

C. Governance and Compliance Committee

General Moore, chair, will report on the committee meeting of January 19, 2018.

**Governance and Compliance Committee
Meeting of January 19, 2018**

Minutes

Present: D. Fecher, S. Fitzpatrick, S. Green, B. Langos, W. Montgomery, C.D. Moore, A. Rains, G. Ramos

Guests: W. Branson, L. Chan, P. Cheng, T. Heigel, D. Kimpton, C. Schrader, T. Sudkamp, K. Tittle, J. Ulliman

General C.D. Moore, committee chair, called the meeting to order at 12:44 p.m. and read the conflict of interest statement.

Chair's Comments

General Moore highlighted the responsibilities of the Governance and Compliance Committee, reviewed the committee's agenda, and outlined the objectives for the meeting.

- **Affiliated Entity Review Update**

The affiliated entity compliance review process has three steps. Step 1 included a review of all 24 entities to determine if they were, indeed, an affiliated entity of Wright State University. This step has been completed. Step 2 determines whether an affiliate is in compliance with the University Policy on Affiliated Entities. If the entity is in compliance with the policy, the administration can move forward with signing a Memorandum of Agreement (MOA). If the entity is not in compliance, an exception, if warranted, is requested from the Board. Step 3 determines whether the entity should be an affiliate of the University. The administration would make this determination based upon the University's strategic plan and goals.

Ms. Kelli Tittle, director of compliance, updated the committee on the status of the five entities currently under review. For the WSU Foundation and the Wright State Alumni Association, their document reviews have been completed and negotiation is underway with each for their memorandum of agreement. Wright State Physicians is currently undergoing their document review. The Dayton Regional STEM School has provided their documentation however, the document review is not expected to begin until late January. The fifth entity under review is Double Bowler Properties. The document review was completed and the MOA is ready to be signed pending Board approval for a requested exception to the Affiliated Entity Policy.

1. **Request for Exception to the Affiliated Entity Policy: Double Bowler Properties' Corp.**

With the creation of the Affiliated Entity Policy and the Affiliated Entity Review Process, affiliated entities are to be run financially independent of the University. However, in those rare cases where complete separation is not possible, an exception to the MOA must be requested and approved by the Board where appropriate. The Board has asked that all requests for exceptions be presented to the Governance and Compliance committee in writing and include the provisions within the affiliation agreement that mitigate the risks associated with the exception.

The Affiliated Entity Policy-adopted October 7, 2016

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2016/Oct/meeting/WSU%20Policy%20on%20Affiliated%20Entities-Full.pdf>

The exception requested for Double Bowler pertains to their interdependence through lease agreements with the University. Mr. Greg Sample, president of Double Bowler Properties, explained that Double Bowler Properties Corp. is a 501(c)(3) that was formed to assist the University in expanding Wright State's campus footprint. Double Bowler owns and maintains the buildings and Wright State leases some locations for university use.

The committee discussed what the formal process should be for reviewing and approving exceptions to the Affiliated Entity Policy. One suggestion covered minor modifications to the policy. Under this circumstance, the Chair of the Governance and Compliance Committee could recommend approval and the committee could adopt the recommendation provided there was no material or financial impact to their decision. The other viewpoint was that all exception requests be reviewed by the committee and then forwarded to the full Board for approval.

After careful review, the committee recommended presenting a resolution outlining the Double Bowler Properties' Corp. exception request to the full Board for approval in February.

RESOLUTION 18-

**Resolution of the Board of Trustees to Grant
An Exception to Double Bowler on Compliance with the
Affiliated Entities Policy**

WHEREAS, the Wright State University Board of Trustees is authorized to govern the University pursuant to Ohio Revised Code §3352.03;

WHEREAS, the Board of Trustees has adopted an Affiliated Entity Policy that governs all organizations that wish to be affiliated with Wright State University;

WHEREAS, Double Bowler Properties Corp., an independently established 501(c)(3) organization which was formed to support and assist Wright State University with the acquisition and maintenance of real estate, is seeking to enter into a Memorandum of Agreement with the University to be recognized as an official University affiliated entity in conformance with the University Affiliated Entities Policy;

WHEREAS, Double Bowler, due to the nature of its operations in acquiring and maintaining property on behalf of the University, cannot meet the requirement of the Affiliated Entity Policy for becoming an entity financially independent of the University, and seeks to obtain an exemption from the Board of Trustees from complying with the Policy requirement that an affiliated entity be financially independent of the University and have a plan for achieving financial independence;

