3-14-2019

WMU Board of Trustees Formal Session March 14, 2019

WMU Board of Trustees

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Thursday, March 14, 2019 – ANNUAL MEETING

Closed Informal Session – 9:00 AM
Formal Session – 11:00 AM, Bernhard Center, Rooms 157-159

1. Oath Ceremony for Trustee Behen and Trustee Edgerton – Schuemann
2. Acceptance of the Agenda – Rinvelt
3. Approval of the Minutes (December 12, 2018 and February 1, 2019 Meetings) – Rinvelt
4. Remarks by the Chair – Rinvelt
5. Remarks by the President – Montgomery
6. Comments by the Faculty Senate President – Gershon
7. Comments by the Western Student Association President – Sanchez
8. Comments by the Graduate Student Association President – Pineda
9. Scholar Athlete Presentation – Stone
10. Public Comments Regarding Action Items – Rinvelt

Action Items – Rinvelt with Conferral to (Elected Chair)

11. Board of Trustee Officer Election – Rinvelt
12. Room and Board Rates Summer 2019 – Anderson
13. Consent Items – (Elected Chair)
   A. WMU Audit Committee Charter
   B. Personnel Report
   C. Gift Report
   D. Operating Cash Investment Performance Report
   E. Annuity and Life Income Funds Performance Report
14. General Public Comments – (Elected Chair)

Supplemental and supporting agenda materials can be viewed at: http://www.wmich.edu/trustees
Proposed Meeting Minutes December 12, 2018 and February 1, 2019 (Special Meeting)

December 12, 2018

The Board of Trustees (BOT) Formal Session was called to order by Chair Rinvelt at 11:07AM on Wednesday, December 12, 2018. The meeting was held in the Bernhard Center Room 157-159. Presiding were Chair Rinvelt, Vice Chair Bolger, and Trustees Chen-Zhang, Johnston, Kitchens, Miller, and Penn.

A motion to accept the December 12, 2018 BOT agenda was made by Trustee Miller, with a second from Trustee Penn. The motion passed unanimously.

A motion to accept the minutes as exhibited from the November 7, 2018 BOT meeting was made by Vice Chair Bolger, with a second by Trustee Penn. The motion passed unanimously.

Remarks were provided by Chair Rinvelt – Attachment A followed by remarks from President Montgomery – Attachment B.

Faculty Senate President R. Gershon, Western Student Association (WSA) President J. Sanchez, and Graduate Student Association (GSA) President A. Pineda provided comments regarding their respective areas and their ongoing activities and initiatives relating to shared governance, promoting student involvement, and academic enrichment. See Attachment C for remarks by Faculty Senate President R. Gershon.

Provost J. Bott presented the Board with an overview of the efforts leading to improved retention and student success at WMU.

There was no indicated public interest in providing commentary regarding any Action Item.

As Action Items, BOT Chair J. Rinvelt proposed President Montgomery’s Performance Evaluation. A motion to accept President Montgomery’s Performance Evaluation was made by Trustee Miller, with a second by Trustee Penn. The motion passed unanimously.

Vice President for Student Affairs D. Anderson next recommended the WMU Apartment Rates for 2019-2020. A motion to accept the WMU Apartment Rates for 2019-2020 was made by Trustee Miller, with a second by Trustee Johnston. The motion passed unanimously.

Secretary to the Board of Trustees K. Schuemann proposed Emeritus Status for Trustee Kenneth V. Miller. A motion to accept Emeritus Status for Trustee Kenneth V. Miller was made by Trustee Johnston, with a second by Trustee Kitchens. The motion passed unanimously.

A motion to approve the Consent Items was made by Trustee Miller, with a second from Trustee Johnston. The BOT unanimously approved the following Consent Items as exhibited: Personnel Report, Curriculum Proposals, One Day Liquor License Applications, Operating Cash Investment Performance Report, and the Annuity and Life Income Funds Performance Report.
There was no indicated public interest in providing remarks during general public commentary.

