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University of South Carolina
BOARD OF TRUSTEES

Fiscal Policy Committee

October 16, 2009

The Fiscal Policy Committee of the University of South Carolina Board of Trustees met on Friday, October 16, 2009, at 10:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Michael J. Mungo, Presiding; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Ms. Darla D. Moore; Mrs. Amy E. Stone; Mr. John C. von Lehe, Jr.; Mr. Miles Loadholt, Board Chairman; and Mr. Eugene P. Warr, Jr., Board Vice Chairman. Mr. Mack I. Whittle, Jr. was absent.

Other members of the Board present were: Mr. Herbert C. Adams; Mr. Greg Gregory; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Ms. Leah Moody; and Mr. Othniel H. Wienges, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Finance and Planning William T. Moore; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Research and Graduate Education Stephen Kresovich; Vice President for Information Technology and Chief Information Officer William F. Hogue; Interim Vice President for Advancement Michelle D. Dodenhoff; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Director of the Alumni Association Marsha D. Cole; Director of Athletics Eric C. Hyman; Director of the Department of Internal Audit Alton McCoy; Chancellor of USC Upstate John Stockwell; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Dean of USC Lancaster John Catalano; Vice Provost for Faculty Development Christine W. Curtis; Associate Vice Provost for Academic Resources, Edward L. Walton; Special Assistant to the President J. Cantey Heath; Chief Financial Officer, Department of Athletics, Jeff Tallant; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Faculty Senate Chair Patrick D. Nolan; Director of Media Relations, Division of University Advancement, Margaret Lamb; President of the Student Government Association Meredith Ross; University Technology Services Production Manager, Justin Johnson; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Mr. Mungo called the meeting to order, welcomed everyone, and asked Board members to introduce themselves. Ms. Lamb stated that no members of the media were present.

Mr. Mungo stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the Committee; and a quorum was present to conduct business.

Mr. Mungo called on Mr. McCoy for brief comments with respect to the recent death of Internal Auditor Mike Harmon. Mr. McCoy stated that in Mr. Harmon's 33 years with the Internal Audit Department every comment he heard about him, regardless of the situation, was positive and praised him for being a respectful person.

Mr. Mungo called for a moment of silence in memory of Mr. Harmon.

I. Election of Committee Chair:

Mr. Mungo opened the floor for nominations and recognized Mr. von Lehe, who nominated Mr. Egerton Burroughs for Chair of the Fiscal Policy Committee. Ms. Stone seconded the nomination. Mr. Mungo called for any other nominations, and upon hearing none, he called for the vote on the nomination. The vote was taken and the motion carried. The Committee congratulated Mr. Burroughs.

Mr. Mungo noted that normally the new chairman would preside over the meeting; however, since Mr. Burroughs was participating by phone, he would continue to chair the meeting.

II. Audit Tracking Report:

Mr. Mungo called on Mr. McCoy who reported that The Honors College; Athletics Department; and Consolidated Services audits had been resolved since the last meeting. One outstanding finding in the USC Upstate audit, which was over six months old, was expected to be resolved by October 31st.

III. Internal Audits:

Mr. Mungo called on Mr. McCoy to report on the following three audits.

A. Office of the Provost: Mr. McCoy reported when a change in leadership occurred in an Office, Internal Audit was requested to conduct an audit of that office. That was the case with this and the President's Office Audits.

There were some procedural issues discovered, which were corrected during the course of the audit. There were no findings in the Audit.

B. President's Office: Mr. McCoy stated that there were also no findings in this Audit. Procedural issues found during the course of the Audit were corrected by Ms. Hanna, the University Treasurer.

C. Athletics Department Contracts: There were two findings in the Audit. The first finding involved the unsigned contract with Gamecock Sports Properties, which had since been signed.

The second finding involved a miscalculation of a depreciation schedule by Action Sports Media. The issue had been resolved; and the University had received the appropriate refund from Action Sports Media.

IV. Other Matters:

Mr. Mungo called for any other matters to come before the Committee. Mr. Warr stated that as the past chairman of the Fiscal Policy Committee for several years, he had worked with Mr. McCoy and found him to be "one of the best people" he had ever worked with in any capacity as far as doing a good job, being prepared, and always taking things to the next level without being asked.

Mr. von Lehe and Mr. Wienges also commended Mr. McCoy, and the Committee applauded him.

V. Adjournment:

Since there were no other matters to come before the Committee, Mr. Mungo declared the meeting adjourned at 10:40 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary