



BOARD OF TRUSTEES  
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**BOARD OF TRUSTEES  
 MIAMI UNIVERSITY  
 Minutes of the Finance and Audit Committee Meeting  
 Thursday, September 24, 2020 1:00 p.m.  
 Via Zoom, as Authorized per Ohio House Bill 197**

Chair Mark Sullivan called the meeting to order at 1:30 p.m., with a majority of members present, constituting a quorum. Roll was called; attending with Chair Sullivan were Committee members; Trustees David Budig, Sandra Collins, and Mary Schell; and National Trustees Mike Armstrong, Robert Coletti, and Biff Bowman; Committee member Trustee Rod Robinson did not attend, and Trustee Debbie Feldman joined immediately following the call of roll. Also attending were Trustees Zachary Haines, John Pascoe, and Bob Shroder; along with National Trustee Diane Perlmutter; and Student Trustees Amitoj Kaur and Will Kulis.

In addition to the Trustees, attending for all or part of the meeting were President Gregory Crawford, Provost Jason Osborne, Senior Vice President David Creamer, Senior Vice President Tom Herbert; Vice Presidents Jayne Brownell, Jaime Hunt, Anthony James (interim), David Seidl, Brent Shock and Randi Thomas; along with General Counsel Robin Parker; Athletic Director David Saylor; and Assistant to the President Dawn Tsirelis. Also present to address or assist the Committee were; David Ellis, Associate Vice President for Budgeting and Analysis; Barbara Jena, Chief Audit Officer; Cody Powell, Associate Vice President for Facilities Planning and Operations; Bruce Guiot, Chief Treasury Officer; and Ted Pickerill, Executive Assistant to the President, and Secretary to the Board of Trustees; along with many others in attendance to assist or observe.

**Public Business Session**

Chair Sullivan welcomed everyone and opened the meeting. He began the meeting by recognizing Trustee Armstrong for his service as Chair of the Committee, stating his leadership, guidance and wisdom have been invaluable to Miami University and its future. He also thanked Senior Vice President Creamer and his team for their leadership and service throughout the past several months. He also welcomed two new Committee members to their first Committee meeting, Trustee Debbie Feldman and National Trustee Biff Bowman.

Chair Sullivan then added one item to the agenda. He asked Mr. Guiot to give an update on issuing debt in late June.

**Approval of the Minutes**

Trustee Armstrong moved, Trustee Collins seconded and by unanimous voice vote, with all voting in favor and none opposed, the minutes from the prior meeting of the Finance and Audit Committee were approved.

## **Advancement Report, Comprehensive Campaign Update**

Senior Vice President Herbert provided the Committee with a comprehensive campaign update. He stated the goal for the year had been reduced to \$60 million and that approximately \$14 million had been received to date. Of the goal, the target cash amount is at least \$25 million, with \$4 million received to date.

He informed them that due to COVID-19 many activities had been shifted to virtual events. One of which was Alumni Weekend, which actually engaged more people than the in-person events in prior years. Therefore, going forward, even when back in-person again there will likely be virtual components to Alumni Weekend. Through Love.Honor.Learn webinars, there were 33 “Miami Presents” events, and 14 “white label” webinars. Events were attended with over 9,500 live views, drawing alumni from the class of 1946 through 2020.

He also informed them of the Alumni Office’s efforts to enhance Diversity, Equity and Inclusion, and their engagement with alumni groups in this effort.

He described the MiniMBA certificate program, created by the Farmer School of Business, and of its rollout which is being offered to alumni without charge.

*Associated Materials are included as Attachments A.*

## **Campaign Counting Exemptions**

Senior Vice President Herbert and Chief Treasury Officer Guiot then discussed the campaign counting exemptions and procedure (Attachment B) which would be applied during the campaign. They explained that Advancement follows CASE guidelines but at times exceptions are necessary, and that in the Committee’s agenda they will find the six categories of exceptions to be applied for the campaign and the exemptions procedure. They informed the Committee that the Foundation Board had reviewed and endorsed the exemptions.

They explained that there is a two-prong test that all exceptions must meet - donor intent, and that they are in alignment with campaign priorities. Also clarified was that funds would be deposited or transferred to the appropriate project or into the appropriate gift or endowed account. Senior Vice President Herbert and Chief Treasury Officer Guiot answered and clarified all questions posed. The Committee had no objections to implementing the exemptions to the CASE guidelines.

*Associated Materials are included as Attachment B.*

## **Revised Budget Ordinance**

Senior Vice President Creamer provided the Committee with a few opening remarks about the revised budget ordinance. He explained that requests for a revised

budget are highly unusual but merited in this situation due to the significant variances from the original budget due to remote start to the semester. He explained that the revised budget is based on the assumptions that the remainder of the fall semester and the spring semester can be completed with students residing in the residence halls and with in-person classes. He further explained that net asset losses were likely and unavoidable given the increased cost of delivering academic programs and services during the pandemic. However, some of the added costs were being funded by the Cares Act grant from the State of Ohio. He then explained that as part of his presentation he would present additional budget scenarios should remote study increase during the rest of the fiscal year.

Senior Vice President Creamer began the slide presentation by reviewing enrollment numbers, which showed a drop in the enrollment mix due mostly to the reduction in international students. Reviewing budgeted enrollment versus actual first year enrollment, showed numbers lower than budgeted, however continuing students are higher than budgeted, due to greater retention than expected. Overall, the revised net tuition revenue is down approximately \$15 million from the original planning assumption.

State appropriations are actually higher than budgeted, by approximately \$12 million. It was also explained that the current estimate is subject to adjustment as the allocation formula is completed and possibly subject to a mid-year reduction if the Ohio budget is more negatively impacted by the pandemic than currently estimated. The Committee was also informed that the positive variance in the state appropriation may be reversed in the next biennial budget since most, if not all, of Ohio's rainy-day fund is expected to be used to balance Ohio's budget this year and the current recession may result in the need for additional budget cuts going forward.

Discounting has continued to increase, and is now approximately \$114 million in the revised FY2021 budget. The increased discounting has resulted in declining net tuition revenue year over year for the last four years. Senior Vice President Creamer indicated that unless this trend is reversed for the 2021 budget, new budget cuts were likely for the 2021 budget.

The regional campuses also saw a decline in new student enrollment. This is counter to normal shifts during challenging economic times, and it is not certain if this is a trend or if it is the result of COVID-19. The number of continuing students is higher than estimated. While revenue is not growing for the regional campuses, it is remaining relatively steady.