The BOT meeting ended at 12:14PM following a motion to adjourn by Trustee Miller, a second by Trustee Kitchens, and unanimous approval.

**February 1, 2019 (Special Meeting)**

The Board of Trustees (BOT) Formal Session was called to order by Chair Rinvelt at 2:31PM on Friday, February 1, 2019. The meeting was held in the Bernhard Center, Connable Board Room. The Special Meeting facilitated necessary action on time sensitive action items impacted by the canceled BOT Meeting on January 23, 2019 with campus closure due to weather.

Presiding on the telephone were Chair Rinvelt, Vice Chair Bolger, and Trustees Behen, Chen-Zhang, Edgerton, Johnston, Kitchens, and Penn.

President Montgomery welcomed the Trustees to the call and thanked them for their effort to connect. A motion to accept the February 1, 2019 (Special Meeting) BOT agenda was made by Trustee Kitchens, with a second from Trustee Penn. The motion passed unanimously.

There was no indicated public interest in providing commentary regarding any Action Item.

Vice President for Business and Finance J. Van Der Kley proposed BOT action relating to the Howard Street Easement – City of Kalamazoo. A motion to accept (1) WMU BOT authorizes the Treasurer or Assistant Treasurer to rescind the temporary easement previously approved on August 20, 2018. And (2) WMU BOT authorizes the Treasurer or Assistant Treasurer to execute the proposed permanent easement to the City of Kalamazoo for the construction of the sidewalk on the eastern edge of Howard Street between W. Michigan Avenue and Stadium Drive was made by Trustee Chen-Zhang, with a second by Chair Bolger. The motion passed unanimously.

A motion to approve the Consent Items was made by Trustee Johnston with a second from Trustee Kitchens. The BOT unanimously approved the following Consent Items as exhibited: the Personnel Report.

There was no indicated public interest in providing remarks during general public commentary.

The BOT meeting ended at 2:42PM following a motion to adjourn by Trustee Penn, a second by Trustee Kitchens, and unanimous approval.

Respectfully submitted,

[Signature]

Kahler B. Schuemann
Secretary to the Board of Trustees
Western Michigan University
Good morning, and thank you all for being with us this today. Though it’s hard to believe, we are in the final week of the fall semester. In just three days, we will observe the graduation of more than 1,600 Broncos at our 324th Commencement. We look forward to celebrating what is always a special day for this University and certainly for our students achieving this life goal.

President’s evaluation:
I would like to provide an update on the presidential review process that we have been working on as a board. To put this into perspective, your board has two key responsibilities:

First, we are responsible for setting the financial direction for the University. And, secondly, we select and provide guidance to the University president. An important element of that oversight is our periodic evaluation of the president’s performance. As discussed in previous meetings, the board has been going through a process to gather input for the evaluation of the president’s performance over the last year and a half.

The analysis involves identifying strengths as well as areas that may need improvement. Setting goals for the upcoming year also is a critical part of the process. We appreciate the efforts and insights of those who have been engaged in this important task. It plays a crucial role in elevating WMU to new levels of excellence.

We gathered input from a variety of stakeholder groups including undergraduate students, graduate students, deans, senior staff and, importantly, the Faculty Senate. Everyone was very generous with their time, and we would like to thank all who provided input for participating in this important process.
After reviewing all of the evaluation factors, we were able to discuss with President Montgomery his accomplishments over the past year and as well as identify opportunities for continued growth and development.

Our discussions with President Montgomery centered on three key focus areas which will come as no surprise.

These focus areas are:
- student success,
- diversifying revenue; and
- making WMU a school of choice.

These key focus areas are extremely critical to the overall success of our University. Your board believes that with these key focus areas identified, it was then important to identify metrics to help our University’s leadership measure their progress toward the goals in these areas. To accomplish this, the board has established six metrics that we will use to measure our progress and success. These metrics allow the board to work with President Montgomery and his leadership team toward the successes of our University.

