

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**  
**BOARD OF TRUSTEES**  
**FINANCE AND INFRASTRUCTURE COMMITTEE**  
**Wednesday- May 21, 2014**  
**2:00 p.m. to 4:00 p.m.**  
**The Carolina Inn- Chancellor's Ballroom East**

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**OPEN SESSION**

**FOR ACTION**

1. Acquisition by Lease – Office Space for the UNC Development Office (Attachment A)  
*Gordon Merklein, Executive Director for Real Estate Development*

**FOR INFORMATION ONLY**

(No formal action is requested at this time)

1. Internal Audit Report (Attachment B)  
*Phyllis Petree, Director, Internal Audit*
2. Financial Update (Attachment C)  
*Kevin R. Seitz, Interim Vice Chancellor for Finance and Administration*
3. Development Report (Attachment D)  
*David Routh, Vice Chancellor for University Development*
4. Athletics Leadership Program (Attachment E)  
*Bubba Cunningham, Director of Athletics*
5. Master Plan Update (Attachment F)  
*Anna Wu, Asst. Vice Chancellor for Facilities Operations, Planning & Design*

**Committee Members**

**Steve Lerner, Chair**

**Peter Grauer, Vice Chair**

**Jefferson (Jeff) Brown**

**Donald (Don) Williams Curtis**

**Christy Lambden**

**Sallie Shuping-Russell**

*Kevin Seitz, Interim Vice Chancellor for Finance and Administration*

## **ATTACHMENT A**

### **PROPERTY ACQUISITION BY LEASE – OFFICE SPACE – DEVELOPMENT OFFICE**

This request is to acquire approximately 17,864 SF of office space from the Yaggy Corporation located at 400 Roberson Street in Carrboro for use by the Development Office. This leased space is needed to house the Development Office on a temporary basis while the University owned space at 208 West Franklin Street is renovated. The lease term will be ten months at a cost of \$342,393, with an option to renew for an additional two months for \$68,479. This equates to an annualized cost of \$23 per square feet inclusive of all utilities other than phone and internet service. Yaggy Corporation was selected as the recommended lessor through a public bid process.

### **RECOMMENDED ACTION**

A motion to recommend approval to acquire office space by lease as described above.

REPORT TO THE FINANCE  
AND INFRASTRUCTURE  
COMMITTEE  
OF THE  
BOARD OF TRUSTEES

Internal Audit Department

University of North Carolina  
at Chapel Hill

May 21, 2014

**UNC - CHAPEL HILL**  
**INTERNAL AUDIT DEPARTMENT**  
**SUMMARIES OF AUDIT PROJECTS COMPLETED AND IN PROCESS**  
**JANUARY 1, 2014 TO MAY 5, 2014**

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Our focus for the remainder of the fiscal year will be on completing active and working with the PeopleSoft conversion. 2013/14 audit projects that were not started this year will be carried-forward to the 2014/15 audit plan.

Because operating processes and controls will be in transition during and after the PeopleSoft conversion, we will schedule fewer planned audit projects for fiscal year 2014/15 and allocate more time for advisory services and management requests. This approach will be a more effective and efficient use of our resources and will allow departments to focus on adapting to new processes and system functionality.

**Quality Assurance Review** – complete

**Follow-up Review: Office of Sponsored Research** – procedures to evaluate the status of issues reported in a 2011 audit of sponsored research billing and receivable activities. Because that review was relatively complex, we are conducting additional, separate follow-up work for findings in that review. Complete, no report needed.

**Public Policy** – a financial, compliance, and operational review of the department; requested by management.

As a result of this project, the department is working to improve:

- Timeliness of deposits;
- Responsibility for approving payment documents;
- Compliance with University policy;
- Allocation of charges among accounts; and
- Timeliness of payroll actions

This project is complete.

**Cell Biology and Physiology** - a financial, compliance, and operational review of fiscal processes in this department. We identified opportunities for improving operations and processes but found no material control weaknesses. Draft report is with senior management.

We are working with university, school, and department management to improve processes related to administrative costs (supplies, copying, postage/shipping, etc.); costs of computers and peripherals; costs for support staff, etc. charged to sponsored awards. Proper allocation of such costs is a practice that needs to be managed university-wide.

Department management is also working to document a service contract, to bill for service performed more promptly, and to transfers related costs to the account where the revenue was recorded.

**UNC - CHAPEL HILL**  
**INTERNAL AUDIT DEPARTMENT**  
**SUMMARIES OF AUDIT PROJECTS COMPLETED AND IN PROCESS**  
**JANUARY 1, 2014 TO MAY 5, 2014 – PAGE 2**

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**School of Dentistry** – a routine financial, compliance, and operational review of fiscal processes in the School. In general, the Schools controls and processes are satisfactory. However, the School has not yet developed a policy requiring its faculty and staff to report their relationships with vendors. The University and School need to be aware of these interactions so that relationships can be monitored for appropriateness and transparency.

This type of policy is in addition to the University's Conflicts of Interest and Commitment reporting requirements and is related to the Patient Protection Affordable Care Act which requires pharmaceutical and medical device companies to document and report annually all payments and gifts with a minimum value of \$10 for a single gift or \$100 per year given and other transfers of value to certain health care practitioners.