Auxiliary operations have a large decrease in revenue of over \$50 million. The major portion of which is in Housing and Dining operations. Intercollegiate Athletics has also been negatively impacted by an approximate \$5 million decline in revenue and a projected deficit of a similar amount.

Senior Vice President Creamer concluded the presentation by reviewing the additional budget scenarios in the event that remote learning were to increase during the remainder of the fiscal year.

Trustee Collins then moved, Trustee Budig seconded and by unanimous voice vote, with all voting in favor and none opposed, the Committee voted to recommend approval of the Ordinance by the full Board of Trustees.

*Associated materials are included as Attachment C.*

### **Year to Date Operating Results**

Senior Vice President Creamer then provided an overview of the financial statements, and trends over the past five years. He explained the pension obligation, and stated he would not expect the need to ever move assets with regard to this obligation, more likely any need would be met through a higher contribution requirement in the future.

He then compared Miami University to other state public four-year universities, stating Miami remains in a strong position relative to the state's other public universities.

He discussed the unrestricted net position which is approximately \$328 million, \$20 million less than last year, due primarily to the change in Ohio pension fund liability. He reviewed the components of the unrestricted net position, and explained how the Investment Fluctuation Fund target is calculated.

He then reviewed several other areas, including faculty position reallocations where 25 positions have been reallocated to other areas, with areas focused on health care being the primary recipients. He reviewed the Boldly Creative balance, stating to date approximately \$4 million in new revenue has been generated. He reviewed donor-funded projects, showing there is a shortfall in Intercollegiate Athletics projects. He reviewed the residence and dining hall debt service, and stated the surplus is being depleted and any new projects have now been paused until the surplus can be rebuilt, which is approximately two to three years away. The Foundation preliminary year-end operating results were presented – which are tied closely to investment performance. He also presented an update on campaign modeling which showed the likely time horizon to achieving the \$1 billion goal is now out to 2029 or 2030.

*Associated materials are included as Attachment D.*

### **Furlough Policy and Reduction in Force**

Senior Vice President Creamer and General Counsel Robin Parker explained that most of Miami University's policies around reductions-in-force have addressed position elimination but not other possible approaches. With the pandemic there is a need for temporary, rather than relatively permanent reductions.

The proposed revisions to the furlough policy provide greater flexibility in the amount/length of furloughs, and the reduction-in-force policy allows for temporary reductions in positions, rather than elimination only.

University governance was followed in proposing the policies, with University Senate and the Classified and Unclassified Personnel Advisory Committees being consulted. Input from these groups is included as Attachment E. Much of the advice is included in the policy proposals and that which is not was to allow better policy consistency for planning purposes. All planned furloughs will still be taken to the University Senate.

The revised policies will be revisited with the Board in one year.

Trustee Coletti then moved, Trustee Budig seconded and by unanimous voice vote, with all voting in favor and none opposed, the Committee recommended approval of the Furlough Policy by the full Board of Trustees.

Trustee Coletti then moved, Trustee Armstrong seconded and by unanimous voice vote, with all voting in favor and none opposed, the Committee recommended approval of the Reduction in Force Policy by the full Board of Trustees.

*Associated materials are included as Attachment E.*

### **Capital Projects**

Associate Vice President Cody Powell updated the Board on the status of major construction and capital projects. He stated three projects were completed during the summer, all on time and under budget.

He informed the Board that work on Harris Hall, which commenced in December, was continued through the pandemic. Construction crews adopted PPE protocols and work was completed on time. Harris Hall is currently the swing space for health and wellness services, going forward it will continue to be used as a swing space for future projects, so the work recently completed included additional items to meet future needs, such as enhanced sprinkling.

Pearson Hall, which was a two-phased occupied renovation, was scheduled as a four-year renovation, but was completed in just over three years. The original open courtyard was covered and converted to usable space. The project will reduce the hall's energy consumption by over 50%.

Work on Stanton Hall continued through the pandemic. Supply disruptions required a need for some adaptation during construction, but the project was still completed on time.

*Associated materials are included as Attachment F.*

### **Facilities Condition Index**

Senior Vice President Creamer updated the Committee on the Facilities Condition Index (FCI). He stated the current value is 27.73%, which meets the target goal which is to be less than 30%. For the entire campus, total replacement value is currently near \$3 billion. He cautioned the Committee that it is important to keep up to date in maintaining facilities. Deferral may offer temporary savings, but it creates future budget problems and competitive issues as well.

He informed the Committee that with the pause in some renovations, the goal date to be free of steam on campus may be delayed past 2025. He also informed them that some older buildings are being reviewed and may not receive reinvestment but might be deconstructed instead, such as Wilson Hall was a year ago. Other buildings also being reviewed include Thompson and Wells Halls. The former food service facility on Elm Street is also quite aged, but the University is exploring partnerships for economic development.

The Regional campuses have a greater FCI than Oxford. Miami University Hamilton is 46.75%, and Middletown is 57.32%. The regional campuses will soon be facing renovation issues and a need for investment. The University is currently planning to invest in University Hall for the nursing program.

*Associated materials are included as Attachment G.*

### **Internal Audit**

Chief Audit Officer, Barbara Jena presented the annual internal audit plan. She stated the plan is based on risk assessment, and it touches each division at Miami. She highlighted six audit projects.

- Payroll adjustment, to examine root causes to reduce them
- Purchasing cards, to examine spending and compliance
- Daily COVID-19 testing, to assist administration rather than a true audit item
- Time and material contracts, reviewing internal controls in Physical Facilities
- Bursar bills, reviewing the fall semester bills, due to the many options offered
- Banner, review the segregation of duties and access controls

Prior to the meeting's end, Trustee Collins moved, Trustee Bowman seconded and by unanimous voice vote, with all voting in favor and none opposed, the Committee approved the FY2021 Audit Plan.

*Associated materials are included as Attachment H.*

## **Investment Subcommittee**

Senior Vice President Creamer updated the Committee on the Investment Subcommittee meeting. He explained that approximately \$75 to \$80 million will be moved from long term investments to Tier II. Trustee Bowman relayed that there was a good dialogue around liquidity in making this decision. Trustee Sullivan added that he completely supports this move.

*The minutes from the meeting of the Investment Subcommittee are included as Attachment I.*

## **Debt Transactions**

Addressing an earlier request, Chief Treasury Officer Guiot provided a summary of new debt transactions. He stated that the University was able to take advantage of a favorable bond market, receiving a 2.57% rate for the bonds issued during the summer. Senior Vice President Creamer added that Miami does not intend to issue new debt for capital projects in the near future, that instead any large construction or renovation projects would need to be donor or internally funded. However, if rates do remain low, it is possible that permission to issue refunding bonds might be sought.

