarship	22,250.00	20,750.00	-
4189 Lorraine H. Morton Endowed Scholarship	25,035.00	25,000.00	-
4190 WSSU Natl Alumni Assn Endowed Scholarship	268,638.53	254,913.59	-

4191	Dr. Sylvia A. Flack Health Disparity Endowed Scholarship	30,248.77	29,888.77	-
4192	Belinda S. Womack Memorial Music Appreciation Endowed Schol	11,029.90	10,877.90	-
4193	Class of 1961 Endowed Scholarship	57,398.00	57,398.00	-
4194	Paul and Marcia Meis Endowed Scholarship Fund	354,987.93	279,987.93	-
4196	Elwood L. & Denise Robinson Endowed Scholarship	59,450.00	59,600.00	-
4198	The Maggle Knight Knox Endowed Scholarship Fund	6,630.00	-	1,630.00
4199	The United Christian Campus Ministry Endowed Scholarship	40,000.00	40,000.00	-
4200	The Cynthia A. Williams Endowed Scholarship	100,000.00	100,000.00	-
4201	The Sue and Doug Hederson Endowed Scholarship in Honor of Dr	27,263.47	27,263.47	-
4203	The Ingredient Undergraduate Research Fellowship Endowed Fund	41,101.43	41,101.43	-
4204	Rose Marie Matthews Endowed Scholarship	10,544.00	10,544.00	-
4205	Class of 2012 Scholarship Endowment	1,053.58	-	1,001.88
4206	John & Peggy Taylor Endowed Scholarship Fund	-	-	-
4207	The Dennis-Stroud Endowed Scholarship	15,000.00	15,000.00	-
4208	Roland and Barbara Hayes Education Endowed Scholarship	30,001.00	30,001.00	-
4209	The Family Fare Endowed Entrepreneurship Program Fund	32,000.00	26,000.00	-
4210	Mu Epsilon Chapter (OPPF) Endowed Scholarship Fund	2,491.28	-	-
4211	Price David & Nancy Patterson Jernigan Endowed Sch.	2,377.00	-	-
4213	Josephine Robinson Endowed Scholarship	25,000.00	25,000.00	-
4214	Allston & Jean Olive Stubbs Nursing Endowed Scholarship	5,000.00	-	-
4215	Susan & Charles Hauser Endowed Scholarship Fund	25,000.00	-	-
4216	WSSU Class of 1979 GAP Endowed Scholarship Fund	2,181.41	-	-
4217	WSSU Class of 1984 Endowed Scholarship	179.48	-	-
4218	Dr. L. Vickers, Rev. J.O. Vickers & R. F. Vicker Endowed	5,000.00	-	-
4474	Gamma Phi of Delta Sigma Theta Sorority Endowed Scholarship	9,372.86	-	3,222.00
4475	Allston And Jean Olive Stubbs Endow Scholarship in Nursing	10,000.00	10,000.00	-
4476	BlueCross NC Endowed Fund for Nursing Education	250,000.00	250,000.00	-
4998	Holding Temp. account	10,000.00	10,499.98	3,244.31
4999	Board designated endowment	575,000.00	575,000.00	-
9999	Allocation Pool Program	-	-	-
Total	Total	10,019,849.75	9,728,170.15	66,088.04