The audit also disclosed that receipts and expenses from School-sponsored continuing education programs held out-of-state had been accounted for on the books of the Dental Alumni Association rather than through state receipt accounts as required. In addition, exhibitor fees collected at state supported events had been deposited into Dental Foundation accounts. Both practices were previously reported and were discontinued during the audit. The incorrectly deposited funds have been recovered.

Fieldwork is complete and we have discusses issues from the audit with School fiscal management.

**Neurology Department** – a limited review of processes the department uses to manage sponsored awards. In process of reviewing audit results with management.

**University-wide Follow-up Review** – this review determines the status of previous audit findings – if findings have been corrected; if satisfactory progress is being made to resolve an issue; if corrective action is incomplete due to unforeseen circumstances; or if findings issues that should have been corrected have not been resolved.

In January 2014, we expanded the scope of this project to include all previously issued findings.

In most cases, prior findings have been corrected or management has made satisfactory progress toward correcting issues reported. However, in some cases, findings that could have been corrected have not been. These delays have not caused findings to become unacceptable risks.

**Women's Studies** – a financial, compliance, and operational review of the department; requested by management. We found that supporting documents for travel were sometimes missing or incomplete. We referred these items to management for resolution and will be working with individual in the department to try to obtain additional documentation. We also found that some unallowable travel expenses needed to be reimbursed; management is working to recover those funds. Financial support for the department has been transferred to a unified business center in the College of Arts and Sciences. Fieldwork is complete.

**UNC - CHAPEL HILL**  
**INTERNAL AUDIT DEPARTMENT**  
**SUMMARIES OF AUDIT PROJECTS COMPLETED AND IN PROCESS**  
**JANUARY 1, 2014 TO MAY 5, 2014 – PAGE 3**

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**School of Public Health** – a financial, compliance, and operational review of the department; requested by management. The audit identified issues with late processing of employment and payroll actions and Forms I-9; incorrect timekeeping entries, some of which caused errors in amounts paid to employees; and the need for better management of teleworking and other off-site working arrangements. Field work is complete.

**School of Law** – a financial, compliance, and operational review of fiscal processes in the School. In process.

**Follow-up for 2013 University A-133 Audit** – mandatory project to determine if findings from the 2013 A-133 federal compliance audit have been corrected or, if not, that satisfactory progress has been made toward correcting these findings. In process.

**Human Resources** – a financial, compliance, and operational audit. Added to the audit plan as advisory services to the new Vice Chancellor. In planning phase.

**University Camps** – A review to governance of privately run camps held in UNC facilities as well as operation of University-run camps and programs. Review is early in its planning stages and has been deferred to the 2014/15 audit schedule.

**Enterprise Resource Planning** – advisory assistance to teams implementing modules of the new enterprise information technology systems. On-going

**Revision of Internal Audit Manual** – update and revision of Internal Audit Manual to reflect changes in departmental processes and in professional audit standards. (Included with audit projects because of time needed for revision.)

**HIPPA Security Liaison; University-wide Committee on the Protection of Personal Data; Board of Trustees Enterprise Risk Management Task Force; CERTIF; IT Governance Committee; and, other short-term advisory projects** – advisory work done to assist management with identifying and managing risks. On-going

# UNC Internal Audit

## 2013/14 Audit Schedule as of May 5, 2013

### **Planned Audits**

#### **In Process**

University-wide Follow Up  
School of Dentistry  
School of Law  
Human Resources (added to audit schedule)

#### **Scheduled**

Development Travel Follow-up  
IT System Access Review

#### **Deferred to FY 2014/15**

School of Journalism  
Grant Close-out Procedures - Departments  
Discretionary Accounts  
Work Study Program  
Friday Center

### **Annual Projects**

#### **Complete**

NCAA Assistance - 2013

#### **In Process**

2014 Office of the State Auditor A-133 Follow-up (added to audit schedule)

#### **Cancelled - not needed**

2012 OSA IT f/u  
2013 OSA IT f/u

### **Audit Related**

#### **Complete**

2013 Risk Assessment and Audit Plan  
Quality Assessment Review  
OSR Billing & Receivables - Reporting  
UNC FIT 2013

#### **On Going**

Continuous Auditing  
Enterprise Resource Planning  
BoT ERM Task Force  
UNC FIT 2014  
HIPAA Security Liaison  
University Committee on the Protection of Personal Data  
IT Governance Committee & Data Custodian Work  
CERTIF (PCI Standards)  
Recharge Centers Task Force  
Audit Committee  
Audit Planning  
Multiple Short-term Advisory Projects

**UNC Internal Audit**  
**2013/14 Audit Schedule as of May 5, 2013 - page 2**

**Special Projects & Management Requests**

**Complete**

Point to Point (no report)

Public Policy

**In Process**

Women's Studies

Neurology

Cell Biology & Physiology

Public Health - ESE





# Development Report FY 2014

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<b>Cash Received:</b>	<b>5/5/14</b>	<b>5/5/13</b>	<b>Variance</b>	<b>% Change</b>
Gifts	\$119,711,671	\$100,965,862	\$18,745,809	19%
Grants	\$106,071,927	\$109,928,617	(\$3,856,690)	-4%
<b>Total Cash Received:</b>	<b>\$225,783,598</b>	<b>\$210,894,479</b>	<b>\$14,889,119</b>	<b>7%</b>
<b>New Cash and Commitments:</b>				
	\$244,090,718	\$217,290,272	\$26,800,446	12%
<b>In the Pipeline:</b>				
	<b>Prospect</b>	<b>Intent</b>	<b>Proposal</b>	
	\$113,467,001	\$274,646,408	\$253,650,931	



