



Board of Trustees

Finance, Audit, Compliance,
Facilities and Operations
Committee

August 20, 2020

BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY
Finance, Audit, Compliance, Facilities and Operations Committee
12:00 p.m. – Thursday – August 20, 2020

This BOT meeting is being conducted through video conferencing communications and is being conducted pursuant to Section 6 of Executive Order 2020-7 (Suspending OMA requirements of in person attendance by members of a public body).

AGENDA

1. Call to Order and Roll Call
2. Verification of Quorum and Appropriate Notification of Public Meeting
3. Meeting Agenda Approval..... *Action*..... i
4. [Review and Approval of Minutes of May 14, 2020](#) *Action*..... 1
5. Chair's Comments/Announcements
6. Public Comment*
7. Financial Update
 - a. [FY21 University Preliminary Budget – Summary Update](#) *Information*..... 7
8. University Recommendations
 - a. [Classroom Technology Upgrades](#) *Action*..... 10
9. University Reports
 - a. [Quarterly Summary Report of Transactions in Excess of \\$100,000 for the Period April 1, 2020 to June 30, 2020](#)..... *Information*..... 11
 - b. [FY20 Annual Summary Report Obligation of Financial Resources Year ended June 30, 2020](#) *Information*..... 14
 - c. [FY20 Annual Report of Cash and Investments for Period Ending June 30, 2020](#) *Information*..... 15
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 - e. [Campus Facility Project Update](#) *Information*..... 22
10. Other Matters
11. Next Meeting Date
12. Adjournment

*Individuals wishing to make an appearance before the Board should consult the [Bylaws of the Board of Trustees of Northern Illinois University](#), Article II, Section 4 – *Appearances before the Board*. Appearance request forms can be completed [online](#) in advance of the meeting. For more information contact Crystal Doyle, ccoppel@niu.edu, Recording Secretary to the Board of Trustees, Altgeld Hall 300, DeKalb, IL 60115, 815-753-1273.

Anyone needing special accommodations to participate in the NIU Board of Trustees meetings should contact Crystal Doyle, ccoppel@niu.edu or (815) 753-1273, as soon as possible.

Minutes of the
NIU Board of Trustees of Northern Illinois University
Finance, Audit, Compliance, Facilities and Operations Committee
May 14, 2020

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 11:04 a.m. by Committee Chair Eric Wasowicz. This Finance, Audit, Compliance, Facilities and Operations Committee meeting is being conducted through video conferencing communications and is being conducted pursuant to Section 6 of Executive Order 2020-7 (Suspending OMA requirements of in person attendance by members of a public body). Recording Secretary Sandy McCartney conducted a roll call of the Trustees. Members present were Trustee Rita Athas (at beginning of meeting had audio only, fully joined meeting at 11:27 a.m.), Trustee John Butler (joined meeting at 11:10 a.m.), Trustee Montel Gayles, Trustee Veronica Herrero, Trustee Bob Pritchard, Trustee Madalynn Mershon, Board Chair Dennis Barsema, and Committee Chair Eric Wasowicz. There were no members absent. Also present were President Lisa Freeman, Committee Liaison Sarah Chinniah, General Counsel Bryan Perry, and Board Liaison Matt Streb.

2. VERIFICATION OF QUORUM AND APPROPRIATE NOTICE OF PUBLIC MEETING

General Counsel, Bryan Perry, indicated the appropriate notification of the meeting has been provided pursuant to the Illinois Open Meetings Act. Mr. Perry also advised that a quorum was present.

3. MEETING AGENDA APPROVAL

A motion to approve the agenda was made by Trustee Montel Gayles; seconded by Trustee Veronica Herrero. All were in favor. None were opposed. The agenda was approved.

4. REVIEW AND APPROVAL OF MINUTES

A motion to approve the minutes of the February 13, 2020 meeting was made by Board Chair Dennis Barsema; seconded by Trustee Bob Pritchard. All were in favor. None were opposed. The minutes were approved.

5. CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Wasowicz commented about the change to the university and community due to the COVID-19 virus. He acknowledged President Freeman, VPCFO Chinniah, EVPP Ingram and their Leadership Team to prioritize the Northern Illinois Students and the University Community above all other concerns. Committee Chair Wasowicz discussed the unexpected expense and loss of revenue due to the COVID-19 Virus. He confirmed that though there would be money coming from the government it would not be enough and not arrive soon enough. He spoke about the longer-term uncertainty with Enrollment, State Appropriations and philanthropy and again acknowledged President Freeman, VPCFO Chinniah, and EVPP Ingram for working with the NIU leaders and shared governance through all these uncertainties. In closing, Committee Chair Wasowicz thanked Governor Pritzker for making an executive decision to alter the Open Meetings Act, making it possible to meet in this format and to meet in a safe format.

Committee Chair Wasowicz acknowledged the members of the University Advisory Committee. Jeffrey Royce spoke and stated he would save his comments for the special meeting and added Cathy Doederlein sent her regrets indicating she would not be able to attend today's meeting. No

other comments provided.

6. PUBLIC COMMENT

There were no public comments. There was one request, but the requestor spoke at the prior meeting.

7. FINANCIAL UPDATE

Information Item 7.a. – FY19 Audit and Financial Results

VPCFO Sarah Chinniah presented Item 7.a. the FY19 Audit and Financial Results.

VPCFO Chinniah commended the Controller's Office, Internal Audit, Human Resources, Financial Aid, Sponsored Programs Administration, and both NIU Foundation and Research Foundation for their work in support of the audit.

Board Discussion followed.

Trustee Barsema inquired about the working capital ratio range and if there was a specific goal. VPCFO Chinniah recognized it was useful to use the full range of working capital throughout the year as these were acceptable boundaries.

The committee discussed there being no "material weakness" findings in our financial result and inquired if we had any findings in past fiscal years. AVP Shyree Sanan reported we did have material weaknesses in our financial reports for the last several years and Trustee Barsema recognized not having any audited material weaknesses in FY19 as a significant move forward and thanked AVP Sanan and her team for their work.

Information Item 7.b. – FY19 External Audit Corrective Action Plans Update

VPCFO Sarah Chinniah presented Item 7.b. the FY19 External Audit Corrective Action Plans Update.

Board Discussion followed.