For the key focus area of improving student success, we will be using the following metrics:
- second-year student retention
- six-year graduation rate

For diversifying revenue streams, we will be using the metrics of:
- alumni giving rate
- externally-funded research levels

And for positioning WMU as the school of choice, we will be using the metrics of:
- entering student GPA
- high school counselor assessments
As we go through the year, we will periodically review these metrics to determine whether any course corrections are needed as we all work toward building a better future for our students and our University. Thank you.

Trustee Ken Miller
I also wanted to briefly note that this is Trustee Miller’s final board meeting as a member of the Board of Trustees. I want to use this opportunity to express this board’s profound gratitude for the amount of hard work and great times we’ve had working with Trustee Miller.

He is a remarkable colleague and friend who has spent 16 years working on this board. Others will go into the details, but there are few people who can say—as Trustee Miller can—that they have changed this University on such a profound level. From the board and with a grateful heart, I say thank you to Trustee Miller for making this board strong and productive and for making Western Michigan University a better place.

Happenings/accolades
Since last we met, there’s been a number of exciting developments on campus, and I’d like to highlight just a few in the interest of time.

Medallion Scholarship
We recently hosted hundreds of talented young people from across the country to compete for our Medallion Scholarship, Western Michigan University’s most prestigious merit-based scholarship for undergraduates. Each spring, we bestow an average of 20 of these scholarships, each valued at $60,000, or $15,000 a year.

The Medallion Scholars program, co-sponsored by the Lee Honors College and the Office of Admissions, attracts highly sought after, high-achieving students. And I’m excited to say that participation in the competition far out-distanced participation in the previous year. This year, 977 students competed for the scholarship compared to 650 competitors last year. An increase of over 50% in one year. Western attracted students from 24 states, up from 14 states and the average GPA of this group of competitors was 4.12. The average ACT was 29.4 and the average SAT score was 1336. So, these would-be Broncos are truly exceptional and impressive students.
Of the 977 who competed, we will invite 60 back for second-round interviews, which organizers anticipate taking place in mid-January.

I'm also happy to report that, for the first time, every single competitor is eligible to receive, at a minimum, a $2,500 scholarship every year, over four years. So, just for coming to compete, these exemplary students will receive a $10,000 scholarship. We are truly enthused about this program and how it is changing Western.

**Staff Giving**

As we approach the end of the year, I'm thinking about the dedication and the passion of individuals who work so hard to add value to our campus and to our communities. For instance, I'm heartened by the level of giving exhibited by our University's faculty and staff. Not only do they work hard to ensure this place runs smoothly and meets the needs of our students every single day, they believe so strongly in WMU that they give financial contributions, as well. One example is the level at which First Lady Kari Montgomery and President Montgomery give back. From the start, they have strongly believed in the mission of Western—enough to send their son here—and to also become donors. Beyond admiration, we owe each WMU employee who donates to WMU our gratitude for their above-and-beyond support. Thanks to all the faculty and staff for their commitment.

**Student accolade**

I typically offer student accolades and time is short, but I do want to share that we had students in our engineering management program recently attended the American Society for Engineering Management’s International Annual Conference at the University of Idaho, where they presented papers and for the first time, participated in the 11th annual Student Case Competition. College of Engineering and Applied Sciences seniors Arlexis Branson, Kyler Castro, Justin Benjamin, and Chance Owens studied previous cases, drilled each other, prepared practice case presentations, all while working with CEAS to secure funding for the trip. They had a very strong showing, and it was a great learning experience for them. The team was advised by Dr. David Lyth and assisted by Dr. Larry Mallak, both professors in the Department of Industrial and Entrepreneurial Engineering and Engineering Management.
Remarks - President Edward Montgomery

Good morning, and thank you all for being with us this today. As Chair Rinvelt noted, we will be celebrating our graduating students on Saturday. The 1,651 degrees to be conferred at fall commencement represent 1,651 stories of accomplishment.

