



# National Association of College and University Attorneys

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Kathleen Curry Santora, Chief Executive Officer

**Information**

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To: NACUA Board of Directors

From: Thomas Cline, Chair, Committee on Finance and Audit  
Paul L. Parsons, Staff Liaison

Date: June 1, 2009

Subject: June 2009 Report  
Committee on Finance and Audit

### Charge to Committee:

The Committee is responsible for general oversight of all financial activities of the Association, including monitoring and making recommendations to the Board for approval of dues and other revenue-producing activities; recommendation to the Board for approval of an annual operating budget; ongoing oversight of the approved budget during the year, based on reports issued by management; monitoring of the Association's Investment, Spending, and Reserve Policies through its Subcommittee on Investments; and oversight of the Association's annual financial audit, annual review of executive compensation, and other financial compliance matters through its Subcommittee on Audit. The Committee works closely with Officers and management of the Association to monitor the above activities as well as the Association's strategic planning activities and initiatives from a long-range financial planning context, in particular its programmatic needs and objectives.

### Work Plan for FY 2008-2009:

#### Audit:

1. Final *Statement of Activities for the Year Ended August 31, 2008 and Statement of Financial Position as of August 31, 2008* to be completed by the end of September.

**Status: Completed.**

2. Orientation Call for Subcommittee on Audit in late September.

**Status: Completed.**

3. Preparation for Audit of Fiscal Year Ended August 31, 2008:
  - a. Field work to commence on September 29
  - b. Conference call of Subcommittee on Audit to review draft audit report and any management comments in late October (see separate list of responsibilities for this subcommittee)
  - c. Final audit report issued to Subcommittee, Committee, and Board of Directors in early November (by November 4)

*Status: Completed.*
4. Implement external review of executive compensation in the spring.
 

*Status: The Subcommittee conducted its annual review of executive compensation in May of this year, and has issued its final report to the Committee and Board of Directors.*

#### **Investments:**

5. Orientation Call for Subcommittee on Investments in early September.
 

*Status: Completed*
6. Follow-up and Action Regarding Results of 2007-2008 Subcommittee's Recommendation Regarding External Investment Advisory Services
 

*Status: Completed.*
7. Ongoing review of NACUA's investment portfolio and the Association's Investment Policy, Spending Policy, and Reserves Guidelines through the Subcommittee on Investments. Quarterly review of investment statements by the Subcommittee, and annual evaluation of the Association's investment advisors in the spring.
 

*Status: The Subcommittee convened again in April to review and discuss the first quarter investments report as of March 31, 2009, as presented by Dave Duncan of Ferris, Baker Watts. Mr. Duncan also reported same to the full Committee during its conference call on May 19, 2009. The first annual evaluation of Mr. Duncan has been deferred to next fiscal year, so that the Subcommittee has one full year of experience working with Mr. Duncan in order to provide a comprehensive assessment/evaluation of his work with NACUA.*

#### **Finance & Budget:**

8. Continue process of long-term financial planning and projections, which stem from the Association Work Plan and corresponding financial and strategic planning documents, for fiscal and budgeting purposes.
 

*Status: The staff has regularly reviewed revenues and expenses in this changing economic climate and has reduced expenses, modified its programming, and reduced attendance projections as necessary and appropriate, while still remaining on track with the Association's strategic plan and annual Work Plan.*

9. Develop materials for “Finance 101” orientation session to be held on November 11.  
Develop materials for follow-on “Finance 102” orientation session to be held by conference call in early January.

***Status: Completed.***

10. Develop Budget Climate Statements in preparation for FY 2009-2010 for the March Committee and Board meetings.

***Status: The budget climate statement for FY 2009-2010 was prepared and distributed to the Committee and to the Board of Directors for discussion in March 2009. The document was prepared to plan for the next fiscal year and to reflect the potential impact of the changing economy next fiscal year and beyond. Subsequent follow-up discussions were held by the Board of Directors in April 2009 based on a series of final recommendations that were made by staff in response to the discussions held in March.***

11. Develop and present proposed General Operating Budget for FY 2009-2010 for the Committee’s consideration in May, with final approval by the Board in June.

***Status: The final proposed operating budget for FY 2009-2010 was prepared and was delivered to the Committee for its final discussion during its conference call on May 19; the Committee unanimously recommended that the operating budget, as stated and presented, be submitted to the Board of Directors for final approval in June.***