The Committee discussed the Audit finding referencing the lack of annual performance reviews and noted it was critical that this finding be addressed. VPCFO Chinniah assured the Board policies were being set up as well as reminders and additional check points to stay aligned with processes already established.

Information Item 7.c. – Division of Administration & Finance Refinancing of Series 2010 & 2011 AFS Revenue Bonds

VPCFO Sarah Chinniah presented Item 7.c. – Division of Administration & Finance Refinancing of Series 2010 & 2011 AFS Revenue Bonds.

Board Discussion followed.

The committee discussed how the determination was made to use a 20-year window as the time period for taking the bonds' savings and if this was within the General Acceptable Accounting Principles (GAAP). Using the 20-year savings window will allow for the ability to structure plans around balancing the budget and having the flexibility to front load savings during this extended period.

Information Item 7.d. – Quarterly Financial Summary – FY20 Third Quarter

VPCFO Sarah Chinniah presented Item 7.d. the Quarterly Financial Summary – FY20 Third Quarter.

Board Discussion followed.

The Committee acknowledged all the hard work that goes into these summaries. The CARES Act was discussed and considered good news for the students. Discussion followed regarding personnel services. Explanations ensued regarding student payouts, and increased costs due to COVID-19. Board Chair Barsema inquired if this was a permanent increase or temporary and VPCFO Chinniah confirmed it was a combination of factors. CARES Act funding and decisions as to how to distribute money received was discussed. President Freeman provided a high-level overview of fund distribution. To ensure transparency relative to the distribution of funds to students, Board Chair Barsema requested keeping this matter on the Board's agenda for further reporting as money is distributed.

Board members requested, for future reporting, the continuation of defining the categories of revenue and expenses as this was helpful in understanding what each line item represented. Continuing to detail personnel services was also requested. It was also explained the University as a whole was working diligently to specifically track expenses and report information on COVID-19 impacts.

Information Item 7.e. – FY21 University Budget – Preliminary Summary

VPCFO Sarah Chinniah presented an update on Item 7.e. the FY21 University Budget – Preliminary Summary.

Board Discussion followed.

Board members expressed concerned with so many unknowns due to COVID-19. Trustees inquired as to how the FY21 preliminary budget would be presented during the June meeting. Board members asked if there might be different scenarios laid out in preparation of a final budget. Discussion continued regarding how scenarios were changing daily and once the General Assembly came back to work on the budget there may be more clarity.

8. UNIVERSITY RECOMMENDATIONS

Action Item 8.a. – FY21 Cisco Hardware Maintenance Contract

VPCFO Sarah Chinniah presented Item 8.a. FY21 Cisco Hardware Maintenance Contract.

Committee Chair Wasowicz asked for motion to approve.

Motion was made by Board Chair Dennis Barsema and seconded by Trustee Rita Athas.

VPCFO Chinniah acknowledged CIO Matt Parks and his team for their work on moving this contract forward. There was no further board discussion.

The motion carried.

Action Item 8.b. – FY21 Division of Informational Technology Campus Printer/Copier Program Contract Renewal

VPCFO Sarah Chinniah presented Item 8.b. the FY21 Division of Information Technology Campus Printer/Copier Program Contract Renewal.

Committee Chair Wasowicz asked for a motion to approve.

Motion was made by Trustee Montel Gayles and seconded by Trustee Bob Pritchard.

Short board discussion followed.

The committee discussed the length of time for these contracts. Members who commented shared they were not against long term contracts as long as there were appropriate clauses for early contract termination with no penalty. Staff indicated that pricing is sometimes better with longer term contracts.

Committee Chair Wasowicz acknowledged the savings of \$3.1M due to the copier program currently set up and congratulated Administration and Finance and Information Technology.

All in favor.

None opposed.

The motion carried.

Action Item 8.c. – FY21 NIU Foundation Professional Services Contract

VPCFO Sarah Chinniah presented Item 8.c. FY21 NIU Foundation Professional Services Contract.

Committee Chair Wasowicz asked for a motion to approve.

Motion made by Trustee Veronica Herrero and seconded by Trustee John Butler.

Board discussion followed.

Trustee Gayles requested a short presentation from the Foundation at a later Board of Trustee's meeting to understand the goals for philanthropy. It was discussed the Foundation routinely gives a report at the full Board of Trustee's meeting in June and VP Squires acknowledged she would add this request to her June report.

All in favor.

None opposed.

The motion carried.

Action Item 8.d. – FY21 Intercollegiate Athletics Secondary Student Health Insurance Contract Renewal

VPCFO Sarah Chinniah Presented Item 8.d. the FY21 Intercollegiate Athletics Secondary Student Health Insurance Contract Renewal.

Committee Chair Wasowicz asked for a motion to approve.

Motion was made by Trustee Bob Pritchard and seconded by Trustee Rita Athas.

There was no further discussion.

All in favor.

None opposed.

The motion carried.

Action Item 8.e. – Naperville Out-Lease with American Institutes for Research (AIR)

VPCFO Sarah Chinniah presented Item 8.e. with Naperville Out-Lease with American Institutes for Research (AIR).

Committee Chair Wasowicz asked for a motion to approve.

Motion was made by Trustee Bob Pritchard and seconded by Board Chair Dennis Barsema

All in favor.

None opposed.

The motion carried.

Action Item 8.f. – Out-Lease with Illinois Department of Agriculture

VPCFO Sarah Chinniah presented Item 8.f. – Out-Lease with Illinois Department of Agriculture.

Committee Chair Wasowicz asked for a motion to approve.

Motion was made by Trustee Montel Gayles and seconded by Trustee Rita Athas.

Discussion followed.

Questions were asked and answered as to how much of the facility was being leased and if the NIU Press was still located in this space. President Freeman added NIU press is no longer in the physical building however, they continue to handle acquisitions while production is managed by Cornell University Press. There was further discussion as to other leases at risk for possibly non-renewal or if any current lessees had requested waivers or forgiveness during this COVID-19 period. AVP Heckmann confirmed no other lessees had requested waivers or payment forgiveness.

All were in favor.

None were opposed.

The motion carried.