We often think about our graduates as fresh-faced 20-somethings and many are. But, of course, we offer education to people at just about any stage of life. One student who will be claiming his degree in University Studies also will be celebrating the fact that he discovered—through an advisor's counsel—a career he didn't know existed and is today pursuing.

This is a non-traditional student who is in his 50s and at one point in life suffered from addiction. He learned about our addiction studies minor and can today help people who, like him, struggled with substance abuse. Congratulations to this Bronco and all our graduates for achieving their goals.

Faculty Accolade

- I'd also like congratulate a member of our faculty, Dr. Gellert Mezei, associate professor of chemistry. Dr. Mezei was awarded $376,411 from the National Science Foundation for his freshwater-related research. This researcher and his team design and synthesize a unique class of anion-binding agents called nanojars.

These agents have the ability to remove toxic anions and recover valuable ones, such as phosphate, from water. Access to clean, safe water is a critical issue across the globe. So, we applaud Dr. Mezei on getting the grant, but even more than that, we thank him for the crucial work he is engaged in for the ultimate betterment of people and the environment.

- Like Chair Rinvelt, I also would like to report on the generosity of individuals who share their treasure to support this University and our mission. We realized a more than $800,000 bequest from the estate of Dr. Ruth H. Seay, who died last year. In the 1990s, she established a planned
gift designated for the College of Education and Human Development to create an endowed graduate fellowship in the Department of Educational Leadership, Research & Technology.

The endowed fund, the Maurice F. Seay Graduate Fellowship, is named in honor of her late husband who died in 1988. Dr. Maurice Seay was a professor of educational leadership here in the late 1960s and 1970s. He also at one point served as acting dean of the College of Education.

Active in the Battle Creek community, Dr. Maurice Seay also was one of the founders and developers of Kellogg Community College. We honor and thank the Seay family for their contributions, which will benefit many generations of students.

And we have an alumnus whose gift will benefit engineering students pursuing graduate degrees. This alum has created a new annual scholarship that will provide $20,000 a piece to six graduate-level engineering students—that's $120,000 in new scholarship support for students in our College of Engineering and Applied Sciences. We also have a former WMU athlete (who lettered) who established a $50,000 endowment designed to provide degree-completion funding to help basketball players finish their schooling. So, a hearty thank you to these and to all of our donors.

Think Big Town Halls

I would like to end by thanking all those who took part in our "Think Big" town hall meetings in late November and last week. There were some 300 people—faculty, staff, students, administrators, alumni and community members—here in the Bernhard Center, all engaged in identifying a point of distinction for WMU. It was truly exciting to be involved in those exercises.

As a result of the brain power in that room—and there was a lot—we have in hand 97 distinct ideas generated through those sessions. And surveying showed that 90 percent of participants departed their town hall session feeling more hopeful than when they started the exercise. An's 94 percent said they would recommend the experience to others. We thank to Provost Bott, Vice President Tony Proudfoot and their teams for organizing and leading those sessions.
ATTACHMENT C

REMARKS TO WMU BOARD OF TRUSTEES
December 12, 2018
Richard A. Gershon

*See Attached Slide Deck*
Western Michigan University
Board of Trustees
December 12, 2018

Richard A. Gershon, President
Western Michigan University Faculty Senate

Faculty Senate Executive Board

Janet Hahn, Vice President
Suzan Ayers, Immediate Past President
Osama Abudayyeh, Director
Carla Chase, Director
John Jellies, Director
Marilyn Kritzman, Director
William Rantz, Director
C. Dennis Simpson, Director
Bret Wagner, Director
MOA-18/05: Creation of Undergraduate GPA Revision Policy

- On Thursday, December 6th, the Faculty Senate passed MOA-18/05 which is intended to give WMU undergraduate students a second chance with respect to changing majors to another department or college.
- This policy initiative is about second chances and long-term student success at Western Michigan University.