## **Annual Efficiency Report**

Dr. Creamer explained the timing and the requirement for the University to submit to the state an annual efficiency report. The report must be certified by the Board of Trustees, but the timing is such that between receipt of the guidelines, development of the report, and the submission deadline, it is difficult for Ohio's public universities to obtain Board approval in advance of report's submission. Therefore, the Chancellor allows universities to submit the report, then obtain retroactive approval by their Board of Trustees. The report will be submitted in October, and will be presented to the Board of Trustees for approval at the next meeting, in December.

## **Forward Agenda**

In December the Committee will receive a summary of Miami's debt schedule, with maturities, payments, and opportunities for refunding.

## **Additional Reports**

The following written reports were provided for the Committee's information and review:

Enrollment Update, Attachment J  
Internal Audit Reporting Update, Attachment K  
Cash and Investments, Attachment L  
Lean Project Update, Attachment M  
Insurance Update, Attachment N

### Adjournment

The Committee was informed that the December meeting will be advanced one week to Thursday, December 3, 2020. With no more business to come before the Committee, Trustee Armstrong moved, Trustee Coletti seconded and by unanimous voice vote, with all in favor and none opposed, the Committee adjourned at 3:45 p.m.



Theodore O. Pickerill II  
Secretary to the Board of Trustees





# University Advancement Report

**Tom Herbert, J.D.**

Senior Vice President, University Advancement  
President, Miami University Foundation



MIAMI UNIVERSITY

# Presentation Outline



- \$1 Billion Campaign Update
- FY'21 Fundraising Results to date
- Alumni Association – Digital Pivot

# >> \$1B Campaign Progress Report

- Goal: \$1 billion
  
- Raised to date: \$398.6 million (39.9% of goal)

# \$1B Campaign Progress Report



	Gifts	Pledges	Total	Present Value
<b>Bequests (outstanding)</b>		171,673,192.42	171,673,192.42	100,140,685.00
<b>Cash</b>			-	
cash, checks, credit cards, EFT	54,739,765.88	103,062,342.71	157,802,108.59	
stocks, securities	6,274,291.72	356,614.79	6,630,906.51	
payroll deduction	309,315.60	248,709.91	558,025.51	
matching gifts	1,323,953.74	-	1,323,953.74	
realized bequests	11,938,571.41	-	11,938,571.41	
Other camp commitments	-	20,633,469.64	20,633,469.64	
<b>Planned Gifts</b>				
insurance premium	171,389.20	1,533,323.48	1,704,712.68	
lead trusts	2,000.00	1,035,848.00	1,037,848.00	
externally managed	186,747.54	4,580,000.00	4,766,747.54	3,219,060.00
charitable gift annuities	287,955.91	-	287,955.91	187,955.91
charitable remainder trusts	3,657,688.81	2,500,000.00	6,157,688.81	1,239,278.92
<b>Grants</b>	12,884,451.73	-	12,884,451.73	
<b>Gifts in Kind</b>	4,146,860.58	-	4,146,860.58	
<b>Real Estate</b>	-	-	-	
<b>Membership Dues</b>	16,860.22	-	16,860.22	
<b>SUB TOTAL</b>	95,939,852.34	305,623,500.95	<b>401,563,353.29</b>	
<i>manual adjustments (extended pledges, etc.)</i>			<i>(2,945,599.00)</i>	
<b>REPORTED TOTAL</b>			<b>\$398,617,754.29</b>	

# ➤➤ \$1B Campaign Progress Report

- Campaign Current State
  - Silent phase – four years complete by June 30<sup>th</sup>, 2020
  - Approx. \$397.2 million at July 1, 2020
  - Time frame – July 1, 2016 - July 1, 2027
    - 11 years

# >> FY'21 Fundraising to Date



- Goal: \$60 million
  
- Raised to date: \$13.9 million (23% of goal)

# FY'21 Fundraising to date



	Gifts	Pledges	Total	Present Value
<b>Bequests (outstanding)</b>		11,500,000.00	11,500,000.00	11,355,152.00
<b>Cash</b>				
cash, checks, credit cards, EFT	1,509,695.41	293,965.00	1,803,660.41	
stocks, securities	154,462.48	-	154,462.48	
payroll deduction	9,540.15	7,540.00	17,080.15	
matching gifts	37,026.39	-	37,026.39	
realized bequests	53,378.03	-	53,378.03	
Other camp commitments	-	-	-	
<b>Planned Gifts</b>			-	
insurance premium	2,012.90	-	2,012.90	
lead trusts	-	-	-	
externally managed	20,035.00	-	20,035.00	
charitable gift annuities	-	-	-	
charitable remainder trusts	-	-	-	
<b>Grants</b>	-	-	-	
<b>Gifts in Kind</b>	275,639.00	-	275,639.00	
<b>Real Estate</b>	-	-	-	
<b>Other</b>	-	-	-	
<b>SUB TOTAL</b>	2,061,789.36	11,801,505.00	<b>13,863,294.36</b>	
<i>manual adjustments (extended pledges)</i>			<i>(10,000.00)</i>	
<b>REPORTED TOTAL</b>			<b>\$ 13,853,294.36</b>	

# »» FY'21 Cash Received to Date



- Goal: \$25 million
- Raised to date: \$3.9 million (16%)
- Cash to endowment: \$1.7 million



# Love. Honor. Learn.

## MUAA Webinar Platform - Launched in April 2020



# Love. Honor. Learn

## MUAA Webinar Platform - Launched in April 2020

- Hosted **33** “Miami Presents” webinars since April
  - **25** faculty/staff led
  - **17** chapter volunteer led
- **9,500+** live views
- Class years: **1946-2020**
- **14** “white label” webinars ( partnership with ALC)

[alumlc.org/miamioh](http://alumlc.org/miamioh)

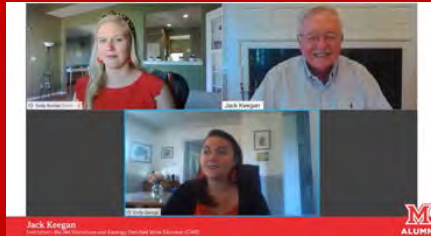


# Alumni Weekend

**Total Webinar Views: 2,006**

**Total Live Attendees (all platforms): 1,283**

**Total Facebook Live Video Views: 14,400**



Miami Presents: Virtual Alumni Weekend  
**BLACK HISTORY AT MIAMI**

**Jacqueline Johnson**  
*University Archivist*

**Seth Seward '11**  
*Assistant Director of Alumni Groups*

**Valerie Edwards Elliott '75**  
*Manager, Smith Library of Regional History*



Miami Presents: Virtual Alumni Weekend  
**THE EVOLUTION OF OUR CAMPUS AND ITS STUDENT LIFE**