# Total Cash

Group: Grand Total All Groups	Dollars Current FY	Dollars Previous FY	Percent Change	Grants Current FY	Grants Last FY	Percent Change
<b>Academic Affairs</b>	<b>\$38,394,200</b>	\$37,628,041	2%	<b>\$14,486,387</b>	\$14,890,191	-3%
Ackland Art Museum	\$884,954	\$558,741	58%	\$36,500	\$101,000	-64%
College of Arts & Sciences	\$17,248,528	\$15,902,604	8%	\$12,053,597	\$11,857,704	2%
Graduate School	\$249,250	\$229,020	9%			0%
Kenan-Flagler Business School	\$9,186,097	\$9,664,786	-5%	\$462,316	\$434,057	7%
Morehead Planetarium and Science Center	\$650,366	\$1,034,937	-37%	\$131,433	\$51,000	158%
NC Botanical Garden	\$590,006	\$611,120	-3%			0%
School of Education	\$2,958,246	\$467,317	533%	\$246,357	\$604,345	-59%
School of Government	\$1,173,722	\$930,441	26%	\$328,886	\$253,218	30%
School of Information & Library Science	\$353,799	\$243,583	45%	\$75,600	\$134,024	-44%
School of Journalism & Mass Communication	\$2,174,562	\$3,265,269	-33%	\$42,388	\$139,974	-70%
School of Law	\$1,334,403	\$2,295,151	-42%	\$301,864	\$83,000	264%
School of Social Work	\$565,051	\$753,263	-25%	\$331,433	\$1,172,880	-72%
University Library	\$1,025,215	\$1,671,807	-39%	\$476,014	\$58,989	707%
<b>Health Affairs</b>	<b>\$40,971,323</b>	\$23,919,246	71%	<b>\$85,008,120</b>	\$89,533,226	-5%
Eshelman School of Pharmacy	\$6,918,465	\$1,224,403	465%	\$3,070,566	\$3,006,860	2%
Frank Porter Graham Child Development Institute	\$61,546	\$12,385	397%	\$4,461,554	\$3,834,867	16%
Gillings School of Global Public Health	\$11,263,749	\$3,022,091	273%	\$9,690,260	\$12,788,687	-24%
Health Affairs	\$24,245	\$21,290	14%	\$8,860,559	\$8,325,671	6%
Health Sciences Library	\$52,641	\$303,613	-83%	\$0	\$6,000	-100%
Institute for the Environment	\$234,016	\$179,126	31%	\$598,885	\$442,152	35%
Lineberger Comprehensive Cancer Center	\$3,748,677	\$2,817,618	33%	\$9,639,614	\$7,760,787	24%
Medical Foundation	\$10,998,566	\$10,075,511	9%			0%
Nutrition Research Institute	\$448,933	\$120,426	273%	\$103,500	\$0	100%
School of Dentistry	\$2,696,997	\$1,897,050	42%	\$963,578	\$673,527	43%
School of Medicine	\$3,671,110	\$3,651,387	1%	\$46,536,953	\$48,968,085	-5%
School of Nursing	\$852,380	\$594,345	43%	\$1,082,652	\$3,726,591	-71%
<b>Other</b>	<b>\$21,370,337</b>	\$20,149,570	6%	<b>\$6,577,420</b>	\$5,505,200	19%
Administrative Units	\$525,229	\$213,580	146%			0%
Carolina Center for Public Service	\$1,997,843	\$2,044,813	-2%			0%
Carolina Performing Arts	\$724,973	\$756,978	-4%	\$0	\$800,000	-100%
Chancellor	\$1,997,067	\$3,067,881	-35%			0%
Department of Athletics	\$2,271,007	\$1,186,379	91%			0%
Friday Center	\$36,860	\$38,845	-5%			0%
Morehead-Cain Foundation	\$2,853,009	\$1,390,918	105%			0%
Office of International Affairs	\$165,215	\$816,443	-80%	\$0	\$115,300	-100%
Provost	\$772,523	\$782,223	-1%	\$5,820,281	\$4,015,537	45%
Scholarships & Student Aid	\$6,320,400	\$6,409,400	-1%			0%
Sonja Haynes Stone Center for Black Culture and History	\$53,591	\$62,122	-14%			0%
Student Affairs	\$780,705	\$485,025	61%			0%
Unallocated	\$218,032	\$1,172,613	-81%			0%
University Development Office	\$2,241,600	\$1,368,005	64%			0%
University Press	\$13,000	\$81,744	-84%			0%
WUNC-FM	\$399,283	\$272,601	46%	\$757,139	\$574,363	32%
<b>Grand Totals:</b>	<b>\$100,735,860</b>	\$81,696,856	23%	<b>\$106,071,927</b>	\$109,928,617	-4%