GPA Revision Features:
- A student can change majors to another department with an expectation that up to three courses may be removed from the student’s GPA calculation.
- The credits earned for these courses will be removed from the student’s academic record.
- All grades will remain on the official transcript but will not be calculated into the GPA or credits earned.
- There will be no refund of tuition or fees for courses removed from the GPA revision.
- GPA revision applies only to courses within the student’s previous major. It does not apply to future WMU Essential Studies except for courses that count for both WES and the major.
President’s Survey

On November 6th, the Faculty Senate launched the faculty appraisal for President Montgomery with a return date of Monday, November 19th.

We had a response rate of 210 faculty.

The revised survey was 20 questions in length, down from the previous 38. The completed survey results were presented to the Board of Trustees and the President on November 30th.
16. During the President's tenure, WMU has improved as an institution.
17. In summary, the President is an effective leader of WMU.
In summary, the President is an effective leader of WMU.

n = 210
WMU Essential Studies

- Over 350 classes have been initiated in the submission process. Approximately, 10% of those are brand new courses.

- The majority of the courses submitted are currently being reviewed by their respective colleges. The WMU Essential Studies Course Review and Approval Committee will begin its processing of the proposals in January.

- Approximately, 234 courses will have been submitted by the College of Arts & Sciences (CAS) alone. There will be additional courses being submitted by CAS in later January.

- The goal is to have all courses for the initial Essential Studies program approved by the end of spring semester for a fall 2020 launch.
WMU Essential Studies cont.

- Once courses are approved, the committee will spend the summer making sure there are sufficient numbers of courses in each category and addressing when and how courses will be offered to ensure the program meets student demand.

- The Navigating WMU Essential Studies workshops were very successful. Over 120 faculty attended. Additionally, members of the WMU Essential Studies Executive Advisory Committee met individually with 20 departments to discuss and plan for the program.
Faculty Senate Council Reports

- The **Campus Planning and Finance Council** learned of, and provided input into, institutional processes for enrollment forecasting and recruitment strategies and supports continued strategic and innovative approaches to ensure WMU matriculation targets are met.

- The **Undergraduate Studies Council** has considered 34 curriculum proposals; recommended a Memorandum of Action for the establishment a formal process for designating service learning courses; and considered a policy covering non-degree undergraduate students.

- Since the beginning of the 2018-19 academic year, the **Graduate Studies Council** has reviewed and approved 14 curriculum proposals intended to improve graduate programing options for our students, as well as began work on reviewing policies and procedures as needed to better support students.

- The **International Education Council** has investigated ways in which the new WMU budget model might affect international education and it has worked with the Haenicke Institute to develop a new Global Classrooms initiative, which has the potential to transform cross-cultural student interaction at WMU.
Thank you
PROPOSAL: 2019 Western Michigan University Board of Trustee Officer Election

Chair        James B. Bolger
Vice Chair    Lynn L. Chen-Zhang
Secretary     Kahler B. Schuemann
Treasurer and Assistant Secretary   Jan Van Der Kley
Assistant Treasurer     Patti Van Walbeck

Recommended Action

It is recommended the Western Michigan University Board of Trustees elect the proposed Officers for 2019.
PROPOSAL:  Student Room and Board Rates Summer 2019

Background
Summer 2019 room and board rates were approved by the Board of Trustees on April 18, 2018. These rates included a traditional double rate with a 15 meal plan of $2,371 and a traditional double rate with a 10 meal plan of $2,230.

In order to provide students the most flexibility in housing options for summer 2019, approval of summer session rates for additional room types is being requested. The guaranteed single rate is for a space that was built for single occupancy while the single rate allows single occupancy in a space that was built for double occupancy.

