



# Board of Trustees

Finance, Audit, Compliance,  
Facilities and Operations  
Committee

*August 26, 2021*

**BOARD OF TRUSTEES OF NORTHERN ILLINOIS UNIVERSITY**  
**Finance, Audit, Compliance, Facilities and Operations Committee**  
**11:15 a.m. – Thursday – August 26, 2021**

**This meeting is being conducted in person and through videoconferencing communications pursuant to Public Act 101-0640, enacted June 12, 2020, and section 7(e) of the Illinois Open Meetings Act, allowing for virtual board meetings during a disaster declaration relating to public health concerns. As Vice Chair of the Committee, I have determined that an in-person meeting is not practical or prudent because of the disaster. As such, trustees may attend today’s meeting by audio and visual conferencing and not by physical presence.**

**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 13, 2021 ..... *Action*..... 1
- 5. Chair's Comments/Announcements
- 6. Public Comment\*
- 7. Financial Update
  - a. Fiscal Year 2020 Audit and Financial Results..... *Information*..... 11
  - b. Fiscal Year 2020 External Audit Corrective Action Plans Update..... *Information*..... 13
- 8. University Recommendations
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- 9. University Reports
  - a. Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period April 1, 2021 to June 30, 2021 ..... *Information*..... 29
  - b. Fiscal Year 2021 Report Tuition and Fee Waivers..... *Information*..... 32
  - c. Annual Summary Report of Obligation of Financial Resources Year Ended June 30, 2021 ..... *Information*..... 34

d. Annual Report of Cash and Investments for Period Ended June 30, 2021 ..... Information.....35

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 or will be available in the Board Room the day 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 13, 2021

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 1:07 p.m. by Committee Chair Montel Gayles. This Finance, Audit, Compliance, Facilities and Operations Committee meeting is being conducted through video conferencing communications and is pursuant to Section 6 of Executive Order 2020-7 (Suspending Open Meetings Act requirements of in person attendance by members of a public body). Recording Secretary Sandy McCartney conducted a roll call of the Trustees. There are some Trustees and Staff in-person for this meeting. Their in-person attendance is voluntary in keeping pursuant with the Executive Order mentioned above.

Trustee Rita Athas: Present	Trustee John Butler: Absent
Committee Chair Montel Gayles: Present	Trustee Veronica Herrero: Present
Trustee Bob Pritchard: Present	Trustee Aidan Shields: Present
Committee Vice Chair Eric Wasowicz: Present	Board Chair Dennis Barsema: Present

Also, present were President Lisa Freeman, Committee Liaison and Vice President for Administration and Finance and Chief Financial Officer Sarah Chinniah, Vice President and General Counsel and Board Parliamentarian Bryan Perry, Executive Vice President and Provost Beth Ingram, Board Liaison and Chief of Staff Matt Streb and President of Longhouse Capital Michael Boisvert.

**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. General Counsel Perry also advised that a quorum was present.

**MEETING AGENDA APPROVAL**

Committee Chair Gayles asked for a motion to approve the meeting agenda. Trustee Athas so moved, and Committee Vice Chair Wasowicz seconded.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes	Trustee John Butler: Absent
Committee Chair Montel Gayles: Yes	Trustee Veronica Herrero: Yes
Trustee Bob Pritchard: Yes	Trustee Aidan Shields: Yes
Committee Vice Chair Eric Wasowicz: Yes	Board Chair Dennis Barsema: Yes

The motion was approved.

**REVIEW AND APPROVAL OF MINUTES**

Committee Chair Gayles asked for a motion to approve the minutes of February 18, 2021. Trustee Pritchard so moved, and Trustee Herrero seconded.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### CHAIR'S COMMENTS/ANNOUNCEMENTS

Committee Chair Gayles began with an overall review of the agenda and highlighted the successful Collegiate Housing Foundation (CHF) Bond refinance, resulting in an approximate savings of \$77M for the university. He recognized VPCFO Chinniah and her team for the bond refinancing and for the FY21 budget performance. Committee Chair Gayles recognized President Freeman and the entire NIU community for financial management and perseverance through a challenging year.

Committee Chair Gayles welcomed the University Advisory Committee members that were present and asked if anyone had any comments for the board.

There were no comments.

### PUBLIC COMMENT

Committee Chair Gayles introduced the public comment portion of the meeting. General Counsel Perry indicated that there were no registered public comments.

### FINANCIAL UPDATE

Committee Chair Gayles asked VPCFO Chinniah to present the Financial Update.

#### **Agenda Item 7.a. Quarterly Financial Summary Fiscal Year 2021 – Third Quarter as of March 31, 2021**

VPCFO Chinniah presented Agenda Item 7.a. and asked the trustees to go to the table on page 13.

During her presentation, VPCFO Chinniah expressed appreciation to staff and faculty across the university for moving forward only mission critical purchases. She also thanked the Board of Trustees for their confidence when approving the FY21 budget and allowing the university the ability to work to address the expected gap between revenues and expenses.

Board Chair Barsema asked how much federal relief funding would carry over to the FY22 budget. VPCFO Chinniah said the estimate would be around \$20M. No further discussion followed.

#### **Agenda Item 7.b. Periodic Report on Investments for Period Ending March 31, 2021**

VPCFO Chinniah presented Agenda Item 7.b.

Board Chair Barsema asked if NIU has a written Cash Management Policy. Associate Vice President of Finance & Treasury Shyree Sanan, confirmed NIU does and provided its location on the NIU Website. It was also asked and answered that yes, money received from federal relief funds would help replenish cash.

#### **Agenda Item 7.c. Series 2011 CHF Bond Refinancing with Series 2021 AFS Bond Update**

VPCFO Chinniah presented Agenda Item 7.c.

VPCFO Chinniah introduced Michael Boisvert, President of Longhouse Capital, to summarize the refinancing of the Series 2011 CHF Bonds. VPCFO Chinniah recognized the University team including Vice President and General Counsel Bryan Perry, Associate Vice President for Finance and Treasury, Shyree Sanan, Controller, Jason Askin, and Director of Budget and Financial Planning, Andrew Rogers, as well as acknowledged the effort of Longhouse Capital, who provided critical knowledge, advice, and advocacy throughout the entire process. Mr. Boisvert highlighted several positives with the marketing effort to establish the refinancing rates and secure the transaction, as well as confirmed that NIU exceeded the 20% Business Enterprise Program (BEP) goal. VPCFO Chinniah confirmed that the last two refinancing efforts will save the university \$129M over the life of the issues without extending the final maturities of the debt. This level of savings allows NIU to think differently about its debt servicing strategy. Committee Chair Gayles and all the Trustees expressed their great pleasure in this refinancing transaction.

#### **Agenda Item 7.d. Fiscal Year 2022 University Budget – Preliminary Summary**

VPCFO Chinniah presented Agenda Item 7.d.

Committee Chair Gayles thanked President Freeman for a great job, when talking about only a \$10M loss following a very challenging year. President Freeman thanked the board for their trust and support as the university positions itself to pivot towards multi-year planning.

### **UNIVERSITY RECOMMENDATIONS**

Committee Chair Gayles stated the university is putting forward a full set of recommendations in anticipation of resuming on campus activity. He also reminded the committee members that many of the recommendations will reference discussions from earlier in the day.

#### **Agenda Item 8.a. Classroom Technology Upgrades**

VPCFO Chinniah presented Agenda Item 8.a.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.a. Board Chair Barsema so moved, and Trustee Athas seconded.

VPCFO Chinniah affirmed the upgrades will meet existing and future needs. The Provost's Office has led a series of discussions with various campus partners to identify those most frequently used classrooms. Further discussion surrounded which classrooms were to be upgraded and methods for prioritization.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

#### **Agenda Item 8.b. Renewal of Blackboard Learn Software License**

VPCFO Chinniah presented Agenda Item 8.b.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.b. Trustee Pritchard so moved, and Committee Vice Chair Wasowicz seconded.

Board Chair Barsema asked about timing, and VPCFO Chinniah confirmed the identified time frame would allow for a transition period should a different vendor be selected going forward.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.c. Smart Guidance**

VPCFO Chinniah presented Agenda Item 8.c.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.c. Trustee Athas so moved, and Board Chair Barsema seconded.

There was no discussion on this item.

Committee Chair Gayles asked Sandy McCartney to take a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.d. Beverage Program (Fiscal Year 2022-Fiscal Year 2027 with Options)**

VPCFO Chinniah presented Agenda Item 8.d.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.d. Trustee Pritchard so moved, and Board Chair Barsema seconded.