9. UNIVERSITY REPORTS

Information Item 9.a. – Periodic Report on Investments for Period Ending March 31, 2020

Information Item 9.b. – Quarterly Summary Report for Transactions in Excess of \$100,000 for the Period January 1, 2020 to March 31, 2020

Information Item 9.c. – Semi-Annual Progress Report of Active Capital Projects with a Budget over \$100,000

VPCFO Sarah Chinniah informed the Board the University is providing three informational items which included comprehensive write ups for the committee's reference. Included were the reports in support of 9.a. the Periodic Report on Investments for Period Ending March 31, 2020, 9.b. the Quarterly Summary Report for Transactions in Excess of \$100,000 for the Period January 1, 2020 to March 31, 2020, and 9.c. the Semi-Annual Progress Report of Active Capital Projects with a Budget over \$100,000.

VPCFO Chinniah stated completed write ups were provided in support of these reports, therefore remarks or discussion were not planned for each item, unless someone had a question or comment.

VPCFO Chinniah brought to the attention of the committee the Periodic Report on Investments materials, given the earlier discussion and comment about ratios and cash position. Due to the expenditure of the remaining proceeds from the Build America Bonds there would be an intentional reduction in the total holdings balance as of March 31, 2020. Part of the decrease was a result of NIU's planned spending of Build American Bond funds in support of the Holmes Student Center renovation project and the remaining difference a result of lower cash receipts and higher cash distributions over the same time period from the previous fiscal year. NIU is working with the state to receive the remainder of its state appropriation. Until those funds are received a lower balance will be reflected than had been previously reported.

There were no questions.

Committee Chair Eric Wasowicz shared closing comments by stating in part, that although focused on looking ahead, let us take a moment and celebrate the successful refinancing of our AFS Bonds, which we need greatly right now and will benefit us in the years to come. Additionally, Committee Chair Wasowicz acknowledged the efforts of President Freeman, VPCFO Chinniah, and AVP

Sanan in addressing the long-standing audit findings on Internal Control and Financial Reporting as we challenge the university leadership to put in place controls that demonstrate accountability and transparency. The Leadership team continues to make good progress to address these challenges. The Board has confidence President Freeman will continue the path to move NIU forward and we appreciate the continued effort to prioritize the needs of students and align resources to make this happen. We do not take for granted the effort needed to navigate in this unprecedented time and commend our divisional leaders, deans, faculty and staff for their engagement in this process.

We appreciate your effort and we are here as a board to advise and be available to you at any point or any time.

10. OTHER MATTERS

There were no other matters.

11. NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be August 20, 2020.

12. ADJOURNMENT

Committee Chair Wasowicz asked for a motion to adjourn meeting.
Motion was made by Board Chair Dennis Barsema and seconded by Trustee Bob Pritchard.
No discussion.

All were in favor.
None were opposed.

The meeting adjourned at 12:42 p.m.

Respectfully submitted,

Sandy McCartney
Recording Secretary

In compliance with Illinois Open Meetings Act 5 ILCS 120/1, et seq, a verbatim record of all Northern Illinois University Board of Trustees meetings is maintained by the Board Recording Secretary and is available for review upon request. The minutes contained herein represent a true and accurate summary of the Board proceedings

FY21 UNIVERSITY PRELIMINARY BUDGET – SUMMARY UPDATE

Overview and Summary:

In March 2020, the COVID-19 pandemic disrupted normal university operations and preempted FY21 budget development because of the immediate need to address concerns related to the health and well-being of our students, faculty and staff. Since that time, COVID-19 has continued to present university leadership with mounting uncertainties and has adversely impacted NIU's financial position. In this context, leadership presented an FY21 preliminary budget for approval that provided initial budget authority and allowed the university to operate at the start of the new fiscal year, beginning July 1, 2020.

Leadership utilized a conservative approach to projecting revenues using the following assumptions:

- The university is holding housing prices flat despite single-occupancy for students.
- The university is maintaining its commitment to hold tuition flat. Therefore, undergraduate and graduate tuition revenue is 92% of the FY20 year-end projected actuals. The 8% reduction allows for fluctuation in enrollment.
- Fee revenues are based on 244,800 student credit hours (80% of 306,000, the original planning target confirmed in December 2019). The 20% reduction in credit hours allows for fluctuations in enrollment.
- State appropriations are listed at \$87.8M, the full appropriation from the prior year.

For expense projections, a most-likely approach was utilized. In this most-likely scenario, NIU neither assumed up-side nor down-side performance. Rather, best available information as of May 31, 2020, was utilized.

- General revenue fund expenses assume reductions already committed.
- Auxiliary expenses include a fall semester housing operating loss of \$3.4M.
- Personnel adjustments include the anticipated savings from actions already made including voluntary pay cuts for senior leaders, voluntary retirement program for staff, reduction of extra help, a hiring chill and personnel actions such as layoffs, position eliminations and non-renewals.
- Debt service per known schedules, including the \$6M in savings from the bond refinance completed in FY20.
- Planned increase in commitments for financial aid and scholarships for students, including AIM High.

June 18, 2020 Board Action:

The Board of Trustees approved an FY21 preliminary internal budget including \$361.4M in revenue against \$400.3M in anticipated expenses, including a state appropriation of \$87.8M. This preliminary internal budget uses revenue and cost assumptions based on limited available data and in anticipation of a shortfall of approximately \$38.8M.

The preliminary budget was approved with the understanding that in September 2020, a revised FY21 internal budget will be presented to the board that will reflect better revenue and expense projections, based on clarification of fall enrollment, residence hall occupancy and commitments of additional federal aid to universities. Until university leadership returns to the board in

September with a revised budget, leadership will preserve financial flexibility in short- and long-term planning.

Summary of Notable Actions since June 18:

A series of approved actions have been deployed to reduce expenses and mitigate financial loss. These actions include voluntary pay reductions for senior leaders, a voluntary retirement program for staff, reduction of extra help, a hiring chill and personnel actions such as layoffs, position eliminations and non-renewals, as well as savings from the bond refinance.

Many FY21 budget parameters driven by external environmental factors remain unsure. These factors include Fall 2020 enrollment, residence hall occupancy, and availability of federal aid and state operating support to the university. The status of intercollegiate sports seasons, scheduled academic and professional conferences, and contracts for some services also remain uncertain at this time. Additionally, efforts in support of COVID-19 testing, reducing density in classrooms, utilization of residence halls and facilities throughout campus, and securing and distributing the appropriate protective gear and measures remain in process.

Due to the continued lack of certainty, university leadership continues to model different scenarios and the associated financial impacts. The FY21 preliminary internal budget reflects the base case for next year; at this time, an anticipated \$38.8M shortfall.