# New Cash and Commitments

Sites	% Change Prior FY	Prior FYTD Total Committed	Total Committed	Gifts	Private Grants	Total Current	Pledges	Irrevocable Gifts	Revocable Gifts	Total Future
<i>Academic Affairs</i>	11%	\$59,215,499	\$65,866,597	\$30,050,746	\$14,486,387	\$44,537,133	\$10,312,456	\$2,921,008	\$8,096,000	\$21,329,464
Ackland Art Museum	22%	\$608,210	\$740,801	\$672,146	\$36,500	\$708,646	\$32,155	\$0	\$0	\$32,155
College of Arts & Sciences	-7%	\$32,193,122	\$29,969,877	\$12,471,758	\$12,053,597	\$24,525,354	\$3,049,894	\$394,629	\$2,000,000	\$5,444,523
Graduate School	-11%	\$242,406	\$216,422	\$190,486	\$0	\$190,486	\$25,936	\$0	\$0	\$25,936
Kenan-Flagler Business	9%	\$12,846,706	\$13,992,038	\$7,985,592	\$462,316	\$8,447,908	\$2,221,244	\$1,093,886	\$2,229,000	\$5,544,130
Morehead Planetarium and	-29%	\$973,229	\$686,371	\$542,708	\$131,433	\$674,141	\$2,230	\$0	\$10,000	\$12,230
NC Botanical Garden	-28%	\$710,557	\$510,972	\$504,675	\$0	\$504,675	\$6,298	\$0	\$0	\$6,298
School of Education	242%	\$930,045	\$3,179,603	\$2,849,030	\$246,357	\$3,095,387	\$12,216	\$0	\$72,000	\$84,216
School of Government	39%	\$1,067,400	\$1,479,451	\$1,014,339	\$328,886	\$1,343,225	\$136,226	\$0	\$0	\$136,226
School of Information &	442%	\$515,610	\$2,794,870	\$211,065	\$75,600	\$286,665	\$8,205	\$100,000	\$2,400,000	\$2,508,205
School of Journalism &	155%	\$2,174,052	\$5,533,495	\$953,431	\$42,388	\$995,819	\$4,532,676	\$0	\$5,000	\$4,537,676
School of Law	-15%	\$3,113,863	\$2,632,078	\$1,084,187	\$301,864	\$1,386,051	\$266,027	\$0	\$980,000	\$1,246,027
School of Social Work	10%	\$2,018,823	\$2,229,795	\$559,220	\$331,433	\$890,653	\$6,649	\$1,332,494	\$0	\$1,339,142
University Library	4%	\$1,821,476	\$1,900,823	\$1,012,110	\$476,014	\$1,488,124	\$12,700	\$0	\$400,000	\$412,700
<i>Health Affairs</i>	19%	\$118,793,349	\$141,144,252	\$31,620,275	\$85,008,120	\$116,628,395	\$8,130,091	\$1,126,766	\$15,259,000	\$24,515,857
Eshelman School of	146%	\$4,047,472	\$9,960,925	\$6,870,189	\$3,070,566	\$9,940,755	\$20,170	\$0	\$0	\$20,170
Frank Porter Graham Child	18%	\$3,846,867	\$4,522,743	\$61,189	\$4,461,554	\$4,522,743	\$0	\$0	\$0	\$0
Gillings School of Global	51%	\$15,496,709	\$23,425,381	\$6,396,282	\$9,690,260	\$16,086,542	\$4,338,839	\$0	\$3,000,000	\$7,338,839
Health Affairs	6%	\$8,346,981	\$8,884,784	\$24,225	\$8,860,559	\$8,884,784	\$0	\$0	\$0	\$0
Health Sciences Library	36%	\$303,593	\$411,960	\$49,865	\$0	\$49,865	\$22,095	\$0	\$340,000	\$362,095
Institute for the Environment	-18%	\$1,024,016	\$842,174	\$142,156	\$598,885	\$741,041	\$101,134	\$0	\$0	\$101,134
Lineberger Comprehensive	33%	\$11,874,727	\$15,837,883	\$3,344,351	\$9,639,614	\$12,983,965	\$1,158,082	\$48,837	\$1,647,000	\$2,853,919
Medical Foundation	49%	\$10,912,284	\$16,301,458	\$9,211,426	\$0	\$9,211,426	\$1,828,032	\$0	\$5,262,000	\$7,090,032
Nutrition Research Institute	2379%	\$16,912	\$419,224	\$315,724	\$103,500	\$419,224	\$0	\$0	\$0	\$0
School of Dentistry	233%	\$2,542,496	\$8,460,564	\$1,833,295	\$963,578	\$2,796,873	\$628,391	\$1,025,300	\$4,010,000	\$5,663,691
School of Medicine	-8%	\$54,036,139	\$49,641,018	\$2,547,234	\$46,536,953	\$49,084,187	\$4,201	\$52,630	\$500,000	\$556,831
School of Nursing	-62%	\$6,345,153	\$2,436,137	\$824,338	\$1,082,652	\$1,906,990	\$29,147	\$0	\$500,000	\$529,147
<i>Other</i>	-5%	\$28,391,424	\$26,835,816	\$17,554,006	\$6,577,420	\$24,131,426	\$1,300,902	\$0	\$1,403,488	\$2,704,390
Administrative Units	2808%	\$18,089	\$525,973	\$525,153	\$0	\$525,153	\$820	\$0	\$0	\$820
Carolina Center for Public	-2%	\$2,040,983	\$1,999,404	\$1,995,634	\$0	\$1,995,634	\$3,770	\$0	\$0	\$3,770
Carolina Performing Arts	-51%	\$1,502,192	\$732,333	\$692,546	\$0	\$692,546	\$39,788	\$0	\$0	\$39,788
Chancellor	120%	\$342,173	\$751,567	\$750,067	\$0	\$750,067	\$1,500	\$0	\$0	\$1,500
Department of Athletics	104%	\$1,122,912	\$2,292,229	\$2,247,207	\$0	\$2,247,207	\$45,022	\$0	\$0	\$45,022
Friday Center	-8%	\$38,925	\$35,995	\$35,910	\$0	\$35,910	\$85	\$0	\$0	\$85
Morehead-Cain Foundation	242%	\$1,320,676	\$4,516,900	\$2,741,734	\$0	\$2,741,734	\$700,167	\$0	\$1,075,000	\$1,775,167
Office of International Affairs	-62%	\$419,218	\$157,326	\$157,001	\$0	\$157,001	\$325	\$0	\$0	\$325
Provost	47%	\$4,578,547	\$6,747,620	\$735,496	\$5,820,281	\$6,555,777	\$191,843	\$0	\$0	\$191,843
Scholarships & Student Aid	-65%	\$14,108,340	\$4,886,346	\$4,512,836	\$0	\$4,512,836	\$45,021	\$0	\$328,488	\$373,509
Sonja Haynes Stone Center	-6%	\$54,071	\$50,591	\$47,761	\$0	\$47,761	\$2,830	\$0	\$0	\$2,830
Student Affairs	14%	\$471,199	\$536,964	\$470,427	\$0	\$470,427	\$66,537	\$0	\$0	\$66,537
Unallocated	98%	\$120,687	\$238,625	\$136,379	\$0	\$136,379	\$102,246	\$0	\$0	\$102,246
University Development	59%	\$1,429,799	\$2,273,429	\$2,178,572	\$0	\$2,178,572	\$94,857	\$0	\$0	\$94,857
University Press	-84%	\$81,744	\$13,000	\$13,000	\$0	\$13,000	\$0	\$0	\$0	\$0
WUNC-FM	45%	\$741,869	\$1,077,514	\$314,284	\$757,139	\$1,071,423	\$6,091	\$0	\$0	\$6,091
<b>Total</b>	13%	\$206,400,272	\$233,846,665	\$79,225,027	\$106,071,927	\$185,296,955	\$19,743,448	\$4,047,775	24,758,488	\$48,549,711
Ed Foundation as of 2/1/14	-6%	\$10,890,000	\$10,244,053							