Conversation ensued regarding increasing BEP participation going forward and beverage provisions and accessibility for campus. Committee Chair Gayles gave VPCFO Chinniah and her team credit, as this had been a difficult RFP that extended beyond the original timeline.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.e. Music Building – Partial Roof Replacement Capital Project Approval**

VPCFO Chinniah presented Agenda Item 8.e.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.e. Trustee Pritchard so moved, and Trustee Shields seconded.

Conversation followed regarding BEP participation, and VPCFO Chinniah affirmed the minimum 20% goal is included in the RFP, which can be met by the vendor itself or through its second and third tier subcontractors.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.f. Convocation Center – Arena and Auxiliary Gym Lighting Upgrade Capital Project Approval**

VPCFO Chinniah presented Agenda Item 8.f.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.f. Trustee Athas so moved, and Trustee Pritchard seconded.

Trustee Pritchard opened discussion around the estimated six-year cost recouping from energy savings, and VPCFO Chinniah indicated it may be possible to earn back the costs sooner. Additionally, conversation continued regarding BEP participation, and VPCFO Chinniah affirmed the minimum 20% goal was included in the RFP.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.g. Outbound Ticket Sales Vendor Agreement**

VPCFO Chinniah presented Agenda Item 8.g.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.g. Trustee Athas so moved, and Committee Vice Chair Wasowicz seconded.

Trustee Athas opened conversation around how ticket sales with this vendor works. Executive Associate Athletic Director, John Cheney, provided a thorough explanation as to how this vendor partners with NIU, including revenue generation accounting for the cost of vendor services.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes



Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

*Trustee Herrero left the meeting at 2:01 p.m.*

### **Agenda Item 8.h. Air Charter Services for NIU Football Team**

VPCFO Chinniah presented Agenda Item 8.h.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.h. Committee Vice Chair Wasowicz so moved, and Trustee Athas seconded.

Trustee Athas opened discussion around which teams use this agreement, and Senior Associate Athletics Director, John Cheney, explained the football team is the only group large enough to warrant this type of agreement. Director Cheney also explained some of the other team's travel arrangements to help illustrate why this only applies to football. Director Cheney fielded conversations around the decision to elect a three-year term and how variable costs are calculated.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Yes

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.i. Secondary Student Health Insurance Contract Renewal**

VPCFO Chinniah presented Agenda Item 8.i.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.i. Trustee Pritchard so moved, and Trustee Shields seconded.

*At 2:09 p.m. Committee Vice Chair Wasowicz announced he was stepping out and would rejoin the meeting when possible. Committee Chair Gayles confirmed there was still a quorum.*

Board Chair Barsema inquired why the cost of the insurance had risen so much in a year. Director Cheney provided insight as to some possible reasons for the increase. A request was made for additional information as to the cause of the increase. President Freeman offered to take this to the Mid-American Conference (MAC) President's and Illinois Chancellor's table as well since it is National Collegiate Athletic Association (NCAA) secondary insurance.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent

Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.j. NIU Foundation Professional Services Contract**

VPCFO Chinniah presented Agenda Item 8.j.

VPCFO Chinniah expressed, on behalf of the university, appreciation to the Foundation for again holding the rate of the professional services agreement flat.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.j. Trustee Athas so moved, and Board Chair Barsema seconded.

Discussion followed as trustees asked about salary increments and whether the requested amount sufficiently covers the upcoming campaign. VPCFO Chinniah and President Freeman affirmed employees have received increases, and the campaign will be factored into multiyear planning and prioritization.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent Board Chair Dennis Barsema: Yes

The motion was approved.

**Agenda Item 8.k. Talent Acquisition/Advertising Consulting Firm Affirmative Action/Equal Opportunity**

VPCFO Chinniah presented Agenda Item 8.k.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.k. Board Chair Barsema so moved, and Trustee Pritchard seconded.

There was no discussion on this item.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent Board Chair Dennis Barsema: Yes

The motion was approved.

**Agenda Item 8.l. Campus Printer/Copier Program Contract Renewal**

VPCFO Chinniah presented Agenda Item 8.l.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.l. Trustee Athas so moved, and Trustee Shields seconded.

Committee Chair Gayles inquired about the level of BEP participation, and VPCFO Chinniah explained a waiver was issued at the start of this contract; however, there will be opportunities to revisit the appropriateness of the waiver. There was discussion about the new copier program change that went into effect three years ago and if it was well received. President Freeman felt it was generally well received and in several ways the campus was appreciative this decision had been made.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.m. Cisco Hardware Maintenance Contract**

VPCFO Chinniah presented Agenda Item 8.m.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.m. Board Chair Barsema so moved, and Trustee Athas seconded.

Committee Chair Gayles made a request for additional information on BEP waivers granted, with the understanding some are legislative.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.n. Renewal of OnBase Software Maintenance**

VPCFO Chinniah presented Agenda Item 8.n.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.n. Trustee Shields so moved, and Trustee Pritchard seconded.

Board Chair Barsema asked for specific examples of departments on campus who used OnBase and in what capacity. Chief Information Officer Matt Parks listed several departments currently using OnBase and for which purposes. Discussion continued regarding how NIU is charged for OnBase and that a BEP waiver was applied as OnBase is a sole source procurement.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Absent

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent Board Chair Dennis Barsema: Yes

The motion was approved.

### **Agenda Item 8.o. Adobe Enterprise Term License Agreement (ETLA)**

VPCFO Chinniah presented Agenda Item 8.o.

Committee Chair Gayles asked for a motion to approve Agenda Item 8.o. Trustee Athas so moved, and Trustee Pritchard seconded.

There was no item discussion.

*Trustee Herrero returned to the virtual meeting at 2:31 p.m.*

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Abstained

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent Board Chair Dennis Barsema: Yes

The motion was approved.

## UNIVERSITY REPORTS

Committee Chair Gayles asked VPCFO Chinniah to present the University Reports.

VPCFO Chinniah stated there were two University Reports. Comprehensive write ups had been provided in the materials so there would be no formal presentation, however she would respond to any questions. There was no discussion.

**Information Item 9.a. – Quarterly Summary Report of Transactions in Excess of \$100,000 for the Period January 1, 2021 to March 31, 2021**

**Information Item 9.b.- – Semi-Annual Progress Report of Active Capital Projects with Budget Over \$100,000**

## OTHER MATTERS

There were no other matters.

## NEXT MEETING DATE

The next meeting of the Finance, Audit, Compliance, Facilities and Operations Committee will be August 26, 2021.

## ADJOURNMENT

Committee Chair Gayles asked for a motion to adjourn. Board Chair Barsema so moved, and Trustee Herrero seconded.

Committee Chair Gayles asked Sandy McCartney to conduct a roll call vote.

Trustee Rita Athas: Yes

Trustee John Butler: Absent

Committee Chair Montel Gayles: Yes

Trustee Veronica Herrero: Yes

Trustee Bob Pritchard: Yes

Trustee Aidan Shields: Yes

Committee Vice Chair Eric Wasowicz: Absent Board Chair Dennis Barsema: Yes

The motion was approved.

The meeting adjourned at 2:33p.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.*

## FISCAL YEAR 2020 AUDIT AND FINANCIAL RESULTS

### **Financial Audit Results for the Year Ended June 30, 2020**

The university's financial statement audit for the year ended June 30, 2020, was completed and released by the Office of the Auditor General on Tuesday June 2, 2021. The university received an unmodified audit opinion, which is the best possible outcome. Financial audit fieldwork was substantially complete as of December of 2020. However, the release of the FY20 financial audit was significantly delayed due to statewide census data testing procedures related to the State University Retirement System (SURS) and other post-employment benefit (OPEB) plans. As a result of this testing, all public universities in Illinois received an audit finding related to internal controls over SURS and Central Management Services (CMS) census data. This finding is noted in the auditor's report on internal control over financial reporting and on compliance and other matters performed in accordance with Government Auditing Standards for the fiscal year ended June 30, 2020. No other findings were noted in this report. Additionally, no audit adjusting journal entries were proposed during the course of the audit and no past adjustments were noted.

### **Financial Results for the Year Ended June 30, 2020**

The university's net position decreased from \$167.8M in FY19 to \$129.8M in FY20, a decrease of \$38.0M. These final FY20 year-end results are unchanged from the FY20 update provided at the November 12, 2020, Finance, Audit, Compliance, Facilities, and Operations Committee meeting.