Contingency plans are under discussion should they be needed.

In support of presenting a revised FY21 internal budget to the Board, Provost and Executive Vice President Ingram and Vice President and CFO Chinniah are working with Deans and Divisional Leaders to translate budget assumptions into operational plans and to understand and incorporate impacts of these scenarios into specific projections for NIU's budget. Typically, sources of data for budgeting include past spending and revenue levels. An over-reliance on past spending, however, assumes previous spending aligns with FY21's strategic priorities. To ensure that essential, strategic spending is at the heart of FY21 budget development, guidelines for financial decision-making were communicated in advance of budget discussions with Deans and Divisional Leaders. These guidelines include a focus to protect the health and well-being of students, faculty and staff, to align activities in support of the strategic action planning framework, to consider the short-term as well as long-term, and be judicious with university resources.

The Divisional Leaders and Deans are committed to reducing expenses in FY21. Each has taken an approach which makes sense for that respective operational unit.

As part of the conversations, leaders were asked to move from crisis response in the immediate term to bolder, strategic ideas as NIU looks toward structural stability in the years ahead. Leaders were also asked to look at investment decisions that would protect enrollment and student success goals rather than simply cost containment.

Next Steps:

Leadership will continue to monitor the situation and will return to the board on September 17, 2020 to present an FY21 revised budget that updates and solidifies our revenue assumptions regarding student credit hours, tuition and student fees; receipt of state appropriations and additional federal assistance; and anticipated auxiliary revenue associated with housing, dining, sales and conferences. At this time, the university will also confirm plans to reduce expenses.

NIU leadership is closely monitoring information provided by the Governor and the Illinois Department of Public Health. The health, wellness, and safety of the entire campus community is a priority and at the center of our decision-making. Because this is a dynamic environment,

leadership will present quarterly budget updates to the Finance, Audit, Compliance, Facilities and Operations Committee of the Board of Trustees during the February and May meetings in calendar year 2021 noting quarterly budget performance, summarizing variances, and providing year-to-date forecasts.

The university will resume planning efforts for future fiscal years, including a revision of the multiyear framework mid-FY21. Worksheets will be created and distributed to local university units to capture preliminary plans for FY22 and beyond. This information, combined with greater certainty about the post-pandemic fiscal environment, will be critical to re-establishing multiyear university budget goals.

CLASSROOM TECHNOLOGY UPGRADES

Summary: Academic Affairs and the Division of Information Technology (DoIT) requests permission to purchase classroom technology enhancements in order to support lecture-capture, 2-way collaboration and streaming capabilities across approximately 200 classrooms on campus.

Background: In response to the COVID-19 pandemic, and in order to create a flexible teaching and learning environment that supports both in-person and remote learning capabilities, technology upgrades to the classroom are needed. These upgrades enable important capabilities in the classroom, such as: lecture-capture, 2-way collaboration between faculty/instructor and in-person/remote students, and live-streaming of lectures to remote students. These added classroom technological capabilities will make possible a safe and engaging learning environment that meets the needs of faculty and students, respects physical distancing, and enables new hybrid and staggered-attendance course offerings.

Additionally, students who may become ill or be unable to physically attend class will be able to continue in-person coursework remotely through viewing recorded or live-streamed lectures in conjunction with other technology-enabled teaching and learning methods. These classroom technology upgrades will not only meet the needs of faculty and students during the pandemic but will position the university for much greater flexibility in classroom teaching and learning modes of delivery going forward.

To meet campus needs, NIU sourced classroom technology equipment from seven separate vendors: CDW-G (a participating institution of the Illinois Public Higher Education Cooperative (IPHEC)), Conference Technologies, Kaltura, Amazon, Full Compass, Displays2Go, and B&H Photo (a recognized Business Enterprise Program (BEP) certified vendor); in order to meet the multiple configuration requirements of the different class delivery modalities. DoIT is overseeing the receiving/configuration/deployment of all equipment, and this funding request includes estimates regarding facilities work (i.e. power/wall mounts) in support of the deployment.

Funding: Institutional – Local Funds \$450,000

Equipment expenditures: \$400,000

Facilities Installation Support: \$50,000

Recommendation: The University recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and ask that the President forward it by means of the President's Report to the Board of Trustees for approval at the Special Meeting on August 20, 2020.

**QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF \$100,000
FOR THE PERIOD APRIL 1, 2020 TO JUNE 30, 2020**

Purchase Amount	No. of Transactions	Appropriated	Non-Appropriated	Total
Over \$100,000	10	\$245,550	\$1,141,350	\$1,386,900

TRANSACTION DETAILS:

Purchases:

1. Intercollegiate Athletics requested permission to issue an open order for Third Party Ticket Unit per consulting Service Agreement for ticket sales. This order was exempt from advertising on the Illinois Procurement Bulletin per exemption (30 ILCS 500 / 1-13(b)(2)). (Taymar Sales, Winston Salem, NC) 150,000
2. The Center for Accessible Resources in the College of Education requested permission to purchase emergency instructional supplies necessary to implement a face to face project that had been moved online. This order was exempt from being advertised on the Illinois Procurement Bulletin because it was an Emergency purchase of instructional supplies necessary to implement a face to face project that had been moved online due to the COVID-19 public health emergency. The project will be online for 1.5 semesters. (Woodlake Technologies, Chicago, IL) 105,800
3. An amendment was needed to increase the open order used to obtain legal services related to an ongoing water valve claim for Collegiate Housing Foundation for the period ending June 30, 2020. Original approval was obtained on the September 13, 2019 President's Report with subsequent amendments approved on the January 31, 2020 and February 21, 2020 President's Reports. This order was exempt from being advertised on the Illinois Procurement Bulletin per 30 ILCS 500/1-10(b)(7). (Foley & Lardner LLP, Chicago, IL) 110,000
4. An amendment was required to increase the amount of PO 169475 to purchase COVID-19 related items such as gloves, masks, etc. for resale to university departments for the period July 1, 2019 – June 30, 2020. The initial order of \$85,000 was submitted in the March 13, 2020 Presidential Report. This order was advertised under JMT16Disposables. (Edward Don, Chicago, IL) 105,000
5. The Bursar Office requested permission to issue an FY21 open order for collection agency commissions for commercial accounts receivable for the period July 1, 2020 – June 30, 2021. This order was exempt from advertising on the Illinois Procurement Bulletin because the vendor is a pre-approved IPHEC vendor. (National Credit Management, Woodland Hills, CA) 130,000