Recommended Rates – per session

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<th>Room and Board (15 Meal Plan)</th>
<th>Proposed Summer 2019 Rates per Session</th>
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<tr>
<td>Traditional Halls Guaranteed Single Summer Session</td>
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<th>Room and Board (10 Meal Plan)</th>
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Recommended Action
It is recommended the administration be authorized to implement the room and board rates for summer 2019, effective summer I 2019 and summer II 2019.
PROPOSAL: Western Michigan University Audit Committee Charter

Background

The Western Michigan University (WMU) Audit Committee assists the Board of Trustees in fulfilling its oversight responsibilities relating to: (1) the integrity of the University’s financial statements, and internal control system (2) the external auditor’s qualifications and independence, (3) the performance of the University’s external auditors, (4) communication with and oversight of the University’s internal auditors, (5) matters involving compliance with Board policies including conflict of interest and other matters designated by the Chair of the Board, the President, Treasurer, or Assistant Treasurer.

The Audit committee functions from a Charter approved by the Board of Trustees on July 25, 2012 and revised on June 8, 2016. The proposed updates to the Charter include: (1) allowing for the addition of up to two more audit committee members approved by the Board of Trustees, (2) expanding the focus beyond financial reporting by adding Internal Control to additional sections, (3) including an Internal Audit section to highlight updates and expected report outs, (4) recommending the Board of Trustees formally accept the audited financial statements, and (5) Audit Committee members would be required to adhere to the University’s Conflict of Interest Policy.

Recommended Action

It is recommended the Western Michigan University Board of Trustees accept the revised Audit Committee Charter.
Western Michigan University (WMU)
Audit Committee Charter

Purpose and Scope of Responsibility

To assist the WMU Board of Trustees (hereinafter “Board of Trustees”) in fulfilling its oversight responsibilities relating to: (1) the integrity of the University’s financial statements, and internal control system (2) the external auditor’s qualifications and independence, (3) the performance of the University’s external auditors, (4) communication with and oversight of the University’s internal auditors, (5) matters involving compliance with Board policies, including conflict of interest; and other matters designated by the Chair of the Board, the President, Treasurer, or Assistant Treasurer.

Authority

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. The audit committee shall have no other authority than that conferred on them by the Board of Trustees, shall exercise no final authority, and shall have no power to act on behalf of or in place of the Board of Trustees. It is empowered to:

- Appoint and oversee the work of the public accounting firm employed by the University to conduct the annual financial audit subject to the recommendation of the Treasurer, as well as other contracted engagements.
- Resolve any disagreements regarding financial reporting.
- Retain independent counsel, accountants or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from the appropriate individuals, all of whom are directed to cooperate with the committee’s requests, or external parties.
- Meet with officers, external auditors, or outside counsel as necessary.
- Make determinations brought to it by the Director of Internal Audit upon request by the President, or the Treasurer, Assistant Treasurer, or General Counsel, in response to disclosed, potential, and/or actual conflicts of interest as defined by the University’s conflict of interest policy.
- Other responsibilities as the Chair of the Board of Trustees directs or requests.
- Other actions as described in this Charter.

Composition

The audit committee will consist of at least three (3) members and no more than five (5) members. The committee can be comprised of current and/or emeriti trustees of the Board, current and/or former directors of the WMU Foundation, alumni of the University, or WMU community members that have some interest in WMU.

Each committee member will be independent and have a basic understanding of finance and accounting, with the ability to read and understand fundamental financial statements. The members should also collectively possess sufficient knowledge of audit, finance, specific
PROPOSAL: Gift Report

Background

This report includes activity for the months of October and November. The year-to-date total gifts, pledges and deferred commitments for the current period ending November 30, 2018 is $17,643,343. Information regarding major gifts for July, August and September is also provided.

Recommended Action

It is recommended this gift report including activity for the months of October and November be approved.
industry knowledge, IT, law, governance, risk, and control. Committee member additions are to be approved by the Board of Trustees.

Meetings

The committee will meet as needed but will convene at least twice per fiscal year, with authority to convene additional meetings as circumstances require. The committee will invite University employees, auditors, or others to attend meetings and provide pertinent information as necessary.