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

ATTACHMENT D

# *Division of Finance and Administration*

## Financial Update



Photo credit: Sam Kittner '85

Kevin Seitz  
Interim Vice Chancellor for Finance and Administration  
May 21, 2014



# Financial Update

## State Situation

- **Projecting a \$455 million revenue shortfall**
  - ❖ **Medicaid**
  - ❖ **New tax plan**
- **Allotments of state appropriation are being reduced by 1.5% over last quarter of fiscal year**
- **Spending guidelines regarding salary adjustments, purchasing and travel**

## UNC Chapel Hill Situation

- **Planning for a 4% reduction in 2014-2015**
- **Managing to allotment reductions**



# Facts and Figures

<b>Debt</b>	
<b>Debt Portfolio</b>	<b>\$1.4 billion</b>
<b>Annual Debt Service Payment</b>	<b>\$90 million</b>

<b>Physical Aspects</b>	
<b>Number of Major Buildings</b>	<b>256</b>
<b>Gross Square Footage of Buildings</b>	<b>19.8 million</b>
<b>Total Amount of Acreage</b>	<b>4,355</b>
<b>Annual Number of Work Orders</b>	<b>124,022</b>

<b>Payroll</b>	
<b>Number of Employees Paid Per Month</b>	<b>22,000</b>
<b>Number of W2's Provided Per Year</b>	<b>30,000</b>



## Facts and Figures

<b>Leasing</b>	
<b>Number of Leased Properties</b>	<b>64</b>
<b>Annual Rental Payments</b>	<b>\$8.3 million</b>
<b>Square Footage of Leased Properties</b>	<b>400,000</b>

<b>Parking and Public Safety</b>	
<b>Number of Parking Passes Sold</b>	<b>19,559</b>
<b>Number of Parking Spaces on Campus</b>	<b>22,563</b>
<b>Police Calls Received</b>	<b>21,220</b>

<b>Procurement</b>	
<b>Annual Amount of Purchases</b>	<b>\$800 million</b>
<b>Amount of Savings Over State Contracts</b>	<b>\$14.5 million</b>



# Facts and Figures

## Auxiliaries

<b>Number of Customers Served at Bookstore</b>	<b>2.5 million</b>
<b>Carolina Inn Reservations Per Year</b>	<b>41,000</b>
<b>Number of Meals Served Per Year by Campus Dining</b>	<b>4 million</b>

## Environment, Health and Safety

<b>Hazardous Material Pickups Per Year</b>	<b>6,204</b>
<b>Annual Inspections Conducted</b>	
● <b>Chemical Fume Hood</b>	<b>978</b>
● <b>Collaborative Laboratory</b>	<b>561</b>