Unrealized Gains/(Losses)	Restricted Cash for	Restricted Cash	Total Value Cash & Mkt	Revenues	Scholarship	Endowment	Foundation Admin Fees	Total Expenses	Net Change
	Spending 6/30/2019	Not invested 6/30/2019							
21,923.69	(2,516.49)	8,400.00	84,898.14	450.00	2,400.00	330.14	861.60	3,591.74	(3,141.74)
211,763.09	9,570.01	-	571,333.10	-	15,804.00	3,092.72	5,250.00	24,146.72	(24,146.72)
24,202.62	(904.27)	-	67,298.35	-	2,300.00	356.92	660.00	3,316.92	(3,316.92)
9,080.91	3,984.02	-	28,801.49	-	-	130.99	-	130.99	(130.99)
145,652.95	14,041.88	-	406,183.30	-	-	2,120.16	3,697.32	5,817.48	(5,817.48)
6,991.38	413.96	-	19,230.34	-	502.00	101.16	-	603.16	(603.16)
661,605.25	72,827.98	-	1,774,433.23	-	61,141.00	9,731.08	11,700.00	82,572.08	(82,572.08)
6,378.54	6,075.76	2,000.00	25,758.30	2,000.00	-	91.69	-	91.69	1,908.31
18,073.32	5,341.76	-	53,415.08	-	1,343.00	263.79	450.00	2,056.79	(2,056.79)
-	227.12	-	1,907.12	-	-	-	-	-	-
768.72	126.50	-	8,895.22	-	-	2.64	-	2.64	(2.64)
814.76	80.32	335.00	10,295.78	2,250.00	-	2.32	-	2.32	2,247.68
13,572.83	2,020.94	-	35,593.77	-	1,113.00	200.25	-	1,313.25	(1,313.25)
45,007.12	475.55	-	120,732.67	-	6,219.00	656.24	1,128.76	8,004.00	(8,004.00)
65,663.25	(2,133.59)	-	175,934.93	9,100.00	4,000.00	959.39	1,549.56	6,508.95	2,591.05
14,964.59	4,121.84	-	42,210.04	-	-	219.41	-	219.41	(219.41)
14,296.02	3,661.16	-	42,957.18	-	1,000.00	207.09	375.00	1,582.09	(1,582.09)
-	-	-	-	-	-	-	-	-	-
3,439.22	539.84	-	13,888.65	-	-	46.90	-	46.90	(46.90)
86,273.30	11,620.41	-	247,915.23	-	-	1,250.88	2,250.32	3,501.20	(3,501.20)
114,957.85	(10,232.75)	-	304,725.10	-	5,200.00	1,666.68	3,000.00	9,866.68	(9,866.68)
2,726.71	495.79	-	12,322.50	-	-	42.46	-	42.46	(42.46)
10,482.32	1,288.76	-	28,471.57	-	-	153.07	-	153.07	(153.07)
36,190.57	8,186.22	(852.00)	116,122.52	5,925.00	-	515.85	1,007.88	1,523.73	4,401.27
15,299.04	782.08	-	41,356.91	-	-	223.43	379.12	602.55	(602.55)
29,115.21	(3,410.28)	-	75,809.93	-	1,900.00	422.77	751.56	3,074.33	(3,074.33)
4,851.17	7,234.07	-	26,335.57	-	-	65.04	-	65.04	(65.04)
281,668.33	(40,479.46)	-	705,986.27	-	-	4,114.59	6,971.96	11,086.55	(11,086.55)
114,030.93	(12,066.90)	-	301,964.03	-	7,700.00	1,651.28	3,000.00	12,351.28	(12,351.28)
101,767.05	12,599.92	-	294,366.97	-	-	1,471.83	2,700.00	4,171.83	(4,171.83)
8,466.94	1,262.75	-	26,384.69	-	750.00	119.58	-	869.58	(869.58)
34,354.61	(3,889.28)	5,000.00	92,455.33	5,000.00	(5,000.00)	502.00	779.84	(3,718.16)	8,718.16
14,181.50	4,839.22	1,000.00	44,952.52	1,030.00	-	204.26	-	204.26	825.74