6. Transportation Services requested permission to issue an open order for gasoline and bulk diesel fuel to be used as needed for the period July 1, 2020 – June 30, 2021. This order was advertised on the Illinois Procurement Bulletin – PSCMAB04312020. (G. Cooper Oil, Frankfort, IL) 175,000

Capital Improvement Projects:

1. In order to maintain the east campus steam distribution, in a safe and efficient manner annual maintenance and repairs were required on the system by replacing expansion joints, exercising valves, and packing expansion joints, maintaining pumps, repairing stanchions, install valves and repairing insulation, as well as maintaining a portable boiler for the Holmes Student Center for a one week time period. This work was required to be performed when heating plant operations switched from heating to cooling season. Work was to be completed by a combination of NIU staff and outside contractors under the coordination of a NIU project manager. Total cost of the project was \$132,050, with 50% of the cost (\$66,025) being funded by Appropriated funds. 132,050**
2. In order to maintain west campus steam distribution, in a safe and efficient manner annual maintenance and repairs were required on the system by replacing expansion joints, exercising valves, and packing expansion joints, maintaining pumps and repairing insulation, as well as maintaining a portable boiler for occupied student housing for a one week time period. This work was required to be performed when heating plant operations switched from heating to cooling season. Work will be completed by NIU staff under the coordination of a NIU project manager. Total cost of the project was \$157,350, with 50% of the cost (\$78,675) being funded by Appropriated funds. 157,350**
3. Security camera repairs and upgrades were required to improve and enhance safety within the Neptune Hall residential complex. The project implements a security camera proof of concept design piloted at Stevenson Hall. The project will reduce identified physical access vulnerabilities, increase camera coverage, increase camera footage availability, simplify and secure access to camera footage, provide new capabilities to reduce the time to pull security camera footage related to incidents and provide integration with exit door access control systems. This complex has been identified as the top priority within all the campus residence halls for security camera upgrade. Work will be completed by a combination of outside contractors and in-house workforce under the coordination of a NIU project manager. 120,000

4. Maintenance and repairs are required at the East Heating Plant each summer to ensure that the aging steam boilers and associated steam distribution equipment have the ability and capacity to operate and generate steam for the entire campus during the winter season. Many of the repairs are related to worn, broken or non-functioning steam valves, nozzles, gauges, vents, expansion joints, control calibration equipment and other failed equipment that can cause serious operational and safety hazards or problems if not operating properly. To ensure that the reliable and safe steam production capacity is available for the next winter season, the maintenance and repairs must be completed during the summer shutdown of the system. Work will be completed by NIU staff under the coordination of a NIU project manager. Total cost of the project is \$201,700, with 50% of the cost (\$100,850) being funded by Appropriated funds. 201,700**

* Appropriated/Income Funds

**Appropriated/Income and other funds

**FY20 ANNUAL SUMMARY REPORT
OBLIGATION OF FINANCIAL RESOURCES
YEAR ENDED JUNE 30, 2020**

Category	Number of Purchase Transactions	Percentage of Total Transactions	Dollar Volume	Percentage of Total Dollar Volume
\$0 to \$25,000 ¹	2,773	85.61%	\$12,826,383	12.97%
\$25,001 to \$100,000 ¹	347	10.71%	18,483,576	18.69%
\$100,001 to \$250,000 ²	68	2.10%	11,713,176	11.84%
\$250,001 to \$500,000 ³	21	0.65%	6,797,783	6.87%
Over \$500,000 ³	30	0.93%	49,094,838	49.63%
TOTAL	3,239	100%	\$98,915,756	100%

The Annual Summary Report on the Obligation of Financial Resources is required by the Board of Trustees Regulations, (Section V, Subsection B.5) and supplements the “Periodic Summary Report of Transactions” which is presented on a quarterly basis.

Transactions reported to and/or approved by the Board of Trustees throughout the fiscal year and those included in the Quarterly Summary Report of Transactions reflect the maximum approved amount that orders may not exceed. Pursuant to this authority, the Annual Summary Report outlined above reflects orders actually placed, including purchases, change orders, personal and professional services, performance agreements, and capital projects.

Transactions above do not include purchase card obligations. This report is as of July 23, 2020 and is subject to change due to fiscal year-end close out activity.

¹Authorizations for transactions less than \$100,000 are approved at the university level (above \$25,000 by the President).

²Authorizations for purchases and capital projects between \$100,000 and \$250,000 are approved by the President and periodically reported to the Board of Trustees.

³Authorizations for purchases and capital projects exceeding \$250,000 are presented for approval by the Board of Trustees.

FY20 ANNUAL REPORT OF CASH AND INVESTMENTS FOR PERIOD ENDING JUNE 30, 2020

In accordance with the approved University Investment and Cash Management policy, this report on investments is submitted at the end of each calendar quarter to the Board of Trustees. This report is required by Board of Trustees *Regulations* (Section V, Subsection D). The following schedules are included:

- Report of Depositories as of June 30, 2020
- Cash and Investment Holdings Summary as of June 30, 2020
- Investment Earnings for the quarter ended June 30, 2020

The Investment Committee is responsible for monitoring compliance with the University's Investment and Cash Management Policy. The investment goals, as stated in the policy, are to insure the preservation of principal and maintain compliance with applicable state laws, rules, regulations, debt covenants and Board of Trustees *Regulations* while meeting cash flow needs and earning a yield acceptable to conservative investment managers.

The *Report of Depositories* is submitted annually, along with the University [*Investment and Cash Management Policy*](#). The depository report summarizes deposits and withdrawals in each bank account during the fiscal year. The ending balances reflect bank statement amounts and may differ from university financial records due to reconciling items. The *Report of Depositories* does not include the fixed income investment portfolio that contains \$25M in agency and Treasury notes.