The university's working capital, a measure of the university's ability to meet its short-term obligations, decreased from \$24.1M in FY19 to \$19.9M in FY20. The resulting working capital ratio decreased from 1.35 in FY19 to 1.32 in FY20. The decrease in working capital and the working capital ratio is primarily due to a decrease in cash and investments as a result of the impacts of COVID-19. The university's FY20 working capital ratio of 1.32 fell within the target working capital ratio range of 1.20 to 2.00

The university's long-term debt payable decreased from \$341.1M in FY19 to \$337.2M in FY20, a decrease of \$3.9M. The decrease of \$3.9M is due to repayment of principal in FY20 and the results of the refunding of the Series 2010 and Series 2011 Auxiliary Facilities System Revenue Bonds with the issuance of the Series 2020A and 2020B Auxiliary Facilities Systems Revenue Bonds. As a result of the refinancing on April 1, 2020, the outstanding principal on the Auxiliary Facilities Systems revenue bonds was decreased by \$19.1M and the university achieved a cash flow savings of \$52.1M over the course of the loan.

### **Compliance Examination Results for the Year Ended June 30, 2020**

The university's compliance examination for the year ended June 30, 2020, was completed and released by the Office of the Auditor General on Wednesday June 9, 2021. The university received an unmodified opinion on its Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes. Additionally, the university received an unmodified opinion on its Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.

The Summary of Findings reported a total of 16 findings for the year ended June 30, 2020, compared to twelve findings for the year ended June 30, 2019. Audit findings are reported and

classified into two categories as either a material weakness or significant deficiency. A material weakness is the most severe type of audit finding. A significant deficiency is less severe than a material weakness, yet still considered important enough to merit attention in the report.

Of the 16 findings in the current year, one was classified as a material weakness and the remaining 15 were classified as significant deficiencies. Three of the prior year findings were implemented and not repeated in the current year report. Summary information in support of the 16 findings, including the finding description, audit recommendation, and associated risk as defined by the auditors are included in the following item, FY20 External Audit Corrective Action Plans Update, Agenda Item 7.b.

**FISCAL YEAR 2020 EXTERNAL AUDIT CORRECTIVE  
ACTION PLANS UPDATE**

As a result of FY20 audit findings, the university developed formal corrective action plans intended to strengthen internal controls and address each audit recommendation as described in the FY20 Examination. There were 16 total material audit findings, of which nine were repeated from the prior year. The total number of findings increased by four compared to the prior year. The average number of findings received for all nine Illinois public institutions was 15.

Management has engaged Internal Audit to test the status of corrective action plans for FY20 material audit findings, which plays a critical role in tracking progress to date. Testing has been completed for FY20 corrective actions plans and a final report issued. This report helped inform the status update provided here. Responsible officers have provided status updates on corrective action steps taken during FY21 to address material audit findings. Enclosed is a summary on the corrective action plans that includes the finding description, audit recommendation, and associated risk as defined by the auditors. As noted in the chart below, corrective action plans have been fully implemented, partially implemented where significant progress has been made towards full implementation, or not implemented where corrective action has not begun. This status update on corrective actions is current as of August 2021.



<b>Finding Number</b>	<b>Description of Finding</b>	<b>Status</b>
Finding 2020-001	Inadequate Internal Controls over Census Data	Not Implemented
Finding 2020-002	Enrollment Status Reporting (repeated)	Implemented
Finding 2020-003	Inadequate Controls over Awarding of Direct Loans	Partially Implemented
Finding 2020-004	Information Technology Risk Assessment Not Performed	Not Implemented
Finding 2020-005	Inadequate Internal Controls over Contracts (repeated)	Partially Implemented
Finding 2020-006	Failure to Submit Proper Time Reporting (repeated)	Partially Implemented
Finding 2020-007	Lack of Annual Performance Reviews (repeated)	Partially Implemented
Finding 2020-008	Inadequate Controls over I-9 Forms (repeated)	Partially Implemented
Finding 2020-009	Inadequate Controls over Employee Terminations (repeated)	Partially Implemented
Finding 2020-010	Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (repeated)	Partially Implemented
Finding 2020-011	Subsidies Between Accounting Entities (repeated)	Partially Implemented
Finding 2020-012	Inadequate Controls over Property and Equipment (repeated)	Implemented
Finding 2020-013	Noncompliance with the Illinois Articulation Initiative Act	Partially Implemented
Finding 2020-014	Lack of Annual Employee Trainings	Partially Implemented
Finding 2020-015	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Partially Implemented
Finding 2020-016	Weaknesses in Cybersecurity Programs and Practices	Implemented

Barriers that limit full implementation include navigating the global pandemic, limited financial and staff resources, staff turnover, increased workloads, limited information technology functionality, and competing priorities. In addition, the FY20 compliance examination report was not final until May 19, 2021, which reduces the amount of lead time available to implement all corrective actions by June 30, 2021.

The university is committed to instituting corrective actions and continuous improvement that will affect positive change, increase accountability, and foster good stewardship over university resources. The Ethics and Compliance Office assists the university campus in a proactive manner to ensure its activities comply with the laws, regulations, and policies that govern the university and adhere to the highest legal, professional, and ethical standards.

## **FY20 FINDINGS AND CORRECTIVE ACTIONS**

The summary update below includes the finding description, audit recommendation, and associated risk as defined by the auditors. University comments on implementation status follows. This information is current as of August 2021.

### **Finding 2020-001: Census Data Testing**

**Definition:** University did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate. Auditor recommended that the university implement controls to ensure census data events are timely and accurately reported to State University Retirement Systems (SURS) and Central Management Systems (CMS). Further, they recommended that the university work with SURS and CMS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary.

**Risk:** Failure to ensure complete and accurate census data was reported to SURS and CMS could have resulted in a material misstatement of the university's financial statements and reduced the overall accuracy of pension/OPEB-related liabilities, deferred inflows and outflows of resources, and expense recorded by the State, the State's agencies, and other public universities and community colleges across the State. In addition, failure to reconcile active members' census data reported to and held by SURS and CMS to the university's internal records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the university's pension and OPEB balances, which could result in a material misstatement of these amounts.

### **Recommendation Status: Not Implemented**

**Comments:** Human Resource Services has real time processes and procedures in place for processing certifications, changes, and terminations in the SURS and CMS systems. Current processes and procedures will be revised to ensure that census data submitted to pension and other postemployment benefits (OPEB) plans is complete and accurate. Additionally, the university will collaborate with SURS, CMS, and Governors State University to improve reporting of census data at both the university and plan levels.

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### **Finding 2020-002: Enrollment Status Reporting**

**Definition:** University did not complete enrollment status reporting to the U.S. Department of Education accurately or consistently with program enrollment requirements. Auditor recommended that the university establish and maintain internal controls to ensure program-level reporting is consistent with the campus-level enrollment status reporting.

**Risk:** If the program level reporting is inconsistent with the enrollment level reporting, the university risks noncompliance.

### **Recommendation Status: Implemented**

**Comments:** Registration and Records has corrected the system error that caused the initial discrepancy, has re-trained current staff, and has implemented a review process to ensure program-level reporting is consistent with the campus-level enrollment status reporting.

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### **Finding 2020-003: Inadequate Internal Controls over Awarding of Direct Loans**

**Definition:** University did not appropriately re-evaluate student financial need after the fall semester. Auditor recommended that the university ensure student financial aid offered is appropriate based on federal regulations.

**Risk:** Students could receive additional unsubsidized loans to make up for the under-award of subsidized loans.

**Recommendation Status: Partially Implemented**

**Comments:** The Financial Aid Office took immediate action to update its processes and to retrain staff to ensure compliance with federal regulations. The Financial Aid Office will develop an ad hoc system generated report to identify potential discrepancies in aid offered to students.

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**Finding 2020-004: Information Technology Risk Assessment Not Performed**

**Definition:** University did not document required information technology risk assessments related to student information security. Auditor recommended that the University perform and document a comprehensive risk assessment identifying internal and external risks to the security, confidentiality, and integrity of the students' information. In addition, they recommended that the University should ensure proper safeguards are in place to ensure the security of student information.

**Risk:** Without performing an adequate comprehensive risk assessment, the University is at risk of noncompliance with the Gramm-Leach-Bliley Act (GLBA). In addition, there is a risk that University systems and information could be vulnerable to attacks or intrusions, and these attacks may not be detected in a timely manner.