138,314.62	34,858.38	-	593,173.00	-	8,397.00	1,889.71	8,700.00	18,986.71	(18,986.71)
148,722.82	(38,844.95)	-	357,104.31	-	10,600.00	2,170.30	3,708.40	16,478.70	(16,478.70)
13,508.92	86.80	1,463.00	59,489.30	12,267.00	1,100.00	181.93	493.40	1,775.33	10,491.67
5,038.69	2,803.99	-	17,842.68	-	-	71.05	-	71.05	(71.05)
13,118.72	(11,187.92)	-	22,145.66	-	-	192.46	-	192.46	(192.46)
30,829.26	(5,949.90)	-	75,129.36	-	1,900.00	451.10	753.76	3,104.86	(3,104.86)
483,522.83	(13,326.82)	-	1,220,196.01	-	27,915.00	7,121.94	11,250.00	46,286.94	(46,286.94)
16,458.16	69.59	-	44,524.07	-	-	239.37	419.96	659.33	(659.33)
58,888.07	1,268.39	-	160,156.46	-	-	856.78	1,500.00	2,356.78	(2,356.78)
51,583.86	(12,650.07)	-	148,983.79	-	3,700.00	731.27	1,650.76	6,082.03	(6,082.03)
12,795.71	1,555.81	950.00	48,688.52	2,071.00	1,100.00	180.12	476.48	1,756.60	314.40
-	-	-	1,245.00	-	-	-	-	-	-
19,066.90	(1,643.51)	645.00	44,883.73	2,940.00	1,000.00	284.19	402.24	1,686.43	1,253.57
12,478.45	2,540.29	-	36,083.74	-	-	180.73	-	180.73	(180.73)
-	-	-	-	-	-	-	-	-	-
53,614.26	4,363.76	-	144,474.23	-	-	785.60	1,297.44	2,083.04	(2,083.04)
20,109.06	(8,389.98)	-	55,764.08	500.00	-	280.70	653.16	933.86	(433.86)
5,999.24	(675.18)	-	19,614.06	-	-	81.90	-	81.90	(81.90)
6,615.21	(1,214.95)	-	15,400.26	-	-	97.26	-	97.26	(97.26)
171,587.73	(909.60)	25,000.00	533,574.40	-	10,400.00	2,452.06	5,068.44	17,920.50	(17,920.50)
7,947.78	1,942.69	-	21,172.20	-	-	117.80	-	117.80	(117.80)
-	(23.74)	(6,845.00)	6,421.26	400.00	-	-	-	-	400.00
76,354.93	(583.71)	-	185,771.22	-	4,200.00	1,134.94	1,650.00	6,984.94	(6,984.94)
82,095.07	152.18	-	192,297.25	-	-	1,230.34	1,650.76	2,881.10	(2,881.10)
19,903.81	2,128.11	250.00	50,656.92	-	1,708.00	296.22	425.64	2,429.86	(2,429.86)
-	-	-	100.00	-	-	-	-	-	-
12,979.39	3,581.85	-	36,561.24	-	700.00	190.40	-	890.40	(890.40)
35,292.02	(10,142.59)	(6,604.88)	119,762.59	2,705.23	2,400.00	480.36	1,514.04	4,394.40	(1,689.17)
-	-	-	-	-	-	-	-	-	-
21,795.47	(1,269.47)	5,000.00	80,526.00	5,000.00	1,035.00	301.87	825.00	2,161.87	2,838.13
17,084.57	(778.83)	(4,825.00)	71,075.24	425.00	462.00	232.10	885.68	1,579.78	(1,154.78)
31,839.99	(4,341.88)	8,150.00	143,914.77	13,270.00	2,500.00	424.85	1,427.96	4,352.81	8,917.19
15,922.58	(1,669.34)	5,040.00	77,733.24	5,040.00	1,300.00	209.75	876.00	2,385.75	2,654.25
8,789.51	(348.38)	200.00	34,153.73	200.00	-	124.16	379.68	503.84	(303.84)
9,500.63	1,252.63	(25.00)	33,749.16	-	-	129.51	-	129.51	(129.51)
2,522.58	326.60	-	8,879.18	30.00	-	34.24	-	34.24	(4.24)
2,000.66	317.70	5,470.00	28,348.36	5,535.00	-	7.62	-	7.62	5,527.38
9,312.52	758.40	-	42,487.61	450.00	-	117.44	481.76	599.20	(149.20)
11,997.03	(505.62)	7,523.14	68,969.12	18,327.90	-	156.93	629.92	786.85	17,541.05
17,439.33	130.66	-	70,211.23	-	-	247.91	789.60	1,037.51	(1,037.51)