## Student Accounts

<b>Number of Current Student Accounts Managed</b>	<b>30,000</b>
<b>Amount Billed to Students Annually</b>	<b>\$400 million</b>





# Facts and Figures

## Accounting/Budget

<b>Number of General Ledger Accounts</b>	<b>25,000+</b>
<b>Budget Managed</b>	<b>\$2.5 billion</b>

## Contributions

### Annual Contribution to Financial Aid

● Trademarks and Licensing	<b>\$3.9 million</b>
● Student Stores	<b>\$350,000</b>
● Vending	<b>\$200,000</b>

### Annual Contribution to Libraries

● Carolina Inn	<b>\$200,000</b>
● Hill Building	<b>\$100,000</b>

## Energy Services

### Annual Consumption

● Chilled Water	<b>108 million ton hours</b>
● Electricity	<b>494 million kilowatt hours</b>
● Potable Water	<b>596 million gallons</b>



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

## *Division of Finance and Administration*

# Proposed Governor's Budget: System-wide and *Estimated UNC Impact*



Photo credit: Sam Kittner '85

Kevin Seitz  
Interim Vice Chancellor for Finance and Administration  
May 21, 2014



## Proposed Governor's Budget: System-wide and *Estimated* UNC Impact

### Revised 2014-15 Budget

System	UNC-CH	% of System
<b>\$2.6B</b>	<b>\$507.7M</b>	<b>20%</b>

### Proposed Governor's Budget Additions

	System	UNC-CH	% of System
<b>Salary Increases (\$1000 per Employee)</b>	<b>\$33.4M</b>	<b>\$12.4M</b>	<b>37%</b>
<b>"Discovery to Innovation" Strategy</b>	<b>\$3.0M</b>	-	-

### Approved Biennial Budget Additions

	System	UNC-CH	% of System
<b>Enrollment Growth Funding</b>	<b>\$26.7M</b>	<b>\$1.5M</b>	-
<b>Building Reserve</b>	<b>\$1.7M</b>	-	-
<b>Subtotal Additions</b>	<b>\$64.8M</b>	<b>\$13.9M</b>	-



# Proposed Governor's Budget: System-wide and *Estimated* UNC Impact

## Proposed Governor's Budget Reductions

	System	UNC-CH	% of System
<b>Additional Management Flex</b>	\$44M	\$10.2M	23%
<b>Tuition Rate for Non-Resident Full Scholarships</b>	\$9.3M	\$7.1M	77%
<b>EPA Non-Faculty - Operational Efficiency</b>	\$2.0M	\$.5M	25%
<b>Centers and Institutes</b>	\$13.1M	\$5.8M	44%
<b>Utility Budget</b>	\$9.1M	\$2.4M	27%
<b>Enrollment Growth Funding</b>	\$7.1M	\$.2M	—

## Approved Biennial Budget Reductions

	System	UNC-CH	% of System
<b>Strategic Directions Efficiencies</b>	\$12.2M	\$2.5M	21%
<b>Management Flex</b>	\$7.8M	\$1.7M	22%
<b>Non-Resident Student Tuition Increase</b>	\$27.2M	\$12.3M	45%
<b>Subtotal Reductions</b>	<b>\$131.8M</b>	<b>\$42.7M</b>	<b>32%</b>


# Board of Trustees Finance & Infrastructure Committee

Wednesday, May 21<sup>st</sup>, 2014



CAROLINA ATHLETICS

# CAROLINA LEADS

The logo features a stylized 'NC' monogram enclosed within a gear-like border. It is centered below the main title and is flanked by two horizontal lines that extend outwards.

A STRATEGIC PLAN FOR CAROLINA ATHLETICS  
2012-2016



CAROLINA ATHLETICS

# Strategy Statements

## Mission:

**We educate and inspire through athletics.**

## Values:

**Responsibility**

**Do what is right.**

**Innovation**

**Find a better way.**

**Service**

**Put others first.**

**Excellence**

**Work Hard. Play smart. Win together.**



# Strategy Statements

## Priorities:

### **Alignment**

**Align our operations to fulfill the mission of the university.**

### **Academic Achievement**

**Achieve a top 3 academic finish in the conference and a top 10 finish nationally in each sport.**

### **Athletic Performance**

**Perform to a top 3 athletic ranking in the conference and a top 10 ranking nationally in each sport.**

### **Administrative Engagement**

**Engage internal and external constituents to relentlessly pursue the resources and administrative structures necessary for success.**





# Athletics Department Denison Survey Results – 2012 & 2013

2012 SURVEY

N=203



2013 SURVEY

N=198



Carolina Athletics and the Disney Institute

# Creating a Carolina Culture of Service Excellence



CAROLINA ATHLETICS

# Carolina Athletics and the Disney Institute

## Disney Institute model:

- Adapting best practices based on the Disney 1990s story
- Corporate & Sports Clients
- Common sense, not common practice
- Chain of Service Excellence

### DISNEY'S CHAIN OF EXCELLENCE



## Two Year Engagement:

- |                                    |                             |
|------------------------------------|-----------------------------|
| • Phase 1 (Fall 2013):             | Understanding Insights      |
| • Phase 2 (Spring / Summer 2014):  | Adapt Disney best practices |
| • Phase 3 (Fall 2014 – Fall 2015): | Operationalize into action  |