Responsibilities

The committee is charged with carrying out the responsibilities as described above and as follows:

Financial Statements

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
  - Complex or unusual transactions and highly judgmental areas
  - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the University’s selection or application of accounting principles
  - The effect of regulatory and accounting initiatives as well as off-balance sheet structures on the financial statements of the University
- Review analyses prepared by University staff and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- Review with the Treasurer and the external auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the external auditor’s activities or on access to requested information and any significant disagreements with the Treasurer.
- Discuss the annual audited financial statements with the Treasurer and the external auditors, including the University’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”
- Recommend acceptance of the audited financial statements to the Board of Trustees.
- Other responsibilities as the Chair of the Board of Trustees directs or requests.

Internal Control

- Consider the effectiveness of the University’s internal control system, including information technology security and control.
- Understand the scope of internal and external auditor’s review of financial and internal control system, and obtain reports on significant findings and recommendations together with management’s responses.
Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review significant findings of any financial and internal control system examinations by regulatory agencies, and any auditor observations.
- Obtain regular updates from the President, Treasurer, and General Counsel, as appropriate, regarding significant compliance matters.

External Audit

- Review with the external auditor the annual audit plan including, proposed audit scope, approach, risk assessment, critical accounting policies and estimates and scope of reports to be issued for other University reporting entities or activities, including coordination of audit effort with the University’s Internal Audit Department.
- At least twice per fiscal year, meet with the external auditor to discuss audit conclusions and review the results including the applicable audit reports, required auditor communications and any management letters of recommendation.
- At least annually but as needed, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Internal Audit

- Review and approve proposed risk-based internal audit plan and make recommendations concerning internal audit projects.
- Review internal audit reports and results of special investigations.
- Inquire of the Director of Internal Audit about steps taken to ensure that internal audit activity conforms with the IIA’s International Standards for the Professional Practice of Internal Auditing.
- Inquire of the Director of Internal Audit whether any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, should be taken.

Conflicts of Interest

- Adhere to the Board of Trustee’s Conflict of Interest Policy. It is the responsibility of the audit committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee.
- Make any determination as requested by the Board of Trustees or senior university administrators pursuant to the University’s Conflict of Interest Policy regarding a transaction or arrangement involving a material interest between the University and any interested person.
Reporting Responsibilities

- Regularly report to the Board of Trustees about committee activities, such as issues that arise with respect to the quality or integrity of the University’s financial statements, the University’s compliance with legal or regulatory requirements, and the performance and independence of the University’s external auditors.
- Provide an open avenue of communication between the University’s internal auditors, the external auditors and the Board of Trustees.
- Review any other reports the University issues that relate to committee responsibilities.

Other Responsibilities

- Discuss with the Treasurer the University’s major policies with respect to risk assessment and risk management as it relates to the financial and internal control activities of the University.
- Review and monitor the University’s methods and procedures for the receipt, retention, and treatment of significant allegations of criminal or ethical violations reported by University employees, students, contractors, and other University affiliated persons.
- Review all whistleblower allegations that are reported to the internal audit department through the reporting hotline or other medium. Provide oversight of internal audit and management’s response to the allegations.
- Perform other activities related to this charter as requested by the Board of Trustees.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting Board of Trustees approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.

Audit Committee Charter

Approved by the WMU Board of Trustees on July 25, 2012
Revised by the Audit Committee June 8, 2016
Last reviewed by Audit Committee February 18, 2019
Approved by WMU Board of Trustees as revised on ____________, 2019
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**Definitions:**
- Cash Received: Includes all cash gifts and pledge payments from living donors.
- Cash Pledged: Includes all new pledges.
- Planned Gifts Received: Includes all bequests (estate gifts) received.
- Planned Gifts Pledged: Includes all new bequests (estate pledges) from living donors.
- Inkind Received: Includes all inkind gifts received (e.g., personal property, company products, etc.).
- Inkind Pledged: Includes all new inkind pledges (e.g., personal property, company products, etc.).