4,680.98	128.46	-	18,766.44	-	-	62.82	-	62.82	(62.82)
-	(475.40)	(10,000.00)	4,649.60	11,000.00	-	-	-	-	11,000.00
23,170.69	(3,772.38)	-	65,658.31	2,350.00	1,500.00	329.90	660.16	2,490.06	(140.06)
-	(82.31)	975.00	892.69	3,572.00	-	-	-	-	3,572.00
-	-	-	3,140.00	-	-	-	-	-	-
-	-	-	1,000.00	-	-	-	-	-	-
-	(55.59)	300.00	8,019.41	50.00	-	-	-	-	50.00
-	-	-	120.00	-	-	-	-	-	-
-	(0.12)	17.42	989.84	-	-	-	-	-	-
148,849.29	(4,266.46)	-	394,582.83	-	10,930.00	2,169.03	3,750.00	16,849.03	(16,849.03)
5,549.58	2,159.49	-	17,709.07	-	-	79.57	-	79.57	(79.57)
20,937.39	(2,453.73)	(1,000.00)	54,303.09	-	-	303.05	552.28	855.33	(855.33)
7,215.15	1,454.36	-	19,694.51	-	-	105.93	-	105.93	(105.93)
9,838.56	2,763.32	-	26,901.88	-	-	145.41	-	145.41	(145.41)
32,446.69	(8,888.31)	-	73,558.38	-	3,000.00	478.29	750.00	4,228.29	(4,228.29)
14,625.00	(61.72)	-	40,563.28	-	1,006.00	211.31	390.00	1,607.31	(1,607.31)
5,716.13	2,134.41	-	17,850.54	-	-	82.32	-	82.32	(82.32)
16,845.83	(2,179.69)	-	39,666.14	-	1,389.00	249.49	375.00	2,013.49	(2,013.49)
-	-	16,000.00	25,000.00	8,000.00	-	-	-	-	8,000.00
-	(29.75)	10,000.00	9,970.25	-	-	-	-	-	-
16,213.26	4,922.43	14,542.64	84,851.83	15,828.64	-	215.42	526.04	741.46	15,087.18
32,135.01	5,446.33	-	79,230.56	-	2,931.00	483.47	624.72	4,039.19	(4,039.19)
-	(51.74)	11,218.64	23,373.01	11,853.64	-	-	-	-	11,853.64
49,599.72	(4,269.99)	1,100.00	130,269.73	1,500.00	3,000.00	722.55	1,244.12	4,966.67	(3,466.67)
12,141.13	2,843.65	-	32,596.06	-	1,009.00	179.46	-	1,188.46	(1,188.46)
(0.02)	-	-	(0.02)	-	-	-	-	-	-
11,296.24	2,134.01	(925.00)	40,000.67	1,550.00	859.00	157.12	404.56	1,420.68	129.32
17,407.13	3,238.07	(1,812.20)	77,605.77	250.00	-	245.99	855.16	1,101.15	(851.15)
5,734.76	1,314.88	-	17,188.37	-	-	82.47	-	82.47	(82.47)
-	(4.53)	166.00	6,755.47	-	-	-	-	-	-
23,418.85	1,700.00	(25.00)	75,288.88	30.00	-	332.94	752.48	1,085.42	(1,055.42)
32,764.30	(4.92)	-	92,759.38	-	1,090.00	472.13	900.00	2,462.13	(2,462.13)
9,000.64	2,787.75	-	27,733.39	-	-	129.37	-	129.37	(129.37)
8,910.93	3,112.47	-	26,023.40	-	-	130.37	-	130.37	(130.37)
7,904.00	2,429.29	-	22,138.29	-	-	116.40	-	116.40	(116.40)
6,685.88	1,541.16	-	18,227.04	-	542.00	98.45	-	640.45	(640.45)
(70,811.89)	342.37	-	2,480.23	-	2,500.00	478.44	1,094.24	4,072.68	(4,072.68)
1,995.59	328.46	1,500.00	24,574.05	1,500.00	-	6.83	-	6.83	1,493.17
14,963.75	1,953.17	-	41,916.92	35.00	-	218.21	375.00	593.21	(558.21)
52,813.42	(4,612.66)	14,308.09	317,422.44	83,542.42	-	629.45	2,776.44	3,405.89	80,136.53