Thanks to our sponsor:

**Bob Keller**  
*University Architect Emeritus*



Miami Presents: Virtual Alumni Weekend  
**GREEK LIFE UPDATE**

**Dr. Kimberly Vance**  
*Director*  
*Cliff Alexander Office of Fraternity and Sorority Life*

**Adam Dralle**  
*Associate Director*  
*Cliff Alexander Office of Fraternity and Sorority Life*

# Events

- **Hosted 42 virtual alumni events since April**
  - 6,034 participants; Class of 1955-2020
- **Co-hosted 11 virtual student send-offs**
  - Engaged 155 incoming students & families
  - Three for Black alumni and students
- **Virtual Grandparents College**
  - 2019 CASE District V and International CASE winner
  - 270 “attendees” (83 in 2019)
- **9th Annual Cleveland Chapter Golf Outing**
  - Raised over \$6,000 for CLE Scholarship Fund

## **Upcoming Virtual Events:**

Miami @ the Merc, Homecoming, Night with Mary Kubica,  
Advancement Awards, Winter College

# DEI Initiatives

- **161** individual profiles of Black alumni on social media
- Webinars on LGBTQ+, women, Black history, social justice activism
- CASE V and International Awards for DEI programs
- LGBTQ+ alumni group awarded 9 (up from 5) scholarships due to increased engagement/effort
- New: Latin@ and Myaamia alumni groups
- Coming: Multicultural, Asian/Asian American groups

# “Mini MBA”

- **Series of free modules from FSB faculty; 7 key topics:**
  - Accounting; Creativity & Marketing; Management; Innovation & Entrepreneurship; Data Analytics; DEI; Leadership
  - Instructor video, case studies, alumni profiles

# “Mini MBA”

> Target audience: alumni

**Launching**      *0-7 years out, age 21-28*

**Rising**          *8-15 years out, age 29-36*

**Prime**            *30-50 years out, age 52-70*

> Positive benefit during downturn

> Fall 2020: 7-8 weeks to complete

> Open to staff & students; Ohio-wide?

»» Thank you!





MIAMI UNIVERSITY FOUNDATION  
CAMPAIGN EXCEPTIONS PROCEDURE

Establishment of campaign fundraising reporting exceptions:

- University Advancement will establish a set of criteria and procedures for the current comprehensive campaign for exceptions to the Council for Advancement and Support of Education (CASE) Reporting Standards and Management Guidelines (RS&MG) regarding transactions that are eligible for inclusion in campaign fundraising reporting.
- MUF Stewardship & Donor Relations Committee (S&DR) will review the exception criteria, modify if appropriate, and then approve.
- MUF Audit & Finance Committee (A&F) will review the exception criteria as approved by S&DR, modify if appropriate, and then approve.
- The Miami University Board of Trustees (BOT) Finance & Audit Committee will then approve the exception criteria for campaign fundraising reporting.
- This process will be completed prior to launching future comprehensive campaigns, and will be completed prior to launching the public phase of the current campaign.

After the exception criteria have been approved by the BOT Finance & Audit Committee:

- The Foundation President will make a semiannual report to the A&F of any transactions that are eligible for campaign fundraising reporting inclusion under the approved exceptions to CASE RS&MG.
- The report should include information about the transaction, the amount, date, and category of approved exception.
- The initial report will include all transactions for the campaign to date that qualify as approved exceptions under the new rules.
- A copy to the approved exceptions report will be provided to the S&DR for information only.
- The approved exception report shall then be provided to the BOT Finance & Audit Committee for information only.
- These exceptions may be included in the fundraising totals, but will be footnoted in all fundraising reporting and announcements as approved exceptions.

Exceptions to the approved exceptions:

- If the Foundation President identifies a transaction that falls outside the approved exceptions rules, and there are compelling reasons why the transaction should be included in fundraising reporting, the Foundation President may appeal for approval of individual transaction exceptions to the A&F.
- If the Foundation President identifies transactions that fit within the approved exception rules, but has compelling reasons why the transactions should not be included among the approved exceptions, the Foundation President may appeal for non-inclusion of the individual exceptions to the A&F.
- The appeal should include details about the exception such as: date, nature of the transaction, value of the transaction, reason why it is not already an approved exception, reasoning as to why the transaction should be an approved exception.
- If A&F approves the exception, the exception shall be reported separately to the BOT Finance & Audit Committee, with a copy to the S&DR, for final approval.
- If the BOT Finance & Audit Committee approves of these exceptions, then University Advancement may include these exceptions in its fundraising reporting, with appropriate footnote disclosure.

## Campaign Counting Guidelines

In almost all cases, Miami University and The Miami University Foundation will and does subscribe to the fundraising counting and reporting guidelines outlined and published by the Council for Advancement and Support of Education (CASE) in its 2009 CASE Reporting Standards and Management Guidelines, as subsequently amended. However, it is routine for CASE member institutions to approve exceptions to those guidelines within an established campaign.

Miami University ("MU") and the Miami University Foundation ("MUF") will make exceptions for future contributions to the current campaign for the exception categories below so long as they meet a two-prong test. That is:

- 1) The transaction must have donor intent; and
- 2) The transaction must be in alignment with campaign priorities.

These exceptions apply to the CASE Reporting Standards and Management Guidelines (2009) for the duration of the current comprehensive campaign. In all CASE counting exceptions all procedures outlined by the Audit and Finance Committee of the MUF, and the Finance and Audit Committee of the Board of Trustees will apply. Furthermore, in alignment with best practice, all exceptions will be footnoted in campaign reports.

- **Corporate Sponsorships**--- CASE states that sponsorships can be included in campaign totals, minus certain advertising revenue. MU and MUF shall count corporate support, including advertising, in full so long as the agreement with the corporation is not a fully quid pro quo contract. Interpretation of the agreement shall reside with the President of the MUF in conjunction with the President of Miami University.
- **Pledges**---CASE recommends that pledges with 5-year payment cycles be included in campaign totals. However, with large gifts it is becoming more common to extend pledges beyond 5 years. In such instances, pledges up to and including 10 years will be counted by MU and MUF.
- **Donor Advised Funds**--- CASE states that pledges established that are to be satisfied through a Donor Advised Fund must be counted year by year given IRS regulations. MU and MUF will count pledges to be funded by Donor Advised Funds the same as ones without a Donor Advised Fund component. Payments made to satisfy an established pledge where a Donor Advised Fund is used time to time will not change this exception.
- **Discounted or Cost-Free Goods or Professional Services**---CASE allows for counting of discounted or cost-free goods but not discounted or cost-free Professional Services. However, both types of transactions provide an economic benefit since it would have cost the university significantly more on the open market. As such, the difference between the discounted or free value of goods and/or the professional service versus its ordinary cost shall be considered a gift to MU and MUF. Whenever possible the discount amount will be substantiated by the entity providing the good or professional service. In all cases, verification will be obtained that these exceptions align with established institutional needs.