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# Carolina Athletics and the Disney Institute

## Disney Insights –

- Overmanage: be intentional where others are unintentional

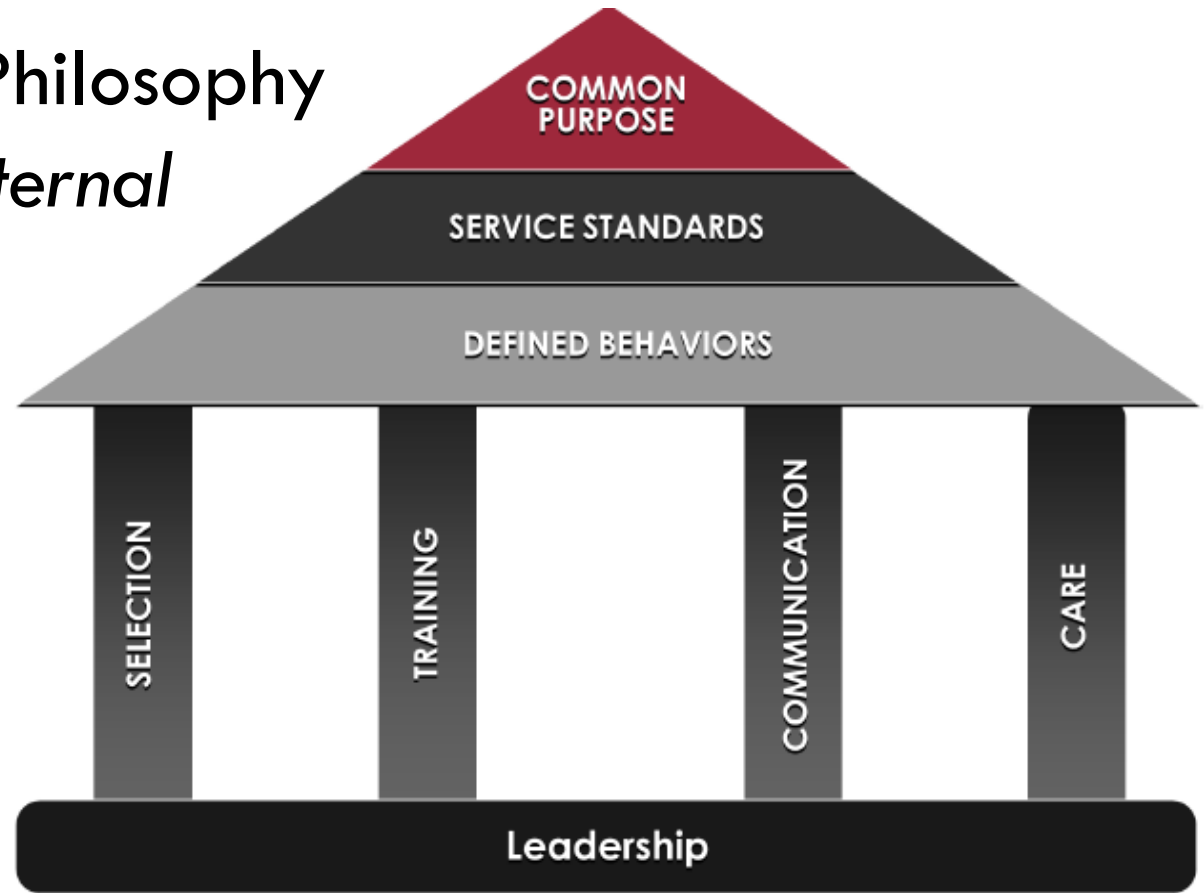
*Communicate internally as intentionally as you do externally*