9,722.08	317.65	(180.00)	39,748.50	720.00	-	136.03	442.92	578.95	141.05
953.70	162.29	649.00	12,642.89	1,600.65	-	2.83	-	2.83	1,597.82
22,131.80	(3,646.69)	(600.00)	75,283.11	300.00	1,764.00	334.51	856.48	2,954.99	(2,654.99)
78,980.88	3,291.77	75,000.00	437,260.58	75,000.00	-	1,067.31	4,199.80	5,267.11	69,732.89
19,579.22	795.26	(550.00)	79,424.48	60.00	-	274.43	890.84	1,165.27	(1,105.27)
(0.06)	(162.45)	-	1,467.49	5,000.00	-	-	-	-	5,000.00
13,732.49	429.89	-	54,162.38	-	-	195.17	600.00	795.17	(795.17)
9,271.54	866.20	50,000.00	160,137.74	50,000.00	-	37.22	750.00	787.22	49,212.78
2,189.59	421.30	-	29,874.36	7,500.00	-	6.37	-	6.37	7,493.63
3,801.19	(6,465.91)	-	38,436.71	-	-	12.89	616.52	629.41	(629.41)
1,013.51	165.18	-	11,722.69	-	-	3.46	-	3.46	(3.46)
-	(16.65)	(265.84)	719.39	16.68	-	-	-	-	16.68
-	-	-	-	-	-	-	-	-	-
1,051.74	237.31	10,000.00	26,289.05	-	-	(0.01)	-	(0.01)	0.01
2,795.45	23.65	(35.00)	32,785.10	-	-	9.75	450.00	459.75	(459.75)
1,384.83	411.46	11,000.00	38,796.29	22,000.00	-	0.56	-	0.56	21,999.44
-	(63.54)	51.28	(12.26)	2,366.28	-	-	-	-	2,366.28
-	(19.20)	1,702.00	1,682.80	2,377.00	-	-	-	-	2,377.00
960.40	395.62	-	26,356.02	25,000.00	-	(0.48)	-	(0.48)	25,000.48
-	-	5,000.00	5,000.00	5,000.00	-	-	-	-	5,000.00
-	-	25,000.00	25,000.00	25,000.00	-	-	-	-	25,000.00
-	(42.30)	381.41	339.11	2,181.41	-	-	-	-	2,181.41
-	-	179.48	179.48	179.48	-	-	-	-	179.48
-	-	5,000.00	5,000.00	5,000.00	-	-	-	-	5,000.00
-	-	3,519.86	6,741.86	5,270.86	-	-	-	-	5,270.86
783.46	-	4,638.43	15,421.89	-	-	1.04	-	1.04	(1.04)
26,725.13	-	-	276,725.13	250,000.00	-	66.88	-	66.88	249,933.12
(22,093.79)	(2,648.68)	(46,799.10)	(57,797.28)	-	-	1,461.78	-	1,461.78	(1,461.78)
229,907.54	63,251.92	-	868,159.46	-	-	3,118.98	8,625.00	11,743.98	(11,743.98)
-	-	-	-	-	-	-	-	-	-
4,688,532.86	109,095.09	257,331.37	14,849,217.51	720,550.19	215,309.00	70,246.43	127,884.76	413,440.19	307,110.00

Unrealize gains (losses)

6371.56
39339.5
4945.01
1768.25
27704.04
1327.87
116960.08
1270
3370.83
0
897.86
960.48
2247.23
8457.42
12104.13
2598.52
2808.81
0
1112.92
16860.96
22478.64
1021.77
1876.18
7839.02
2839.92
5631.04
1600.89
52242.34
22478.64
20231.32
1871.3
6206.82
2760.8

47207.83
27787.37
4423.47
1122.98
2271.23
5647.6
84299.33
3145.66
11238.89
12368.55
3660.72
0
3013.07
2366.73
0
9721.14
4920.72
1604.75
1122.98
36988.47
1266.75
0
12363.62
12368.55
3178.2
0
2247.23
11050.82
0
6180.85
6655.92
11434.84
6407.88
2858.81
2586.66
675.35
2239.8
3627.72
5042.38
5915.84

1567.62
0
5067.46
0
0
0
0
0
0
28099.39
1122.98
4137.34
1238.46
1605.82
5619.3
2921.51
1122.98
2808.81
0
0
4663.32
4680.61
0
9362.27
1978.98
0
3059.05
6405.21
1139.15
0
5639.67
6742.88
1791.46
1572.96
1325.81
1122.98
8197.57
2330.88
2808.81
24615.23

3333.45
1128.67
6433.42
31469.7
6683.78
0
4494.57
9257.71
2627.4
4618.84
1183.73
0
0
1289.04
3371.5
1793.49
0
0
1355.54
0
0
0
0
0
0
939.02
30749.33
1159.96
64628.96
0
1078463.48

WINSTON-SALEM STATE UNIVERSITY FOUNDATION
BOARD OF TRUSTEES ENDOWMENT FUND
STATEMENT OF CHANGES IN FUND EQUITY
For Period July 1, 2018 through June 30, 2019
WITH COMPARISON TO PRIOR QUARTERS