The *Cash and Investment Holdings Summary* at June 30, 2020 shows NIU's total holdings of \$128.1M, which is down \$47M from the previous year. This difference is a result of cash disbursements exceeding cash receipts during the fiscal year, planned spending of BAB proceeds totaling \$12.3M to renovate the Holmes Student Center, and unexpected pressures on cash flow stemming from the coronavirus pandemic. The university anticipated state payments to be delayed as a result of the pandemic and their need to prioritize medical and health sector payments. The State of Illinois paid \$7-\$10M each month this quarter in Monetary Award Program (MAP) funds and/or state appropriations. The remaining unpaid state appropriations at fiscal year-end was approximately \$15.8M. The remaining \$15.8M was received by the state by the end of July.

The *Investment Earnings* report shows the interest earnings for the fourth quarter at approximately \$344,000, which is \$700,000 less than interest earned in the same quarter of FY19. Lower cash balances and declining market investment yields account for the difference. The annualized rates of return steadily decreased throughout FY20 from 2.23% to 1.05%.

Economic effects of the COVID-19 global pandemic triggered the worst recession since the Great Depression. However, economists predict growth in the second half of 2020 and throughout 2021. The anticipated growth is expected to be slow and uneven. The Federal Open Market Committee expects to maintain the federal funds interest rate in the target range of 0 to 25 basis points until the economy is on track to achieve maximum employment and price-stability goals.

Management is continuously monitoring market changes that will affect the university's cash management and investment goals. Management is committed to the fiscal sustainability of NIU and is reviewing all available options for strengthening the university's cash position.

Northern Illinois University
REPORT OF DEPOSITORIES
For the Year Ended June 30, 2020

	Beginning Balance 7/1/2019	Deposits*	Withdrawals*	Ending Balance 6/30/2020**
Amalgamated Bank				
Series 2010 Build America Bonds***	\$13,496,229	\$5,160,952	\$17,369,498	\$1,287,683
Series 2011 Revenue Bonds	-	1,295,519	1,295,519	-
Series 2014 Certificates of Participation***	-	1,507,117	1,507,100	17
Series 2020A Revenue Bonds***	-	29,667,319	29,664,119	3,200
Series 2020B Revenue Bonds***	-	152,794,760	152,792,437	2,323
	<u>\$ 13,496,229</u>	<u>\$ 190,425,667</u>	<u>\$ 202,628,673</u>	<u>\$ 1,293,223</u>
First National Bank				
Investment	\$ 409,963	\$ 59,246,091	\$ 59,301,494	\$ 354,560
Project Funds	712	1	713	-
Contributory Trust***	-	9,907,069	68,069	9,839,000
	<u>\$ 410,675</u>	<u>\$ 69,153,161</u>	<u>\$ 59,370,276</u>	<u>\$ 10,193,560</u>
First Midwest Bank				
Credit Card Account	\$ 50,000	\$ 58,702,249	\$ 58,702,249	\$ 50,000
Deposit Account	543,816	150,312,423	150,713,153	143,086
Disbursement Account	50,000	84,402,209	84,402,209	50,000
Investment Account***	52,744,789	393,175,795	397,002,529	48,918,055
Payment Account	50,000	404,557,500	404,557,500	50,000
Payroll Account	122,002	161,426,360	161,447,544	100,818
	<u>\$ 53,560,607</u>	<u>\$ 1,252,576,536</u>	<u>\$ 1,256,825,184</u>	<u>\$ 49,311,959</u>
JP Morgan Chase Bank				
CD***	\$ 1,000,000	\$ 514,019	-	\$ 1,514,019
Illinois National Bank				
NIU Operations- IL Funds	\$ 4,990	\$ 404,114	\$ 404,104	\$ 5,000
US Bancorp Fund Services				
NIU Operations- IL Funds***	\$ 70,975,809	\$ 69,640,144	\$ 100,000,000	\$ 40,615,953
Total For All Banks	<u><u>\$ 139,448,310</u></u>	<u><u>\$ 1,582,713,641</u></u>	<u><u>\$ 1,619,228,237</u></u>	<u><u>\$ 102,933,714</u></u>

* Deposits and Withdrawals include interaccount transfers.

** Balances and activity reflected on this report are taken from bank statements and may not necessarily reflect those amounts recorded in the university financial records due to reconciling items, and excludes fixed income securities.

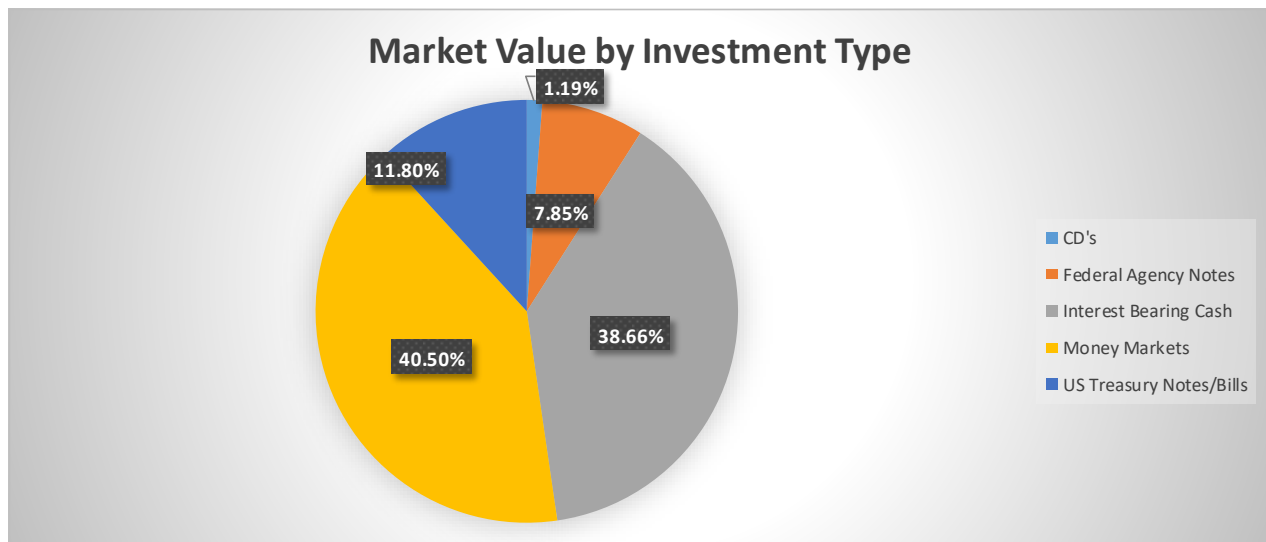
*** Balances include restricted cash totaling \$53.8 million for contractual obligations and funds held for reinvestment.