**Recommendation Status: Not Implemented**

**Comments:** The Department of Information Technology currently has safeguards in place that ensure the security of student information. However, the university will evaluate the feasibility of performing a comprehensive information technology risk assessment.

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**Finding 2020-005: Inadequate Controls over Contracts**

**Definition:** University has not established adequate internal controls over contracts to ensure they are approved prior to performance and comply with all applicable State requirements. Auditor recommended that the university establish and maintain internal control procedure over contracts to ensure contracts are complete and properly approved prior to performance, and that contract obligation documents are filed timely. They also recommended that the university adhere to State laws and regulations.

**Risk:** Failure to include all required certifications may result in goods or services received failing to comply with State statutes and regulations, while not filing contract obligation documents with the Office of Comptroller is noncompliance with the Code and State regulation. Not fully executing a contract prior to the commencement of services or delivery of goods leaves the university vulnerable to unnecessary liabilities and potential legal problems.

**Recommendation Status: Partially Implemented**

**Comments:** Procurement Services and Contract Management has begun establishing additional training for campus departments on university policies and procedures, creating vendor awareness and issuing reminders through an improved workflow process in efforts to mitigate performance prior to the completion of a purchase order. Also, staff are being retrained to implement filing

requirements for all purchases exceeding \$20K, to obtain necessary documentation and process Emergency contracts in accordance with the Chief Procurement Office guidelines.

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**Finding 2020-006: Failure to Submit Proper Time Reporting**

**Definition:** University did not require all employees to submit time sheets as required by the State Officials and Employees Ethics Act. Auditor recommended that the university continue its efforts to develop and implement a program to require all employees to submit time sheets in accordance with the Act. They also recommended that the university enforce existing policies and procedures requiring appropriate supervisory review of timesheets.

**Risk:** By not obtaining appropriate time sheets from all its employees, the university lacks complete documentation of the time spent by faculty and staff on official State business as contemplated by the Act. In addition, by supervisors failing to review employee timesheets, errors could go undetected.

**Recommendation Status: Partially Implemented**

**Comments:** Human Resource Services will continue to work with legislators to remove the requirement for faculty and graduate assistants and engage the university's legislative team to collaborate with the other universities to initiate legislation to remove the requirement. Until new legislation is passed, the university will continue to remind departments of the current written university policy.

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**Finding 2020-007: Lack of Annual Performance Reviews**

**Definition:** University did not conduct annual performance reviews for all its employees. Auditor recommended that the university take appropriate measures to ensure employee performance reviews are conducted annually.

**Risk:** Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as the foundation for salary adjustments, promotion, demotion, discharge, recall, and reinstatement decisions.

**Recommendation Status: Partially Implemented**

**Comments:** Human Resource Services will continue to establish a reminder for supervisors of Supportive Professional Staff and required Civil Service evaluations.

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**Finding 2020-008: Inadequate Controls over I-9 Forms**

**Definition:** University has not established adequate controls over the completion of I-9 forms for employees hired by the university. Auditor recommended that the university enhance their controls over the process for preparing and reviewing the I-9 Forms to ensure compliance with United States Citizenship and Immigration Services (USCIS) requirements.

**Risk:** Failure to properly complete I-9 forms results in violation of USCIS requirements and could expose the university to penalties.

**Recommendation Status: Partially Implemented**

**Comments:** Human Resources Services implemented a new process in FY21 for Form I-9 employment eligibility verification. The I-9 verification has been centralized and is now

automated as part of the new employee onboarding process and expected to address this audit recommendation. Human Resource Services will continue to review and enhance controls during its review of the I-9s.

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**Finding 2020-009: Inadequate Controls over Employee Terminations**

**Definition:** The university has failed to ensure necessary personnel actions occur timely for terminated employees. Auditor recommended that the university enhance control procedures to ensure timely removal of terminated employees from the university payroll. Additionally, they recommended that the university determine whether there were other instances of terminated employees receiving unearned compensation and take necessary actions to recover any other overpayments.

**Risk:** Failure to properly remove terminated employees from payroll in a timely manner can result in improper payments.

**Recommendation Status: Partially Implemented**

**Comments:** Human Resource Services continues to educate hiring departments, clarify current guidelines, and review strategies to better implement and streamline the termination process of non-status employees.

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**Finding 2020-010: Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act**

**Definition:** University did not comply with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (Act). Auditor recommended that the university adhere to written procedures and establish internal controls to ensure compliance with applicable statutory and regulatory requirements.

**Risk:** Failure to implement policies and procedures evidencing contract review results in noncompliance with the Act.

**Recommendation Status: Partially Implemented**

**Comments:** Procurement Services has made substantive steps to implement the various requirements of the Act and associated administrative requirements. Final corrective action to document efforts of contract renewals six months in advance to ensure compliance with the Act are being implemented.

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**Finding 2020-011: Subsidies Between Accounting Entities**

**Definition:** University had subsidies between accounting entities during the current fiscal year. Auditor recommended that the university review the activities of the accounting entities, ensure fees charged for services are sufficient to cover expenditures, and ensure subsidies between accounting entities do not occur.

**Risk:** Violation of University Guidelines.

**Recommendation Status: Partially Implemented**

**Comments:** The university implemented a multi-year plan to balance revenues and expenses of this activity, however, the plan has been delayed as a result of the COVID-19 pandemic. The

university will resume its multi-year planning efforts in FY22 which will address subsidies between accounting entities.

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**Finding 2020-012: Inadequate Controls over Property and Equipment**

**Definition:** University did not fully comply with requirements applicable to its property and equipment. Auditor recommended that the university continue to strengthen its internal controls over the accountability of university property and equipment.

**Risk:** The lack of proper controls over equipment may result in theft and misuse of assets, resulting in a loss to the university, as well as additional spending to replace those assets.

**Recommendation Status:     Implemented**

**Comments:** Property Control has established policies and procedures for accountability of missing items including review from senior leadership. The university will continue to remind responsible officers on these policies and procedures.

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**Finding 2020-013: Noncompliance with the Illinois Articulation Initiative Act**

**Definition:** University did not submit one course per initiative major under the Illinois Articulation Initiative (Initiative) for four initiative majors offered by the university. Auditor recommended that the university develop and implement procedures to ensure compliance with the Act.

**Risk:** Failure to fully participate in the Initiative by submitting at least one course per Initiative Major could lead to delays in NIU students receiving major credit for those courses if they choose to transfer to another participating Illinois university. .

**Recommendation Status:     Implemented**

**Comments:** As appropriate, academic departments have submitted syllabi for courses identified by statewide faculty panels to the appropriate bodies for consideration for articulation. The Registrar will be responsible for ongoing compliance with the Illinois Articulation Initiative Act.

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**Finding 2020-014: Lack of Annual Employee Trainings**

**Definition:** University did not conduct trainings for its employees as required by The State Officials and Employees Ethics Act (Act). Auditor recommended that the university ensure required employee trainings are conducted annually in accordance with the Act.

**Risk:** Failure to ensure employees receive timely sexual harassment training could result in employees being unaware of their responsibilities under the State Official and Employees Ethics act.

**Recommendation Status:     Partially Implemented**

**Comments:** Human Resource Services will evaluate trainings completed as part of the employee onboarding process to ensure trainings are completed timely after hiring. Additionally, the university will implement a reminder system to ensure that required annual trainings are completed timely.

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**Finding 2020-015: Lack of Adequate Controls Over the Review of Internal Controls Over External Service Providers**

**Definition:** University had weaknesses regarding the review of independent internal control reviews over its service providers. Auditor recommended that the university strengthen its controls in identifying and documenting all service providers utilized. Further, we recommend the university obtain or perform independent reviews of internal controls with service providers at least annually. In addition, we recommend the university:

- Establish procedures to obtain and review System and Organization Control (SOC) reports to ensure adequate controls are established within the service providers' environment.
- Monitor and document the operation of the CUECs relevant to the university's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the university, and any compensating controls.

**Risk:** Without having obtained and reviewed a SOC report or another form of independent internal control reviews, the university does not have assurance the service providers' internal controls are adequate to ensure services provided are accurate and secure.

**Recommendation Status: Partially Implemented**

**Comments:** The university has procedures to obtain and review SOC reports for its service providers. However, the university will establish a process for documenting all service providers utilized and establish procedures for documenting its request and review of the SOC reports.