June 2020

- **Testamentary Commitments and the Age for Face Value campaign counting**--- CASE allows institutions to count all testamentary commitments per their own chosen parameters. For example, irrespective of size, or age of donor. As such, MU and MUF currently includes in its campaign totals the testamentary amount (face value) if that donor is going to be at least age 62 by the end of the campaign. Exceptions to the current minimum 62-year age limit may be made on a case by case basis.
- **Software**---CASE guidelines require that gifts of software must transfer ownership to the benefitting institution. MU and MUF will count gifts of software where usage is free but ownership has not been transferred. As such the gift will be considered a Professional Service.

June 2020

# Finance & Audit Committee Presentation

September 24, 2020



MIAMI UNIVERSITY

# Revised Budget



MIAMI UNIVERSITY

## Revised Budget Assumptions

	Revised Oxford FY21	Oxford FY21	Revised Hamilton & Middletown FY21	Hamilton & Middletown FY21
Fall Class - First Time Students	3,794	3,955	571	759
Fall Class - Other Incoming Students	384	411	507	524
Fall Enrollment Mix - Non-Resident	39.3%	40.7%	N/A	N/A
Tuition Increase - Continuing	2.0%	2.0%	N/A	N/A
Tuition Increase - Tuition Promise Resident	2.0%	2.0%	4.0%	4.0%
Tuition Increase - Tuition Promise Non-Resident	2.0%	2.0%	2.7%	2.7%
Tuition Increase - Resident Lower / Upper Division	N/A	N/A	2%/2%	2%/2%
Tuition Increase - Non-Resident Lower / Upper Division	N/A	N/A	2.0%/2.0%	2.0%/2.0%
Tuition Increase - Graduate Resident & Non-Resident	2.0%	2.0%	2.0%	2.0%
State Share of Instruction	\$64.6M	\$52.8M	\$11.9M	\$8.8M
Change in Investment Income	No Change	No Change	No Change	No Change
Salary Increment Pool & Market Adjustments	0.0%	0.0%	0.0%	0.0%
Staff Benefit Rate	38.5%	38.5%	38.5%	38.5%
Utilities Trend	0.0%	0.0%	0.0%	0.0%
Non-Personnel Inflation	2.0%	2.0%	0.0%	0.0%
Undergraduate Cohort Scholarships Increase	\$1.4M	\$12.8M	(\$175,614)	(\$108,305)
Vacancy Used to Balance Divisional Budgets	(\$11.6M)	(\$11.6M)	(\$2.3M)	(\$2.3M)
Strategic Priorities Initiatives				
Productivity Improvements (Budget Reductions)	(\$38,857,249)	(\$38,857,249)	(\$1,981,025)	(\$1,981,025)