NORTHERN ILLINOIS UNIVERSITY
CASH and INVESTMENT HOLDINGS SUMMARY

June 30, 2020

For Fiscal Year 2020

Investment Type	Purch Price/ Ending Bal *	Book Value **	Market Value ***
CD's:			
Local Funds	\$ 1,514,019	\$ 1,514,019	\$ 1,514,019
Federal Agency Notes:			
Local Funds	\$ 9,997,439	\$ 10,018,476	\$ 10,032,625
Interest Bearing Cash Accounts:			
Local Funds	\$ 49,373,433	\$ 49,373,433	\$ 49,373,433
Money Markets:			
Contributory Trust	\$ 9,839,000	\$ 9,839,000	\$ 9,839,000
Local Funds	40,615,953	40,615,953	40,615,953
Project Funds	1,287,683	1,287,683	1,287,683
	\$ 51,742,636	\$ 51,742,636	\$ 51,742,636
US Treasury Notes/Bills:			
Local Funds	\$ 15,096,634	\$ 15,040,570	\$ 15,078,760
TOTAL INVESTMENT HOLDINGS	\$ 127,724,161	\$ 127,689,134	\$ 127,741,473
Non-interest Bearing Cash	\$ 379,204	\$ 379,204	\$ 379,204
TOTAL CASH & INVESTMENT HOLDINGS	\$ 128,103,365	\$ 128,068,338	\$ 128,120,677
TOTAL REPORTED FOR 06/30/2019	\$ 175,343,307	\$ 175,519,750	\$ 175,532,654



* Amounts per Bank and Investment Statements

** Purchase price, net of accumulated amortization of premiums and discounts

*** Estimated price for which an investment would sell in the marketplace

Assets reported in the CASH and INVESTMENT HOLDINGS SUMMARY comply with the Illinois Public Funds Investment Act (30 ILCS 235)
and the NIU Investment and Cash Management Policy

**NORTHERN ILLINOIS UNIVERSITY
INVESTMENT EARNINGS
For Fiscal Year 2020
July 1, 2019 - June 30, 2020**

	June 30 Ending Balance	Qtr 4 Average Daily Balance	Percent of Portfolio	Qtr 4 Income Earned	Annualized Rates of Return				
					FY 2020				
					4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	
Short-Term Investment Accounts									
Illinois Funds	\$ 40,615,953	\$ 38,258,418	29.25%	\$ 68,002	0.713%	1.521%	1.818%	2.239%	
Investment Accounts - Financial Institutions	\$ 49,373,433	\$ 47,449,459	36.27%	\$ 101,303	0.856%	1.555%	1.865%	2.342%	
Contributory Trust	\$ 9,839,000	\$ 9,839,458	7.52%	\$ 10,732	0.437%	1.180%	1.540%	-	
Investment Accounts - Project Funds	\$ 1,287,683	\$ 1,791,403	1.37%	\$ 1,894	0.424%	1.585%	1.776%	2.178%	
CD's	\$ 1,514,019	\$ 1,513,467	1.16%	\$ 701	0.186%	1.072%	1.347%	1.639%	
ST Investment Accounts Total	\$ 102,630,088	\$ 98,852,205	75.57%	\$ 182,632	0.741%	1.524%	1.695%	2.275%	
Fixed Income Securities									
Local Funds	\$ 25,094,073	\$ 31,964,780	24.43%	\$ 161,416	2.025%	1.890%	1.915%	2.029%	
Fixed Income Securities Total	\$ 25,094,073	\$ 31,964,780	24.43%	\$ 161,416	2.025%	1.890%	1.915%	2.029%	
Non-interest Bearing Cash	\$ 379,204	\$ -	-	-	-	-	-	-	
COMBINED TOTAL	\$ 128,103,365	\$ 130,816,985	100.00%	\$ 344,048	1.05%	1.61%	1.73%	2.23%	

Assets reported in INVESTMENT EARNINGS comply with the Illinois Public Funds Investment Act (30 ILCS 235)
and the NIU Investment and Cash Management Policy

FY20 REPORT TUITION AND FEE WAIVERS

The Illinois Board of Higher Education issued Tuition and Fee Waiver Guidelines for Illinois Public Universities in June 1999, which was amended in February 2000. These guidelines include the requirement that tuition and fee waivers granted during the fiscal year be reported to each university's Board of Trustees. Pursuant to that requirement, the university has prepared the following report.

The Tuition and Fee Waiver Report includes all waivers processed and applied as of June 30, 2020. Any waivers that apply to the 2020 fiscal year, and processed between July 1, 2020 and August 31, 2020, have not been included in this report. All adjustments for FY20 that are processed through the cutoff date of August 31, 2020 will be submitted to the Board of Trustees for approval at a subsequent Board meeting.

FISCAL YEAR 2020
TOTAL TUITION AND FEE WAIVERS

(\$ in thousands)

(in thousands of dollars)	Number of Recipients (unduplicated)	Tuition Waived		Fees Waived	
		Number of Recipients (unduplicated)	Value of Waivers	Number of Recipients (unduplicated)	Value of Waivers
<u>MANDATORY WAIVER CATEGORY</u>					
<u>PROGRAM:</u>					
Teacher Special Education	127	127	\$ 540	112	\$ 159
General Assembly	-	-	-	-	-
Reserve Officers' Training Corps	37	38	213	21	1
DeKalb County Family Services	42	42	187	34	38
Children of Employees	140	140	601	-	-
Senior Citizens	5	5	22	-	-
Honorary Scholarships	-	-	-	-	-
Veterans Grants & Scholarships*	443	443	2,182	443	225
Other (please specify) **	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Unduplicated Mandatory Waiver Count Total ***	794		\$ 3,745	610	\$ 423