# Carolina Athletics and the Disney Institute

## Disney Insights –

- Quality Service Philosophy  
*Internal & External  
Service*

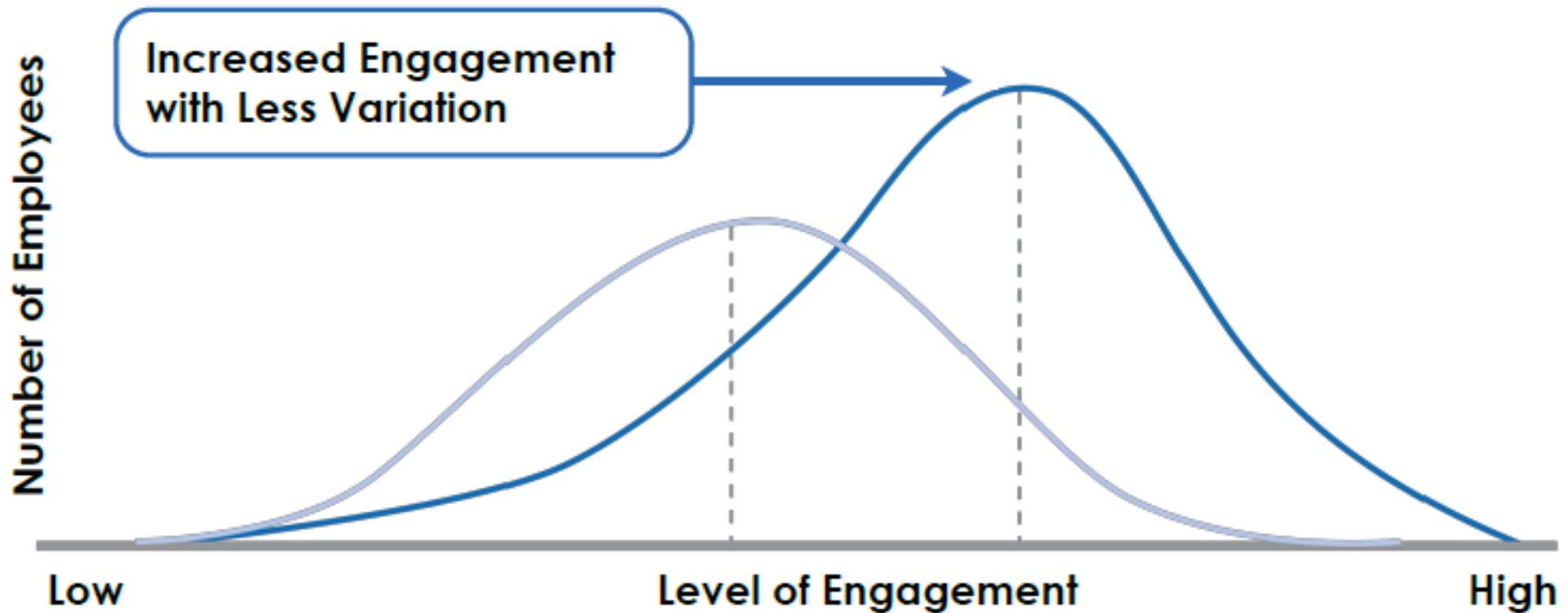


CAROLINA ATHLETICS

# Carolina Athletics and the Disney Institute

## Disney Insights –

- Shifting the levels of engagement to the right



# Carolina Athletics and the Disney Institute

## Events Along a Journey –

- September, 2013: Two day discovery visit
- October, 2013: Report out of discovery
- December, 2013: Two day leader alignment workshop with executive team
- January, 2014: Keynote presentations  
All Athletic Department Staff  
All Head Coaches  
Student Athlete Advisory Committee
- March, 2014: Two day work team sessions
- June, 2014: Work team recommendations
- August, 2014: GameDay Programming – Operationalize  
Leadership Training  
Front Line Roll Outs
- Fall 2014 – Fall 2015: Ongoing check ins



# Carolina Athletics and the Disney Institute

## Work Team Concept

**To engage our employees in a discussion about our Common Purpose (Mission)  
and to learn the Best Practices we can use  
for organizational growth and development linked to our Strategic Plan.**

### **Cross-Functional Team Approach**

with diversity across units, experiences, tenure, gender, race

#### **Desired Behaviors**

Ken Mack (Rams Club)  
Brent Blanton (Academics)  
Chelsea Pemberton (Rowing)  
Stephen Boyd (Business Office)  
Eric Morabito (Tickets)  
James Spurling (Facilities)  
Kathy Duffy (Facilities)  
Britta Williams (Rams Club)  
Elizabeth Lancaster (Event Mgmt)  
Pete Chalfin (Administration)  
Exec Team: Mike Bunting

#### **Care & Recognition**

Shelley Johnson (Leadership Academy)  
Mike Perkins (Business Office)  
Marissa Young (Softball)  
Dave Lohse (Communications)  
Jason Freeman (Equipment)  
Joyce Dalglish (Human Resources)  
John Brunner (Event Mgmt)  
Jaci Field (Facilities)  
Carly Dressler (Compliance)  
Exec Team: Martina Ballen

#### **Internal Communication**

Matt Terrell (Rams Club)  
Marielle vanGelder (Compliance)  
Abel Sanchez (Diving)  
Kathy Griggs (Administration)  
Tony Tucker (Marketing & Football)  
Matt Bowers (Communications)  
Mary Ellen Bingham (Sports Med)  
Laura Escobar (New Media)  
Jordan Plumblee (Marketing)  
Exec Team: Larry Gallo



CAROLINA ATHLETICS



# Carolina Athletics and the Disney Institute Work Team Process

- Conduct weekly meetings
- Grasp concepts tasked to explore
- Identify personal examples
- Demonstrate best practices during interactions
- Interview staff throughout department
- Designate recommendations as Stop/Start/Continue



# Carolina Athletics and the Disney Institute Work Team Insights

- Desired behavior, (Culture: to be)
- Recommendations (example)
- Observable, measurable, coachable
- Values/RISE (Responsible, Innovative, Service, Excellence)
- Common sense, common practice
- Be intentional



# Creating a Carolina Culture of Service Excellence



CAROLINA ATHLETICS

**FOR INFORMATION – UNIVERSITY MASTER PLAN**

This presentation is an overview of the University's Master Plan. The presentation includes master plans for the Campus Master Plan and Carolina North and outlines strategies for campus land usage and development opportunities.

The presentation will include the guiding principles behind the development of these master plans and the adherence to the design guidelines in the University's planning and project development efforts.

The information is presented to the Board of Trustees for review and comment.

No formal action is requested at this time.