# Oxford Campus Educational and General Budget



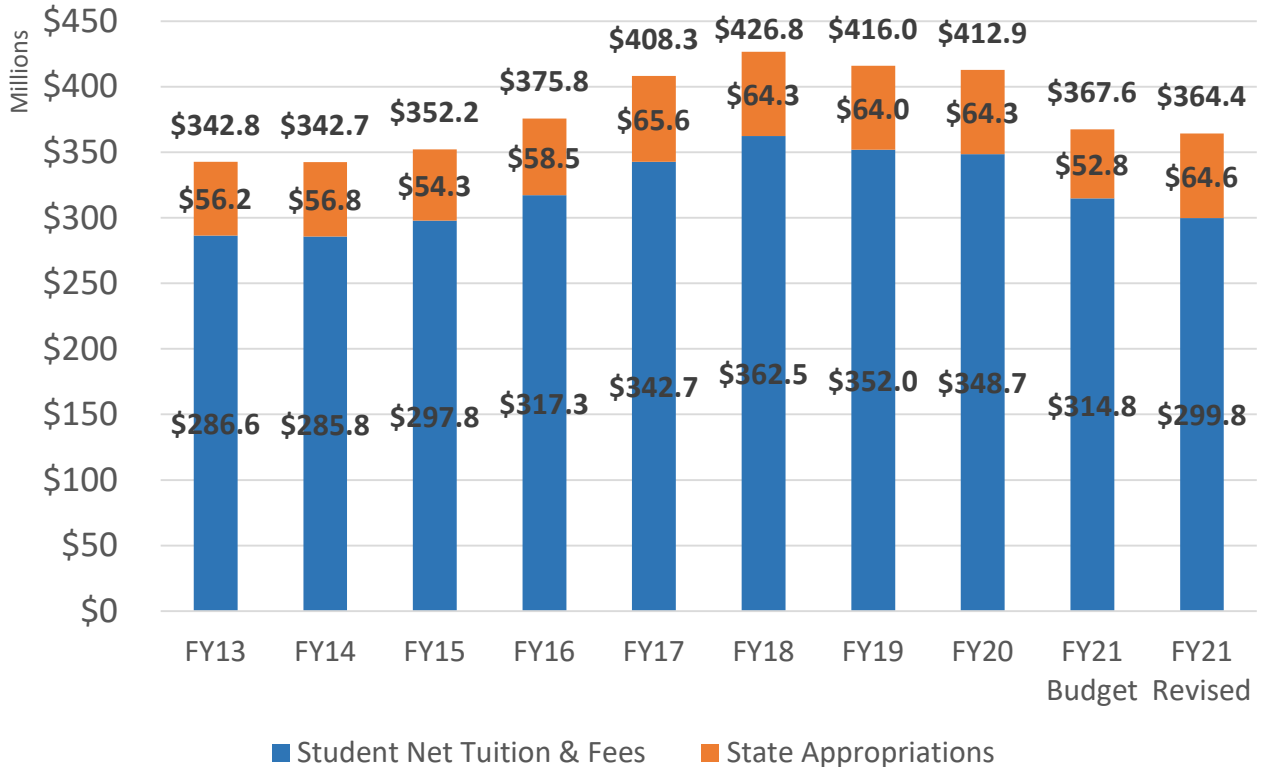
MIAMI UNIVERSITY

## Oxford Campus Fall FTE Enrollment Trend

Student Type	FY16	FY17	FY18	FY19	FY20	FY21 Budget	FY21 Revised	Revised vs Budget
<b>First Time</b>								
Resident	2,142	2,144	2,211	2,393	2,544	2,347	2,303	(44)
Domestic Nonresident	1,373	1,374	1,291	1,241	1,573	1,493	1,397	(96)
International	294	283	314	284	182	115	93	(22)
Relocate	252	257	236	178	165	159	168	9
Transfer	215	228	190	200	199	199	179	(20)
ACE	309	291	232	193	107	53	37	(16)
<b>Total First Time</b>	<b>4,585</b>	<b>4,577</b>	<b>4,474</b>	<b>4,489</b>	<b>4,770</b>	<b>4,366</b>	<b>4,177</b>	<b>(189)</b>
Continuing	11,488	12,086	12,329	12,534	12,158	11,933	12,185	252
<b>Total Undergraduate</b>	<b>16,073</b>	<b>16,663</b>	<b>16,803</b>	<b>17,023</b>	<b>16,928</b>	<b>16,299</b>	<b>16,362</b>	<b>63</b>
<b>Graduate</b>								
Nonresident	627	718	718	712	664	643	678	35
Resident	664	675	658	629	659	631	647	16
<b>Total Graduate</b>	<b>1,291</b>	<b>1,393</b>	<b>1,376</b>	<b>1,341</b>	<b>1,323</b>	<b>1,274</b>	<b>1,325</b>	<b>51</b>
<b>Total All</b>	<b>17,364</b>	<b>18,056</b>	<b>18,179</b>	<b>18,364</b>	<b>18,251</b>	<b>17,573</b>	<b>17,687</b>	<b>114</b>

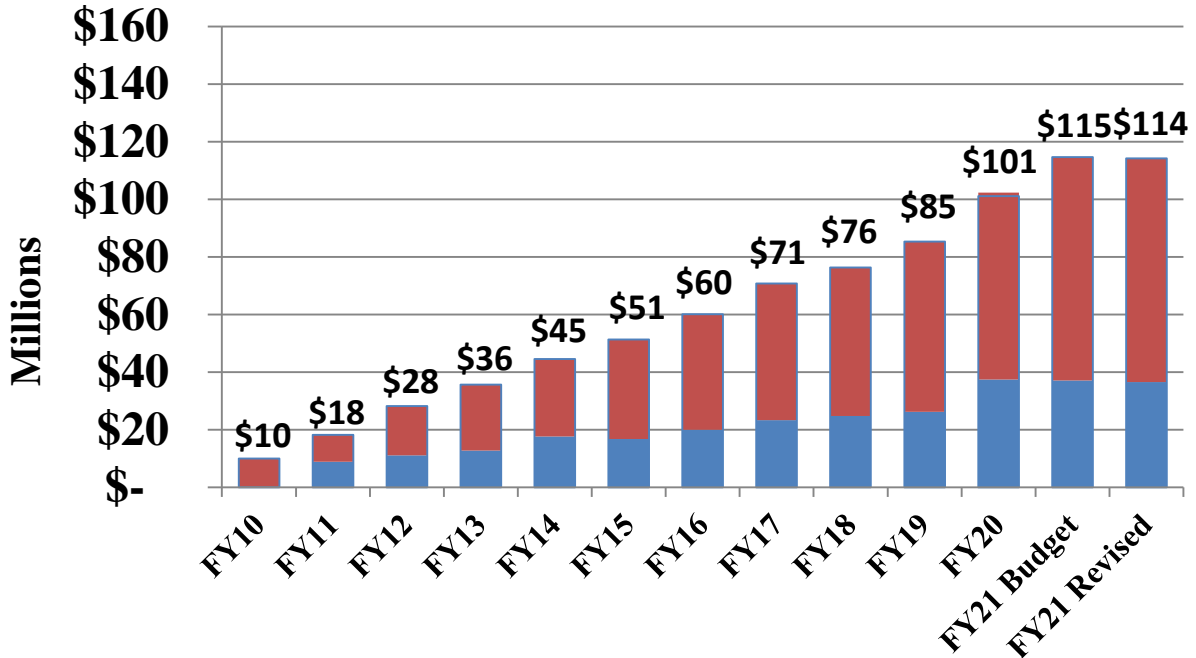


# Oxford Campus Education and General Revenue Budgets FY13 to FY21



# Oxford Campus Undergraduate Cohort-Based Financial Aid

- **Total Continuing Cohort**
- **Total Incoming Cohort**



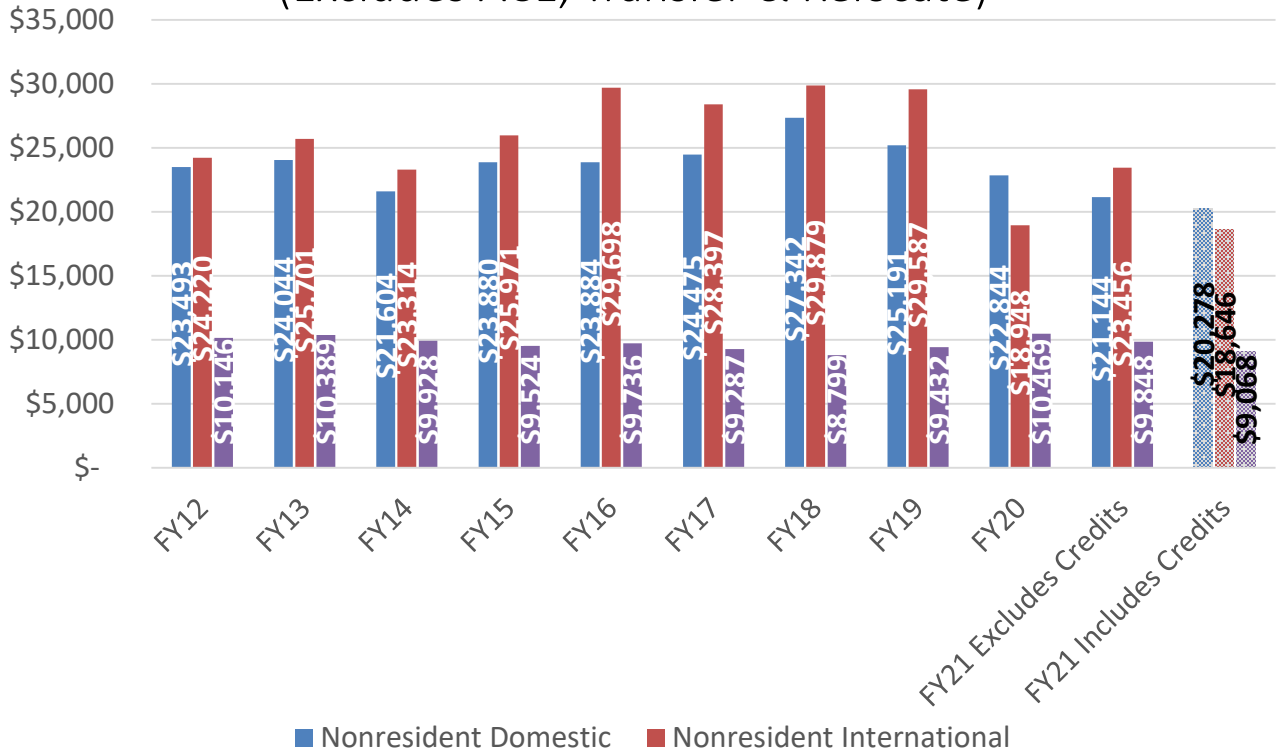
## Oxford Campus Estimated FY2021 Net Instructional Revenue for All First Time Undergraduate Students