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**Finding 2020-016: Weaknesses in Cybersecurity Programs and Practices**

**Definition:** University has not implemented adequate internal controls related to cybersecurity programs and practices. Auditor recommended that the university:

- Establish a risk management framework to assist in ensuring its risks are identified, managed, and mitigated where appropriate.
- Review the process and controls related to requiring new hires to complete information security training as part of the onboarding process. In addition, requirements for active employees to complete information security training should also be reviewed to ensure each employee completes the required training and maintain documentation of such.
- Review the process and controls related to disabling terminated users' accounts in all application systems to prevent unauthorized access or activity.

**Risk:** The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the university's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure.

**Recommendation Status: Implemented**

**Comments:** The Division of Information Technology has implemented an on-going process for tracking new hire security training. The Division of Information Technology has also implemented process enhancements to improve security training completion and is working to further enhance the process through automation. The Division of Information Technology has implemented an automatic solution for disabling terminated user accounts access.

## **PRIOR FINDINGS NOT REPEATED**

### **Finding 2019-002: Failure to Notify Student of Loan Disbursement**

#### **Auditor Comments:**

During the current year audit, we noted the university strengthened its controls over notifying students of their direct loan disbursements. Similar exceptions were not noted during our current year testing.

### **Finding 2019-005: Noncompliance with Campus Security Enhancement of 2008**

#### **Auditor Comments:**

During the current examination, we noted the university improved controls to ensure that required criminal background investigations were conducted prior to employment for those employees hired for security sensitive positions. Similar exceptions were not noted during our current year testing.

### **Finding 2019-012: Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems**

#### **Auditor Comments:**

During the current examination, the university had updated its Disaster Recovery Plan and had conducted testing of its computer environment.



## HARPER COLLEGE UNIVERSITY CENTER STRATEGIC PARTNERSHIP AGREEMENT

**Summary:** NIU is currently offering select bachelor's degree programs at the Harper College University Center. This is a unique degree completion partnership with one of our premiere community college partners and expands NIU to an audience of transfer students that are often place-bound, yet seek bachelor degree attainment. The partnership agreement includes a tuition-sharing revenue model wherein the university serves a financial pass-through function to compensate Harper College for the agreed upon tuition share. Academic Affairs requests permission to continue the strategic partnership agreement with the Harper College University Center, including tuition-sharing payments to Harper College in accordance with the terms of the partnership agreement.

**Background:** As part of NIU's Strategic Enrollment Management Plan, increasing targeted recruitment efforts and prioritizing access are strategic imperatives. This strategy requires strong partnerships and seamless transfer pathways for transfer students and location-bound students. We continuously seek to identify new and creative collaborations with our community college partners that facilitate pathways to bachelor degree attainment in seamless and cost-effective ways. Since 2017, NIU has worked in partnership with Harper College to create transfer pathways and make certain NIU courses available on the Harper campus. In September 2020, an updated partnership agreement between The Harper College University Center and NIU was developed to continue this important partnership. Through this partnership, NIU is currently offering bachelor's degree programs in Computer Science, Marketing, and Psychology at the Harper College University Center. The degree pathways include in-person courses held at Harper College as well as certain online or hybrid course offerings. All courses, including the in-person courses taught at Harper, are taught by NIU faculty. Additional degree programs may be added during the partnership through mutual agreement. Since Fall 2018, NIU has welcomed nearly 120 students and graduated the first cohort of 19 individuals in May 2021.

Under the tuition-sharing model, students enrolled through the partnership are enrolled in NIU courses and are billed tuition by NIU applicable to the courses or programs the student is pursuing. NIU shares a portion of the tuition revenue collected with Harper College. The amount shared with Harper for bachelor's degree programs is 15% of the collected tuition revenue for in-person courses held at the Harper College University Center, and 10% of the collected tuition revenue for all other modalities. For graduate degrees, 15% of the collected tuition revenue will be shared with Harper. Differential tuition, NIU scholarships, and fees are not part of the tuition-share.

The term of the current partnership agreement is five years, comprised of an initial three-year term commencing September 2, 2020 and ending September 1, 2023, with the option to renew for two additional one-year terms. The projected total in tuition-share payments to Harper College over the five-year agreement term is estimated to be \$510,000.

**Funding:** Appropriated/Income Funds - \$510,000

**Recommendation:** The university recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on August 26, 2021.

## **EXTERNAL PRINT SERVICES**

**Summary:** The university has determined that partnering with an external service provider for print services will enhance service delivery to campus, create greater efficiencies, and allow for the best use of university resources. The university is requesting approval to enter into an agreement with RR Donnelley to assume responsibility for campus print services. The initial award is a two-year term plus three optional renewal years, with a value not to exceed \$7.5M over the five years.

**Background:** In June 2019, the university embarked on a request for proposal (RFP) to research whether transitioning print services to an outside vendor would be advantageous in terms of service delivery and operational efficiencies. Several campus stakeholders were consulted throughout the RFP process, and each helped identify the level of service requirements from an external vendor and the potential impacts an external partnership may have across campus and on the printing culture in general. The RFP committee evaluated the vendor responses and concluded that RR Donnelley was the best choice in terms of service offerings, customer service and price points within a reasonable proximity to campus. RR Donnelley is a trusted partner who can perform printing services more efficiently, some at a lower cost than what the university currently pays.

The print shop has been an important part of campus for its 70-plus years of operation, but several factors led to the recommendation of partnering with RR Donnelley. While NIU relies on printing services to enable the work to be done, it is not core to the university's mission, and faculty and staff are printing fewer materials every year. Without having print services onsite, the university will see a further, appropriate reduction in the amount of printed materials as units pursue other means to distribute materials. This is in line with the university's progress towards automated and streamlined processes, and an effort which will recognize savings primarily in the forms of lower print volume and equipment upkeep. A number of specialized printing and mailing machines NIU uses in the print shop are costly and need to be replaced. Further, eighty percent of orders in the existing print shop are for fewer than 500 pieces, with the vast majority of those producing fewer than 100. Improvements in technology have provided simpler, more efficient ways to produce the educational materials, forms, tests, advertisements, and other items that campus has relied upon the shop to provide in the past. RR Donnelley has access to greater printing efficiencies and equipment, and the university has existing resources available to assist campus in exploring creative, accessible ways to create reports, promote events and programs, and handle other tasks electronically.

These electronic capabilities, in combination with transitioning print services to RR Donnelley, will ensure NIU is meeting the printing needs of its students, faculty, and staff in the most efficient manner and one which affirms the university's trajectory towards more modernized operations.

**Funding:** Various sources, based on campus use; estimated not to exceed (NTE) \$7.5M over five years.

**Recommendation:** The university recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on August 26, 2021.

## TELEPHONY REPLACEMENT AND UPGRADE

**Summary:** NIU's current telephony system is an on-premise phone switch, which is more than thirty years old. Due to its age and obsolescence, the university can no longer obtain a maintenance contract, and replacement parts must be purchased on the gray market. Given these challenges, and the need to provide a service that is more reliable, mobile-friendly and flexible for faculty and staff, NIU is requesting approval to purchase a cloud-based Microsoft Teams voice solution. This system will seamlessly integrate with the university's existing Teams environment, enabling a calling/voice feature capability to a platform that faculty and staff are already familiar with. NIU will leverage its change management processes on campus to support this transition. The project budget of \$1.5M is for the first year's one-time expenses and annual cost.

### **Background**

The Division of Information Technology is proposing a new voice service modernization plan utilizing Microsoft O365/Teams which accomplishes the following goals:

1. Reduce operational support costs by implementing a solution that is vendor-supported, uses industry-standard protocols, and provides consistent platform support.
2. Enhance functionality of voice services at NIU so that cell phones, soft phones, and the wired/wireless data network can support a flexible and mobile work space for NIU faculty and staff.
3. Replace the out-of-warranty Avaya CS2100 telephone switch in order to reduce the risk of catastrophic failure.

The following outlines one-time and annual costs for the new solution.

Item	One-time	On-going / Annual
A5 Uplift/Licensing	\$225,000	\$225,000
RingCentral		\$50,000
Phone Numbers (3000 #'s @ \$72/year)		\$216,000
Headsets (750@\$100/startup, 90@\$100 year refresh)	\$75,000	\$9,000
Professional Services (installation/Migration)	200,000	n/a
Decom of Existing Phone System	100,000	n/a
Contingency	250,000	150,000
<b>Total Costs</b>	<b>\$850,000</b>	<b>\$650,000</b>

The FY22 Funding proposal includes the one-time cost as well as the first year's annual service cost. DoIT will evaluate the potential of using a BEP-certified vendor for professional services in support of implementation of the Teams voice solution.