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	<u>30-Jun-19</u>	<u>30-Mar-19</u>	<u>VARIANCE</u>	<u>30-Jun-19</u>	<u>30-Mar-19</u>	<u>VARIANCE</u>	<u>30-Jun-19</u>	<u>30-Mar-19</u>	<u>VARIANCE</u>
REVENUES:									
Private Gifts, Grants and Contracts	-	-	-	720,550	427,944	292,606	720,550	427,944	292,606
Interest and Investment Income	-	-	-	-	-	-	-	-	-
Unrealized Gain(Loss) on Securities Held by Fiscal Ag	-	-	-	1,078,463	362,125	716,338	1,078,463	362,125	716,338
Realized Gain(Loss) From Sale on Securities	-	-	-	-	-	-	-	-	-
Transfers from Restricted	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	1,799,014	790,069	1,008,945	1,799,014	790,069	1,008,945
EXPENDITURES:									
Academic Support	-	-	-	-	-	-	-	-	-
Scholarships	215,309	218,826	(3,517)	-	-	-	215,309	218,826	(3,517)
Admin. Fees/Trust Fees	198,131	152,878	45,253	-	-	-	198,131	152,878	45,253
Transfers to Endowment	-	-	-	416,511	-	416,511	416,511	-	416,511
TOTAL EXPENDITURES	413,440	371,704	41,736	416,511	-	416,511	829,951	371,704	458,247
NET INCREASE (DECREASE)	(413,440)	(371,704)	(41,736)	1,382,503	790,069	592,434	969,063	418,365	550,698
FUND EQUITY BEGINNING	522,535	411,582	110,953	13,357,619	13,628,876	(271,257)	13,880,154	14,040,458	(160,305)
FUND EQUITY June 30, 2019	109,095	39,878	69,217	14,740,122	14,418,945	321,177	14,849,217	14,458,823	390,394

Winston-Salem State University Endowment Summary
As of June 30, 2019

Statement of Changes of Fund Equity

This report reflects the changes to fund equity between quarters from income and expense transactions. The quarterly income was distributed. The change in the Endowed Funds (investments) was due to an increase in the net realized loss and unrealized gains.

Balance Sheet

This report reflects our cash and investment position between quarters for our Restricted and Endowed Funds.

Endowment Fund Account Balances

This report provides detailed information on our individual endowment funds. The report covers the following categories:

Scholarships
Chairs/Professorships
Faculty Development
Program Development
Library
Undistributed Gains

For Endowed Funds, the Principal (gifts) and Quasi-endowment (realized gains) investment balances are provided. For Restricted Funds, the cash balance along with income distributed and expenditures are provided.

Winston-Salem State University Board of Trustees Endowment Committee
Chancellor's Conference Room, June 13, 2019
Minutes

Committee Chairman Dr. William Harris called the Board of Trustees (BOT) Endowment Committee meeting to order at 8:00 a.m.

Roll Call: Ms. Leslie Gaynor

Members Present: Chair Dr. William Harris Ms. Peggy Carter
 Mr. William Benton Chancellor Elwood Robinson
 Mr. Scott Wierman Ms. Constant Mallette, ex-officio

A quorum was established.

Staff Present: Ms. Camille Klutz-Leach Ms. Leslie Gaynor
 Mr. Frank Lord Mr. Wilbourne Rusere
 Dr. LaTanya Afolayan Mr. Gordon Slade

Guest: Mr. Jonathan King, President – UNC Management Company, Inc.

Adoption of Agenda

The agenda was adopted (Trustee Wierman moved and Trustee Carter seconded).

UNC Management Company, Inc. Presentation (Endowment Fund Update)

The June 13, 2019 UNC Investment Fund was presented by Mr. Jonathon King.

(see handout of UNC Management Company presentation)

Over the long term, the Fund has achieved its objectives

Maintaining conviction in our investment approach and philosophy has led to the Fund achieving its long-term objectives

- Maintain a long-term time horizon
- Portfolio diversification is a key component in managing risk
- Focus assets with our highest conviction investment managers
- Alternative asset classes play a significant role
- Tactical portfolio shifts can be utilized selectively to capture shorter-term opportunities
- Downside protection matters

UNCIF's FYTD 2019 return is now solidly positive

After a weak 1H FY 2019, UNCIF is positioned to generate a relatively healthy return for FY 2019

- The Fund returned +3.9% FYTD 2019 through March. April results bring the 10-month FYTD 2019 return to +6.2%
- Private Equity and Real Estate have driven the strong FYTD 2019 return
- For the 1-, 3-, 5- and 7-year periods ended March 31, 2019, UNCIF:
 - Beat SIPP and the Global 70/30 Portfolio⁽¹⁾ by significant margins
 - Ranks in the top quartile relative to peers⁽²⁾
- Over the long term, the Fund has achieved its primary return objective

UNCIF continues to generate solid returns on both a relative and absolute basis

Approval of Minutes

The minutes from December meeting were approved (Trustee Benton moved and Trustee Wierman seconded).