<b>Fall Net Instructional Revenue by Entering Class &amp; Student Type</b>						
<b>Student Type</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21 Budget</b>	<b>FY21 Revised</b>
First Time	\$ 49,548,655	\$ 50,772,132	\$ 49,156,893	\$ 51,056,356	\$ 45,982,922	\$ 43,097,698
Transfer	\$ 3,155,139	\$ 2,750,680	\$ 2,420,117	\$ 3,098,466	\$ 3,052,757	\$ 2,707,985
Relocates	\$ 3,744,346	\$ 3,966,114	\$ 2,851,082	\$ 2,563,931	\$ 2,475,143	\$ 3,179,831
ACE	\$ 8,261,620	\$ 5,039,194	\$ 6,010,170	\$ 3,341,229	\$ 1,643,205	\$ 1,054,111
<b>Total</b>	<b>\$ 64,709,760</b>	<b>\$ 62,528,120</b>	<b>\$ 60,438,261</b>	<b>\$ 60,059,981</b>	<b>\$ 53,154,027</b>	<b>\$ 50,039,625</b>
Year over Year % Change	2.4%	-3.4%	-3.3%	-0.6%	-11.5%	-5.9%

# Oxford Campus

## Annual Net Tuition Per Incoming First Time Undergraduate Students

(Excludes ACE, Transfer & Relocate)



# Regional Campus Fall Enrollment Trend



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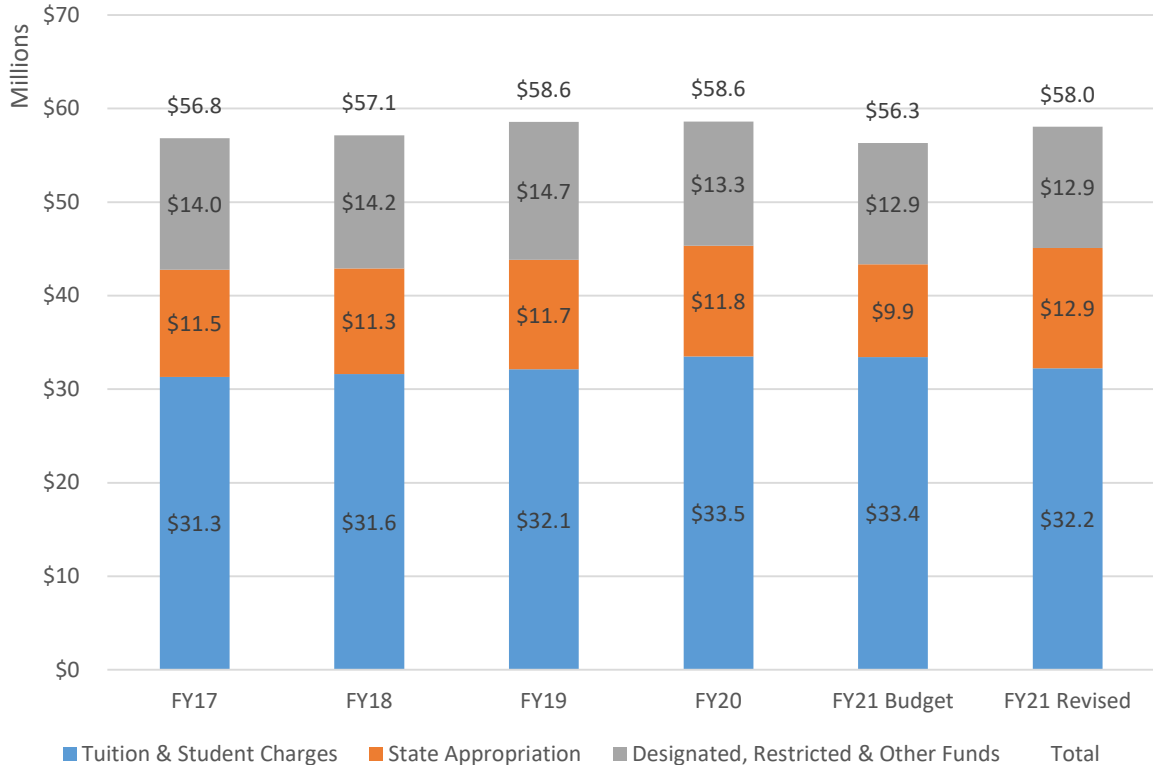
## Regional Campus FTE Enrollment Trends

Student Type	FY17	FY18	FY19	FY20	FY21 Budget	FY21 Revised	Revised- Budget
First Time	755	741	659	784	759	571	(188)
Relocate	50	22	34	4	9	79	70
Transfer	198	231	167	212	205	171	(34)
College Credit Plus	181	199	168	160	157	154	(3)
ELC	118	94	125	151	120	103	(17)
<b>Total First Time</b>	<b>1,302</b>	<b>1,287</b>	<b>1,153</b>	<b>1,311</b>	<b>1,250</b>	<b>1,078</b>	<b>(172)</b>
Continuing	2,662	2,678	2,660	2,515	2,469	2,501	32
<b>Total Undergraduate</b>	<b>3,964</b>	<b>3,965</b>	<b>3,813</b>	<b>3,826</b>	<b>3,719</b>	<b>3,579</b>	<b>(140)</b>
<b>Total Regional</b>	<b>3,710</b>	<b>3,718</b>	<b>3,517</b>	<b>3,404</b>	<b>3,275</b>	<b>3,223</b>	<b>(52)</b>
Total ELC	254	247	296	422	444	356	(88)
<b>Total Regionals</b>	<b>3,964</b>	<b>3,965</b>	<b>3,813</b>	<b>3,826</b>	<b>3,719</b>	<b>3,579</b>	<b>(140)</b>