**Funding:** Local Funds - \$1.5M

**Recommendation:** The university recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 23, 2021.

## **WIRELESS NETWORK EXPANSION AND UPGRADE**

**Summary:** Northern Illinois University provides data network services to students, faculty, and staff via wired and wireless (WiFi) connectivity on campus. The university is requesting to expand WiFi coverage in Graham Hall, Reavis Hall, and Swen Parson Hall in support of smart classrooms for remote teaching and learning. Anticipated costs for this phase of the ongoing WiFi expansion project are \$400,000, inclusive of labor, hardware, and materials. The project will be completed by the end of FY22.

**Background:** Ongoing wireless expansion is a multi-year project aimed at providing WiFi access in buildings that do not currently have service and upgrading service in buildings with limited coverage. Proposed WiFi access points were identified and endorsed by the colleges, Information Technology, Academic Affairs and Research and Innovation Partnerships. The WiFi expansion effort was launched in FY18 and, to date, has expanded WiFi in 25 university buildings.

**Funding: Institutional:** Local Funds - \$400,000

**Recommendation:** The university recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 23, 2021.

## CAMPUS MOBILE TECHNOLOGY NEEDS

**Summary:** As campus leaders consider the return-to-work plan, the technology needs of faculty and staff emerge as an urgent concern requiring attention. The purchase and deployment of laptops and other mobile technology are imperative to encourage a nimble and effective workforce. With the use of COVID-19 relief funding, the university is requesting to purchase roughly 250 laptops and related equipment up to \$350,000 in total value.

**Background:** When campus operations were abruptly required to transition to a remote environment, many faculty and staff were not equipped with necessary technology to effectively perform their job responsibilities. During the first few months of the COVID-19 pandemic, the Division of Information Technology procured three bulk shipments of laptops to deploy to users and areas with the greatest need, but these purchases did not come close to filling campus needs nor were they part of a comprehensive technology refresh plan. This request for approximately 250 devices will be deployed on an equitable basis across campus and will be accompanied by preliminary multi-year plans to address future technology needs.

**Funding:** Institutional Local Funds \$350,000

**Recommendation:** The university recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its special meeting on August 26, 2021.

## **BUILDING ACCESS CONTROL UPGRADES**

**Summary:** The scope for this project includes necessary upgrades to existing access control hardware (e.g., card readers) on campus doors to support more secure technology being phased in as part of the NIU One Card platform. There are approximately 1,200 exterior and interior doors located in 47 campus buildings which may require some level of upgrade depending on the age of the existing hardware.

**Background:** Due to rapidly changing technology and fraud risks and to ensure the safety of the students, staff and faculty, the existing level of security of the NIU One Card is in the process of being upgraded. Any existing access control hardware manufactured prior to 2016 will not be compatible with this new technology and therefore must be upgraded.

The door hardware replacement will range from full replacement of existing door frame and hardware to a simple component change, depending on the situation. The work will be completed by outside contractors and in-house workforces under the coordination of a NIU project manager.

**Funding:** Local Funds - \$1.4M

**Recommendation:** The university recommends that the Finance, Audit, Compliance, Facilities and Operations Committee endorse this request and asks that the President forward it by means of the President's Report to the Board of Trustees for approval at its meeting on September 23, 2021.

## **BANK ACCOUNT – SIGNATORY AUTHORIZATION**

**Summary:** The Treasurer of the Board of Trustees (the Vice President of Administration and Finance and Chief Financial Officer), the Associate Vice President of Finance and Treasury, the University Controller, and the University Deputy Controller are being submitted as authorized signatories for all treasury operations, including authorized signatories for university bank accounts. This designation is consistent with prior authorizations.

**Background:** On February 15, 2018, the Board of Trustees designated four positions with signatory authorization over all treasury operations. These positions were the Treasurer of the Board of Trustees (Vice President of Administration and Finance and Chief Financial Officer), the Associate Vice President of Finance and Budget (now, the Associate Vice President of Finance and Treasury), the University Controller, and the Director of Treasury Operations. The Director of Treasury Operations position has been vacated effective July 31, 2021 and will not be refilled. The treasury duties will be assumed by the Deputy Controller and as such the university's signatory authorization needs to be updated to reflect this reorganization.

**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 its special meeting on August 26, 2021.

**QUARTERLY SUMMARY REPORT OF TRANSACTIONS IN EXCESS OF  
\$100,000 FOR THE PERIOD APRIL 1, 2021 TO JUNE 30, 2021**

<b>Purchase Amount</b>	<b>No. of Transactions</b>	<b>Appropriated*</b>	<b>Non-Appropriated</b>	<b>Total</b>
Over \$100,000	15	\$538,724	\$1,788,446	\$2,327,170

TRANSACTIONS DETAIL:

Purchases:

1. The Provost Office requested permission to renew their software license for Explorance Blue Base Technology, Blue Text Analytics Engine, Hosting, and Hosted Test server for the period July 1, 2021 through June 30, 2022. This order was exempt from advertising per (30 ILCS 500/1-13(b)(5)). (Explorance Inc., Chicago, IL) 101,650\*
2. Renewal was required of the open order used to obtain charter bus services for the period July 1, 2021 through June 30, 2022. This was the fourth renewal of nine 1-year renewal options allowed in the Invitation for Bid (KMC061417) opened on June 14, 2017. The renewal award was advertised in the Illinois Procurement Bulletin. (Sam Van Galder, Janesville, WI) 182,000
3. The Division of Information Technology requested permission to purchase a digital media presentation system for classrooms for Fall 2021. This item is under IPHEC Contract IPHEC2131. (ACP CreativIT LLC, Buffalo Grove, IL) 213,648\*
4. The Division of Information Technology requested permission to purchase cloud hosted video platforms to expand instructional video hosting capabilities. This is a two-year term with an additional two optional years. This order was advertised under #kal05112021. (Kaltura Inc., New York, NY) 108,000\*
5. Renewal is required of the software for on-campus and off-campus camps and conference registration, memberships, inventory tracking, facility booking, abstract paper submission, and reporting for the period July 1, 2021 through June 30, 2022. This order was advertised under KMC053118. (UngerBoeck Systems International, Chesterfield, MO) 215,000
6. Renewal was required of the electronic research administration system for the period July 1, 2021 through June 30, 2022. This system covers all facets of research administration and compliance within one software package from one vendor. This is the second of nine one-year renewal options. This item was advertised on the Illinois Procurement Bulletin – RFP #KMC21544 on 4/4/19. (InfoEd International Inc., Albany, NY) 118,646



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|---|----------|
| 7. Finance and Treasury Services requested permission to pay audit costs for the Financial Statement Audit for the period ended June 30, 2020. This item was exempt from advertising per IL Procurement Code (30 ILCS/500 1-10(b)(1)). (Office of the Auditor General, Springfield, IL)   | 212,718  |
| 8. Finance and Treasury Services requested permission to pay the university's portion of the federal share of the cost of the Single Audit for the period ended June 30, 2020. This item was exempt from advertising per IL Procurement Code (30 ILCS/500 1-10(b)(1)). (Office of the Auditor General, Springfield, IL)   | 115,426* |
| 9. The Bursar Office requested permission to issue an FY22 open order for commercial accounts receivable for the period July 1, 2021 through June 30, 2022. This is an IPHEC vendor and was therefore exempt from advertising. (National Credit Management, St. Louis, MO)  | 169,000  |
| 10. The Bursar Office requested permission to issue an FY22 open order for commercial accounts receivable for the period July 1, 2021 through June 30, 2022. This is an IPHEC vendor and was therefore exempt from advertising. (Conserve, Fairport, NY)  | 162,000  |
| 11. Housing and Residential Services requested to issue an open order for the period ended June 30, 2021 for legal services relating to litigation regarding the Collegiate Housing Foundation water valve claim that has since been settled and the matter closed out. The original request was approved on the October 9, 2020 President's Report. This item was exempt from advertising under Illinois Procurement Code (30 ILCS 500/1-10(b)(7)). (Foley & Lardner LLP, Chicago, IL) | 149,630  |
| 12. Housing and Residential Services requested permission to renew their last and final membership to the Collegiate Housing Foundation for – DeKalb IL, LLC Project for the period ended June 30, 2021. This order was exempt from advertising per (30 ILCS 500/1-13(b)(1)) (#JMT26760). (Collegiate Housing Foundation, Fairhope, AL)   | 109,452  |

**Capital Improvement Projects:**

- |  |         |
|--|---------|
| 1. The Stevenson Complex cold-water booster pumps are about 30 years old, had far exceeded expected lifespan, and had begun to experience performance issues which were causing low water pressure issues at higher floors in the towers. Replacement of the equipment was best performed during the low occupancy period this summer as the cold-water supply is required to be secured during the replacement. The pumps required some lead time to procure to facilitate replacement during the summer break. | 124,000 |
|--|---------|

Work will be completed by outside contractors with internal trade workforce assistance under the coordination of a NIU project manager.