DISCRETIONARY WAIVERS CATEGORY

<u>PROGRAM:</u>					
Faculty/Administrators (Non-Civil Service)	96	96	\$ 440	7	\$ 3
Civil Service	192	192	845	58	52
Interinstitutional/Related Agencies	34	34	124	-	-
Retired University Employees	10	10	46	1	1
Children of Deceased Employees	6	6	48	5	11
Children of Employees	-	-	-	-	-
Academic/Other Talent	783	783	3,748	-	-
Athletic	172	172	1,421	-	-
Gender Equity in Intercollegiate Athletics	168	168	1,391	-	-
Foreign Exchange Students	-	-	-	-	-
Out-of-State Students	-	-	-	-	-
Foreign Students	17	17	172	-	-
Fellowships	11	11	33	-	-
Student Need - Financial Aid	1	1	9	-	-
Student Need - Special Programs	8	8	40	-	-
Cooperating Professionals	368	368	940	-	-
Research Assistants	431	431	3,105	-	-
Teaching Assistants	852	852	6,365	-	-
Other Assistants	185	185	1,372	-	-
Contract/Training Grants	20	20	148	-	-
Other(please specify) ***	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Unduplicated Discretionary Waiver Count Total ***	3,354		\$ 20,247	71	\$ 67

	Number of Recipients	Total Value of Waivers
Unduplicated Summary Tuition and/or Fees		
Mandatory Waiver Category Total***	794	\$ 4,168
Discretionary Waiver Category Total***	3,354	\$ 20,314
Total count of Waivers****	4,148	\$ 24,482

Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans' Affairs). Included are only the waived (unfunded) portion of these grants.

* Other waiver categories must be approved by the Board of Higher Education prior to reporting.

** Each recipient is counted only once in the unduplicated count even if they benefited from multiple waivers during the academic year.

*** Each recipient is counted only once in the Total Count of Waivers even if they benefited from a mandatory and a discretionary waiver.

CAMPUS FACILITY PROJECT UPDATE

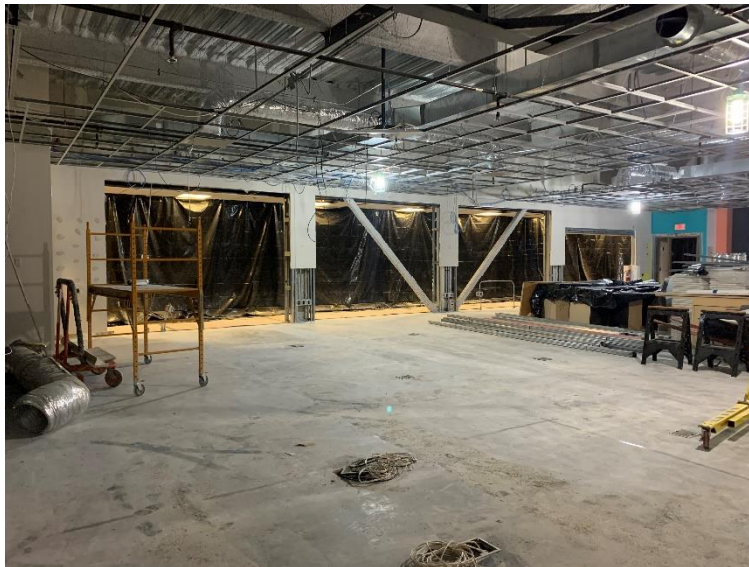
The following provides a narrative update on major facility projects as organized by funding sources. This report is not a complete listing of all projects and is predominantly meant to highlight more significant projects recently completed, underway, in development, or temporarily placed on hold due to current uncertainties related to the pandemic. Capital investments have been deferred unless there is an unavoidable critical need to sustain a building system or structure.

Projects are presented based on primary source of funding.

- Active state-funded projects administered by the Capital Development Board (CDB):
 - o Capital projects:
 - Health Informatics (*In Development*): While the CDB was appropriated \$7.7M to begin planning/design efforts for this project, pandemic delays and uncertainty for state capital reauthorizations for FY21 have caused this effort to hold.
 - Stevens humidity control improvements (*Underway*): This is a latent defect correction following the substantial completion of the Stevens building reconstruction in Summer 2018 to address problems experienced with high humidity levels in the building. A phase I portion had been completed prior to pandemic impacts and the final phase, currently in process, was delayed starting until June. This work, estimated at approximately \$155K, is expected to be completed by August.
 - o Capital Renewal projects:
 - Boiler Replacement Phase I (*In Development*): A two-phased selection process for awarding a design-build contract has been delayed due to the pandemic. The first phase selection effort will determine finalists to compete in the second phase with detailed price and technical proposals. A design-build contract, estimated at approximately \$16M, may be awarded this winter depending on cash flow implications.
 - Steam Tunnel Repair (*In Development*): Design efforts are proceeding, and the scope is being finalized to fit within the \$5M budget for this project. Construction may be targeted for Summer 2021.
- State grant-based projects administered by the Capital Development Board (CDB):
 - o Northern Illinois Center for Community Sustainability (NICCS) (*On Hold*): CDB has not yet received funding to proceed with this approximately \$15M project. In the meantime, project scope development is proceeding internally within NIU to better define and align the program with intended facility features.
- Donor/Grant funded projects:
 - o Founders Memorial Library Burma Art Collection Compact Storage (*Completed*): Work resumed in May after the stay-at-home order was lifted and will be completed by August. Below is a photograph showing a portion of the new \$330K storage system.



- Barsema Hall Creativity & Empathy Lab remodel (*Underway*): A construction contract was executed in late June for approximately \$295K and renovation work is anticipated through September. Below is a photo of the construction effort in progress.



- Major NIU-funded projects:
 - Auxiliary funded:
 - Neptune Renovation (*Underway*): Final renovation efforts (\$180K of the larger \$5M project) to install air conditioning within the student lounge areas of the east and west wings of the complex will be substantially completed by August allowing for fall semester occupancy.
 - Miscellaneous critical repairs totaling \$877K have been made to the following buildings and systems: The Parking Deck, Dorland warehouse freezer, elevators at Convocation Center and HSC, HVAC repairs at Convocation Center.

- The following projects totaling \$4M have been placed on hold pending improved financial resources or the next available construction window: HSC tower elevators, Stevenson towers roofs and Recreation Center locker room remodeling.
- Appropriated Funds:
 - Miscellaneous critical repairs totaling \$513K have been made to the following buildings and systems: Heating plant annual repairs, Engineering elevator, Founders Memorial Library chilled water coils.
 - The following projects totaling about \$800K have been placed on hold pending improved financial resources or the next available construction window: Altgeld & Wellness & Literacy (Monsanto) building automation system (BAS) assessments and repairs; Cole Hall humidification upgrades; and masonry assessments/repairs for Davis, Faraday, and Zulauf.