WHEREAS, the Board recognizes the unique relationship between the University and Double Bowler wherein Double Bowler supports the mission of the University in acquiring and maintaining real estate on behalf of the University which makes it impossible for Double Bowler to function without the financial support of the University; and

WHEREAS, in light of the special relationship between the University and Double Bowler, the Board desires to grant an exemption to Double Bowler from the Policy requirement of financial independence and the need for a plan to establish financial independence from the University;

NOW THEREFORE,

BE IT RESOLVED, the Wright State University Board of Trustees hereby approves and grants Double Bowler Properties Corp. an exemption from the University's Affiliated Entities Policy requirement of being financially independent from the University and of establishing a plan to become financially independent from the University so that Double Bowler may become an officially recognized affiliated entity with the University in conformance with the University's Affiliated Entities Policy.

I offer this Motion:

Is there a Second:

Roll Call Vote:

Mr. Peter Cheng, assistant vice president for University Audit and Consulting Services, and Mr. Dennis Andersch, chief executive officer of WSARC, answered questions about the historic relationship that the University has had with affiliated entities such as the Wright State Applied Research Corporation (WSARC).

- **Board of Trustee's Bylaws Update**

A Bylaw Review subcommittee of the Governance and Compliance Committee made up of General Moore, Mr. Chan, Ms. Tittle, Mr. Rains and Ms. Kimpton has been working on updating the Board's Bylaws that were last revised in 2003. General Moore reviewed the progress to date and held an interactive dialogue with the committee around sections of the current Bylaws that need enhanced or substantially altered.

Proposed modifications to the current Bylaws include the elimination of the treasurer's position, enhanced descriptions of the roles and responsibilities of the standing committees, a process for standing up special committees, and the assignment of high visibility or purview employee changes/additions/deletions to the Executive Committee.

Under the University President and Board Relations section, the committee recommended conducting the President's review at the close of the University's fiscal year. Enhancements were made to outline the responsibilities of the Board Chair and better define how the Board members communicate and engage with the University. A new section pertaining to "conflict of interest" issues was added.

The committee discussed the benefits of appointing National Trustees. Miami University uses this model whereby the board can appoint an alumnus for a two-year term to enhance subject matter expertise within their governor appointed membership. National Trustees are non-voting members and can supplement knowledge in areas where board's need an additional perspective. Mr. Chan, vice president for legal affairs, will look into state statues regarding this practice and report back.

Appearing within the current Bylaws are sections that deal with the student body and one on University-related organizations. The subcommittee reviewed these sections for their relevance to the Board's role in university governance and compared their scope to existing University governance policies. Both sections were recommended for removal as they were found to be outside of the Board's purview and redundant when compared to relevant university policies.

- 2. **Adoption of Trustee Onboarding Process Policy**

The committee received the final reiteration of the Wright State University Board of Trustees Onboarding Process policy. Without objection, the Committee recommended bringing the policy to the full Board for approval and adoption.

The following policy is before the Board today for adoption and Board approval.

Policy for Trustee Onboarding:

http://www.wright.edu/sites/www.wright.edu/files/uploads/2018/Jan/meeting/WSU%20Board%20onboarding%20process_Proposed%20Policy_Final_Dec17.pdf

RESOLUTION 18-

**Wright State Board of Trustees to
Adopt a Trustee Onboarding Process Policy**

WHEREAS, the Wright State University Board of Trustees is authorized to govern the University pursuant to Ohio Revised Code §3352.03;

WHEREAS, the Board of Trustees have By-Laws that set forth the procedures by which the Board carries out its statutory duties as specified in the Ohio Revised Code;

WHEREAS, the Board of Trustees desires to adopt a Board Onboarding policy and process by which newly appointed Trustees can be oriented to the duties, policies and procedures that each Trustee must be acquainted with in order to fulfill their duties as Trustees for Wright State University; and

WHEREAS, such a policy is appended to this Resolution for consideration and approval by the Board of Trustees;

NOW THEREFORE;

BE IT RESOLVED, that the Wright State University Board of Trustees hereby adopts and approves the appended Trustee Onboarding Policy and Process to be used in the orientation of newly appointed Trustees to the University Board of Trustees as they may, from time to time, be appointed by the Governor of the State of Ohio.

I offer this Motion:

Is there a Second:

Roll Call Vote:

The meeting adjourned at 2:01 p.m.

Respectfully submitted by
Deborah Kimpton