Enhanced Revenue/Integrated Planning and Budgeting

• **University Endowment**

- 3rd Quarter return 2019: 4.9%, March 2019
- Fiscal Year to Date performance 3.9%
- WSSU Endowment Invested Funds combined as of March 31 2019 \$47,817,151
- WSSU Endowment Funds invested as of March 31, 2019 (fair market value) \$33,594,852
- Net Realized and Unrealized Gains \$172,560
- Cash Gifts received -0-
- Permanently Restricted Cash to be invested -0-
- Restricted Cash for Spending \$3,432,415
- WSSU Endowment principal invested with UNC Management Trust account \$18,449,312

- Total Amount Spent:

Scholarships	800
Chairs/Professorships	76,510
Program Dev/Inst Support	20.602
Library	<u>0</u>
Total Amount Spent	97,913

- No reinvestments were made during this period.
- There were no gifts during this period.

• **Foundation Endowment**

- WSSU Endowment funds invested as of December 31 2018 (fair market value) \$14,222,298
- Net Realized and Unrealized Gains -\$559,064
- Cash Gifts received \$598,250
- Restricted Cash for Spending \$39,878
- WSSU Endowment principal invested with UNC Management Trust account \$9,728,170
- Amount spent on scholarships \$218,826
- Permanently restricted cash to be invested \$196,647

Discussion

No other discussion items.

Meeting was adjourned at 8:44 am.

Next meeting, Thursday, September 19, 2019

Respectively Submitted by: Leslie Gaynor, Finance and Administration, Office Director

Winston-Salem State University
Board of Trustees Meeting
June 14, 2019
DRAFT CLOSED SESSION MINUTES
SUBJECT TO BOARD APPROVAL

Winston-Salem State University Board of Trustees came into executive closed session pursuant to North Carolina law to (1) prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), specifically state employee personnel records, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes; (2) to prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award under N.C. Gen. Stat. 143-318.11(a)(2); (3) consult with our attorney under N.C. Gen. Stat. 143-218.11(a)(3(2) to protect the attorney-client privilege, to consider and give instructions concerning potential and actual claims, administrative procedures, or judicial actions, privilege and (4) consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6).

CLOSED SESSION

*A. Approval of March 15, 2019 Executive Session Minutes**

Trustee Henderson moved to approve the March 15, 2019 Executive Session minutes. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approve the March 15, 2019 Executive Session minutes.

*B. Naming Proposal for space in Hill Hall**

Trustee Farmer presented a request and resolution to approve the naming of a space in Hill Hall Room 202 Chris and Gwen Wilson, who graduated with the classes of 1979 and 1983, respectively. Trustee Kelly moved to approve the naming of the space. Trustee Henderson seconded the motion.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approved the naming of Hill Hall Room 202 after Chris and Gwen Wilson.

C. Audit Committee and Litigation Report

Trustee Clark presented the current status of pending litigation. No action was taken. A copy of the litigation report can be found in the archived June 14, 2019 board materials for closed session. Attorney Brown provided an update on the Boulware matter and how it will proceed because it is a grievance against the Chancellor. He also provided the update on the BOG appeal of Dr. Mitchell.

D. Report of the Grievance & Appeals Committee/Approval of May 23, 2019 Called Meeting Closed Session Minutes

Trustee Shortt presented an update on the recent student appeal (Hokenson). Trustee Henderson moved to approve the May 23, 2019 Closed Session Minutes. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approve the May 23, 2019 Closed Session minutes.

E. Chancellor's 4th Year Comprehensive Review

Chair Harris talked about the process for the Chancellor's comprehensive review, the raters, and the timeline for completion. The process is scheduled to be completed by July 31st in accordance with the guidelines. Trustees will need to have a called meeting the week of July 22-31.

MOTION TO COME OUT OF CLOSED SESSION

Trustee Farmer moved to come out of closed session. Trustee Clark seconded the motion. The motion approved.

Motion: Resolved, that the Winston-Salem State University Board of Trustees will come out of closed session and resume in open session.