*In this column, the donor is counted only once per category. For example, if a donor gave a cash gift to Athletics and one to Business the donor would be counted twice. However, if the same donor gave a

**This includes funds for areas such as Alumni Association, Miller Auditorium, Landscape Services, Campus Facilities, etc. that don't fall into categories listed above.

Distinct Donors: 6,266
## WMU Foundation
### Summary Gift & Commitment Report
#### Five Year Comparison

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<th>FY2014-15 Total</th>
<th>FY2015-16 Total</th>
<th>FY2016-17 Total</th>
<th>FY2017-18 Total</th>
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| Cash Received                | 17,770  | 43,308,711    | 18,122  | 53,179,851    | 17,373  | 44,885,393   | 16,696  | 41,664,232    | 6,680   | 8,299,932    |
| Cash Pledged                 | 2,135   | 33,818,099    | 1,422   | 8,630,352     | 2,034   | 8,726,445    | 1,586   | 4,551,581     | 816    | 1,830,346    |
| Planned Gifts Pledged        | 27      | 4,343,000     | 27      | 5,779,000     | 35      | 11,842,013   | 53      | 10,142,600    | 11     | 7,083,100    |
| Inkind Received              | 204     | 1,598,053     | 197     | 2,681,556     | 160     | 368,151      | 150     | 566,404       | 87     | 429,965      |
| Inkind Pledged               | 12      | 2,198,335     | 10      | 31,501        | 7       | 43,898       | 9       | 87,000        | 0      | 0            |

### Definitions:
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- **Cash Pledged**: Includes all new pledges.
- **Planned Gifts Pledged**: Includes all new bequests (estate pledges) from living donors.
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*In this column, the donor is counted only once per category. For example, if a donor gave a cash gift to Athletics and one to Business the donor would be counted twice. However, if the same donor gave a

**This includes funds for areas such as Alumni Association, Miller Auditorium, Landscape Services, Campus Facilities,**
New Gifts:

Alliant Energy Corporation $10,000 Adele Carley-Hake Fund
Robert R. Corrion 6,000 Department of Speech, Language and Hearing Sciences
Robert R. Corrion 6,000 College of Engineering and Applied Sciences
Robert R. Corrion 6,000 College of Engineering and Applied Sciences Student Activities for Sunrayce Project
Parker Hannifin Corporation 10,500 Engineering Design, Manufacturing and Management Systems
First Agency, Inc. 10,000 First Agency Foundation Endowed Scholarship
Kelly Lycan 16,148 Gary Fund for women's track
Harold R. Miller Estate 11,650 School of Music
Peter E. Parker 10,000 Chemical Engineering Endowed Scholarship
Phyllis Ash Seabolt Estate 10,724 Phyllis E. Seabolt Endowed Scholarship
Ruth H. Seay Estate 625,736 Maurice F. Seay Graduate Fellowship

New Pledges:

Jeanne H. Carlson $92,184 Jeanne DuBois Carlson Endowed Scholarship Fund
Carol A. Hurley 15,000 Carol A. Hurley Endowed Scholarship
Ronald L. Jones and Carrie L. Jones-Barber 100,000 Carrie Jones Barber and Connie Jones Forcier Endowed Scholarship
Keith and LeaAnne LaVanway 30,000 Keith and LeaAnne LaVanway Scholarship Fund
Mass Mutual Great Lakes 30,000 Robert S. Kaiser Sales Lab Operating Fund
George and Louise Robeck 10,000 WMU School of Communication

Deferred Pledges:

William and Patricia Hickmott $308,100 Bequest
Anonymous Donor 1,000,000 Bequest**
PROPOSAL: Operating Cash Accounts

*Additional materials can be obtained through the Board of Trustees Office.
PROPOSAL: Annuity and Life Income Funds

*Additional materials can be obtained through the Board of Trustees Office.