2. The scope of work for the Parking Garage was focused on the next phase of repairs to the top level of the structure to preclude water intrusion into the joints that cause structural deterioration. Repairs to storm water piping were made as well as degreasing and power washing of all levels of the structure. 106,000

Work was completed by in house trades and outside contractors under the coordination of a NIU project manager.

3. Five parking lots have been prioritized for critical repairs and maintenance to extend the life of existing pavement surfaces. Prioritized lots include Lot E at Anderson Hall, Lot S38 at Childcare/Gabel Hall, Lot 15E at the Recreation Center, Lot 44 at Barsema Hall and Lot P on the west side of the Stevenson Residential Complex. The scope of work at these lots included sections to be milled and repaved, crack filling, sealcoating, and restriping. 240,000

Work was completed by outside contractors under the coordination of a NIU project manager.

\*Appropriated/Income Funds

## **FISCAL YEAR 2021 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, 2021. Any waivers that apply to FY21, and processed between July 1, 2021 and August 31, 2021, have not been included in this report. All adjustments for FY21 that are processed through the cutoff date of August 31, 2021, will be submitted to the Board of Trustees for approval at a subsequent full meeting of the Board.

FISCAL YEAR 2021  
TOTAL TUITION AND FEE WAIVERS

Note: Recipients are represented once for each waiver program  
Rounding may cause some small variances in total values

(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
<b>MANDATORY WAIVER CATEGORY</b>					
<u>PROGRAM:</u>					
Teacher Special Education	135	135	\$612.1	118	\$179.0
General Assembly	-	-	0.0	-	0.0
ROTC	35	35	230.1	25	2.3
DCFS	32	32	114.8	19	29.7
Children of Employees	111	111	475.8	-	0.0
Senior Citizens	5	5	8.8	-	0.0
Honorary Scholarships	-	-	0.0	-	0.0
Veterans Grants & Scholarships*	452	452	2,129.4	452	253.3
Other (please specify)**	-	-	0.0	-	0.0
	-	-	-	-	0.0
	-	-	-	-	0.0
<b>Unduplicated Mandatory Waiver Count Total ***</b>	<b>770</b>	<b>770</b>	<b>\$3,570.9</b>	<b>614</b>	<b>\$464.2</b>

**DISCRETIONARY WAIVERS CATEGORY**

<u>PROGRAM:</u>					
Faculty/Administrators (Non-Civil Service)	78	78	391.0	3	1.6
Civil Service	175	175	866.3	53	61.0
Institutional/Related Agencies	44	44	147.8	-	0.0
Retired University Employees	9	9	24.8	3	0.9
Children of Deceased Employees	4	4	26.9	4	6.1
Children of Employees	-	-	0.0	-	0.0
Academic/Other Talent	884	884	4,088.1	1	0.0
Athletic	178	178	1,533.6	-	0.0
Gender Equity in Intercollegiate Athletics	151	151	1,319.1	-	0.0
Foreign Exchange Students	-	-	0.0	-	0.0
Out-of-State Students	-	-	0.0	-	0.0
Foreign Students	16	16	132.6	-	0.0
Fellowships	13	13	55.9	-	0.0
Student Need - Financial Aid	2	2	14.5	-	0.0
Student Need - Special Programs	4	4	27.5	-	0.0
Cooperating Professionals	353	353	944.4	-	0.0
Research Assistants	379	379	2,025.3	-	0.0
Teaching Assistants	735	735	4,411.2	-	0.0
Other Assistants	115	115	729.3	-	0.0
Contract/Training Grants	26	26	184.8	-	0.0
Other (please specify)***	-	-	0.0	-	0.0
	-	-	0.0	-	-
<b>Unduplicated Discretionary Waiver Count Total ***</b>	<b>3,166</b>	<b>3,166</b>	<b>\$16,923.0</b>	<b>64</b>	<b>\$69.5</b>

Unduplicated Summary Tuition and/or Fees	Number of Recipients	Total Value of Waivers
Mandatory Waiver Category Total***	770	\$4,035.1
Discretionary Waiver Category Total***	3,166	\$16,992.5
<b>Total count of Waivers****</b>	<b>3,936</b>	<b>\$21,027.6</b>

\* 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.

**ANNUAL SUMMARY REPORT OF OBLIGATION OF FINANCIAL  
RESOURCES YEAR ENDED JUNE 30, 2021**

<u>Category</u>	<u>Number of Purchase Orders</u>	<u>Percentage</u>	<u>Dollar Volume</u>	<u>Percentage</u>
\$0 to \$25,000 <sup>1</sup>	1587	79.83	\$ 11,942,433.73	14.28
\$25,001 to \$100,000 <sup>1</sup>	302	15.19	15,174,914.39	18.14
\$100,001 to \$250,000 <sup>2</sup>	60	3.02	9,563,549.58	11.43
\$250,001 to \$500,000 <sup>3</sup>	14	0.70	4,630,333.52	5.53
Over \$500,000 <sup>3</sup>	25	1.26	42,347,696.61	50.62
<b>TOTAL</b>	<b>1988</b>	<b>100%</b>	<b>\$83,658,927.83</b>	<b>100%</b>

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 26, 2021 and subject to changes due to fiscal year-end close out.

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

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

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

## ANNUAL REPORT OF CASH AND INVESTMENTS FOR PERIOD ENDED JUNE 30, 2021

In accordance with the University's 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, 2021
- Cash and Investment Holdings Summary as of June 30, 2021
- Investment Earnings for the quarter ended June 30, 2021

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's [\*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 \$15M in agency and Treasury notes.

The *Cash and Investment Holdings Summary* on June 30, 2021, shows NIU's total holdings at just over \$136M. Of the total holdings balance, approximately \$84M is available for daily operations providing for more than 60 days cash on hand. The remaining balance is restricted per collateralization requirements and contractual obligations. The total holdings balance is up \$8M from the previous year. This increase is a result of cash receipts exceeding cash disbursements during the fiscal year, as a result of planned reductions in university-wide spending, timely receipt of State Appropriations, and receipt of additional pandemic-related Federal relief funding. The State of Illinois paid the final remaining \$26M of FY21 state appropriations and \$11M in Monetary Award Program (MAP) funds during this quarter.

The *Investment Earnings* report shows the interest earnings for the fourth quarter at approximately \$27,076, which is \$316,972 less than interest earned in the same quarter of FY20. The decrease in interest earned is primarily due to declining market investment yields. Most operating funds were invested in money markets and investment in savings accounts because cash and cash equivalents were earning higher yields than long term investment instruments during the fourth quarter of FY21. The annualized rates of return steadily decreased throughout FY21 from 0.35% to 0.08%.

Economic effects of the COVID-19 global pandemic triggered a major recession. However, the progress on vaccinations has reduced the spread of the virus in the United States, and indicators of economic activity and employment have strengthened during FY21. Though the economy is on a recovery track, the path to recovery may be dependent on the course of the virus. 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, 2021

	Beginning Balance 7/1/2020	Deposits*	Withdrawals*	Ending Balance 6/30/2021**
<b>Amalgamated Bank</b>				
Series 2010 Build America Bonds	\$1,287,683	\$29	\$1,007,607	\$280,105
Series 2014 Certificates of Participation	17	1,504,083	1,504,100	-
Series 2020A Revenue Bonds	3,200	516,022	519,222	-
Series 2020B Revenue Bonds	2,323	6,845,027	6,847,350	-
	<b>\$ 1,293,223</b>	<b>\$ 8,865,161</b>	<b>\$ 9,878,279</b>	<b>\$ 280,105</b>
<b>First National Bank</b>				
Investment	\$ 354,560	\$ 35,318,465	\$ 35,237,260	\$ 435,765
Contributory Trust	9,839,000	16,244	16,244	9,839,000
	<b>\$ 10,193,560</b>	<b>\$ 35,334,709</b>	<b>\$ 35,253,504</b>	<b>\$ 10,274,765</b>
<b>First Midwest Bank</b>				
Credit Card Account	\$ 50,000	\$ 60,728,278	\$ 60,728,278	\$ 50,000
Deposit Account	143,086	131,588,753	131,493,582	238,257
Disbursement Account	50,000	56,417,828	56,417,828	50,000
Investment Account	48,918,055	375,596,992	359,068,010	65,447,037
Payment Account	50,000	371,864,944	371,864,944	50,000
Payroll Account	100,818	150,421,672	150,441,173	81,317
	<b>\$ 49,311,959</b>	<b>\$ 1,146,618,467</b>	<b>\$ 1,130,013,815</b>	<b>\$ 65,916,611</b>
<b>JP Morgan Chase Bank</b>				
CD	\$ 1,514,019	\$ 795	\$ -	\$ 1,514,814
<b>Illinois National Bank</b>				
NIU Operations- IL Funds	\$ 5,000	\$ 306,272	\$ 306,272	\$ 5,000
<b>US Bancorp Fund Services</b>				
NIU Operations- IL Funds	\$ 40,615,953	\$ 100,347,427	\$ 98,000,000	\$ 42,963,380
<b>Total For All Banks</b>	<b>\$ 102,933,714</b>	<b>\$ 1,291,472,831</b>	<b>\$ 1,273,451,870</b>	<b>\$ 120,954,675</b>

\* Deposits and Withdrawals include interaccount transfers.

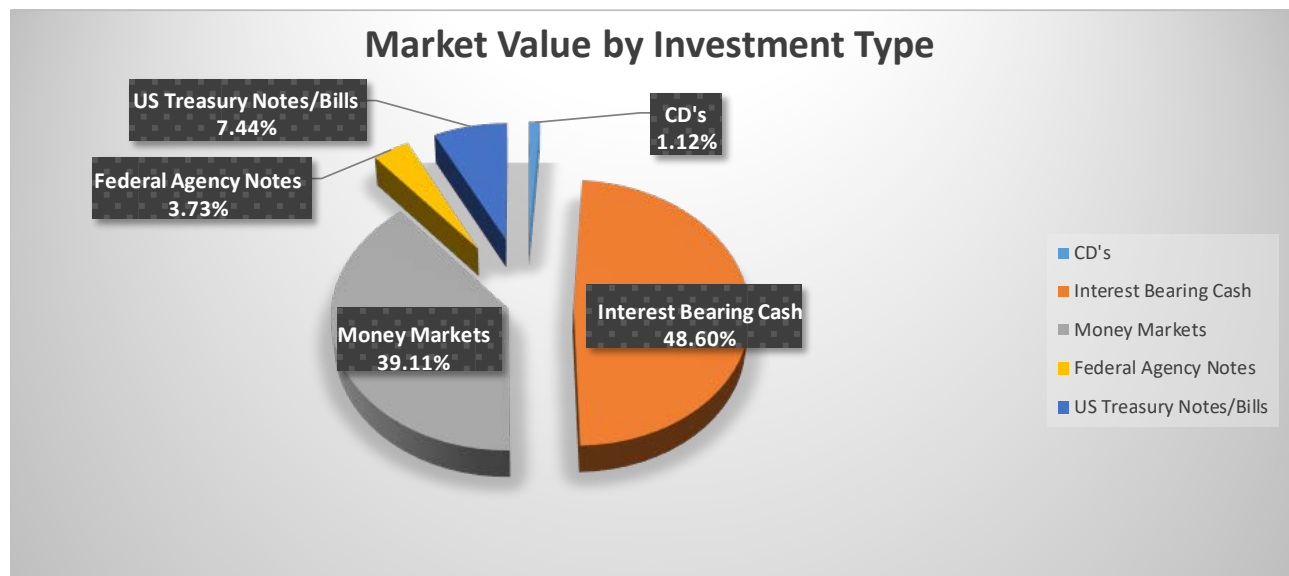
\*\* The balances and activity reflected on this report are taken from bank statements and may not necessarily reflect those amounts recorded in the university financial records due to reconciling items, and exclude fixed income securities.



**NORTHERN ILLINOIS UNIVERSITY**  
**CASH and INVESTMENT HOLDINGS SUMMARY**

June 30, 2021  
For Fiscal Year 2021

Investment Type	Purch Price/ Ending Bal *	Book Value **	Market Value ***
<b>CD's:</b>			
Local Funds	\$ 1,514,814	\$ 1,514,814	\$ 1,514,814
<b>Federal Agency Notes:</b>			
Local Funds	\$ 5,057,320	\$ 5,057,320	\$ 5,060,165
<b>Interest Bearing Cash Accounts:</b>			
Local Funds	\$ 65,964,118	\$ 65,964,118	\$ 65,964,118
<b>Money Markets:</b>			
Contributory Trust	\$ 9,839,000	\$ 9,839,000	\$ 9,839,000
Local Funds	42,963,380	42,963,380	42,963,380
Project Funds	280,105	280,105	280,105
	\$ 53,082,485	\$ 53,082,485	\$ 53,082,485
<b>US Treasury Notes/Bills:</b>			
Local Funds	\$ 10,095,331	\$ 10,091,616	\$ 10,092,775
<b>TOTAL INVESTMENT HOLDINGS</b>	<b>\$ 135,714,068</b>	<b>\$ 135,710,353</b>	<b>\$ 135,714,357</b>
Non-interest Bearing Cash	\$ 479,197	\$ 479,197	\$ 479,197
<b>TOTAL CASH &amp; INVESTMENT HOLDINGS</b>	<b>\$ 136,193,265</b>	<b>\$ 136,189,550</b>	<b>\$ 136,193,554</b>
<b>TOTAL REPORTED FOR 6/30/2020</b>	<b>\$ 128,103,365</b>	<b>\$ 128,068,338</b>	<b>\$ 128,120,677</b>



\* 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 2021  
July 1, 2020 - June 30, 2021**

	June 30 Ending Balance	Qtr 4 Average Daily Balance	Percent of Portfolio	Qtr 4 Income Earned	Annualized Rates of Return				
					FY2021				
					4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	
<b>Short-Term Investment Accounts</b>									
Illinois Funds	\$ 42,963,380	\$ 65,430,407	45.99%	\$ 5,472	0.034%	0.073%	0.095%	0.177%	
Investment Accounts - Financial Institutions	\$ 65,964,118	\$ 64,099,763	45.05%	\$ 20,569	0.129%	0.167%	0.185%	0.287%	
Contributory Trust	\$ 9,839,000	\$ 9,838,966	6.91%	\$ 702	0.029%	0.031%	0.023%	0.085%	
Investment Accounts - Project Funds	\$ 280,105	\$ 349,515	0.25%	\$ 5	0.006%	0.006%	0.006%	0.003%	
CD's	\$ 1,514,814	\$ 1,514,814	1.06%	\$ 189	0.050%	0.075%	0.080%	0.058%	
<b>ST Investment Accounts Total</b>	<b>\$ 120,561,417</b>	<b>\$ 141,233,465</b>	<b>99.26%</b>	<b>\$ 26,937</b>	<b>0.077%</b>	<b>0.116%</b>	<b>0.132%</b>	<b>0.217%</b>	
<b>Fixed Income Securities</b>									
Local Funds	\$ 15,152,651	\$ 1,054,014	0.74%	\$ 139	0.053%	0.297%	0.873%	1.210%	
<b>Fixed Income Securities Total</b>	<b>\$ 15,152,651</b>	<b>\$ 1,054,014</b>	<b>0.74%</b>	<b>\$ 139</b>	<b>0.053%</b>	<b>0.297%</b>	<b>0.873%</b>	<b>1.210%</b>	
<b>Non-interest Bearing Cash</b>	<b>\$ 479,197</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>COMBINED TOTAL</b>	<b>\$ 136,193,265</b>	<b>\$ 142,287,479</b>	<b>100.00%</b>	<b>\$ 27,076</b>	<b>0.08%</b>	<b>0.12%</b>	<b>0.16%</b>	<b>0.35%</b>	

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