# Estimated FY2021 Net Instructional Revenue for Regional Campuses All First Time Students

Student Type	FY17	FY18	FY19	FY20	FY21 Budget	FY21 Revised Budget	Revised-Original Budget
First Time*	\$ 4,536,613	\$4,602,035	\$ 3,588,256	\$ 4,026,485	\$ 4,094,015	\$ 2,992,369	(\$1,101,646)
Transfer	\$ 1,228,367	\$1,477,495	\$1,174,293	\$ 1,126,708	\$ 1,179,361	\$ 987,789	(\$191,572)
Relocate	\$ 306,955	\$111,943	\$208,466	\$ 42,411	\$ 43,897	\$ 338,311	\$294,415
ELC	\$ 1,241,856	\$1,036,374	\$1,579,490	\$ 1,655,165	\$ 1,333,363	\$ 1,126,053	(\$207,310)
Subtotal NIR from New Students	\$ 7,313,791	\$7,227,847	\$6,550,505	\$ 6,850,768	\$6,650,635	\$5,444,522	(\$1,206,112)
Cross Campus True Up	\$ 4,353,611	\$5,298,022	\$5,099,985	\$5,000,001	\$5,000,001	\$5,000,001	\$0
Cross Campus - Nursing	\$ -	\$0	\$183,953	\$0	\$0	\$0	\$0
Total New Resources	\$ 11,667,402	\$12,525,869	\$11,834,443	\$11,850,769.44	\$11,650,636	\$10,444,523	(\$1,206,112)
Year over Year % Change	4.0%	7.4%	-5.5%	0.1%	-1.7%	-11.9%	

# Regional Campus All Fund Revenue FY17 to FY21





# Auxiliary Enterprises



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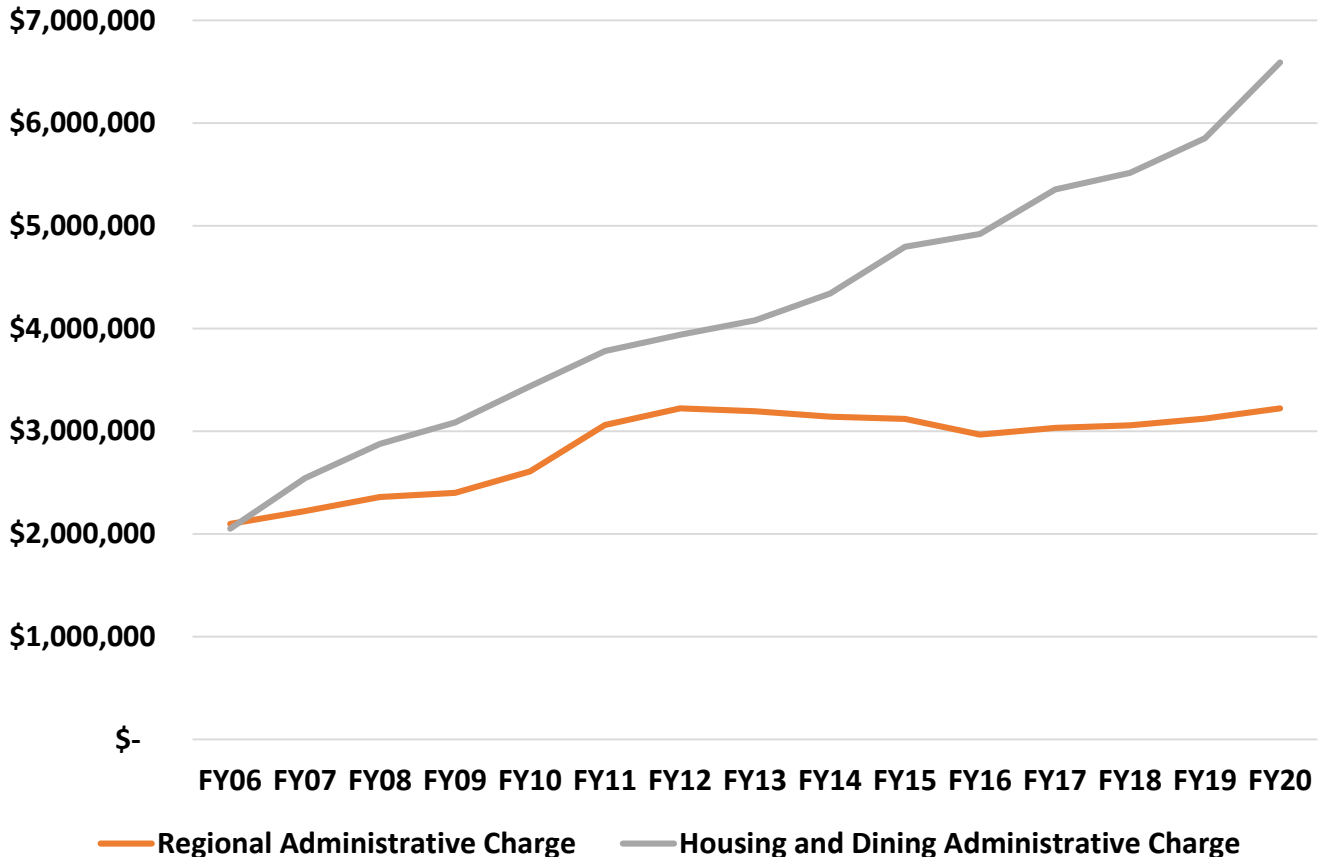
## Revised Residence & Dining Hall Budget

Residence Halls	FY20 Budget	FY21 Original Budget	FY21 Revised Budget	Revised- Original Variance \$	Revised- Original Variance %
<b>Revenue</b>					
Student Room Rentals	66,857,464	64,165,824	37,856,959	(26,308,865)	-41.0%
Res Hall Admin Fee	7,296,128	6,942,550	4,108,212	(2,834,338)	-40.8%
Other Room Revenues	2,724,000	2,355,283	1,673,052	(682,231)	-29.0%
<b>Total Residence Hall Revenue</b>	<b>76,877,592</b>	<b>73,463,657</b>	<b>43,638,223</b>	<b>(29,825,434)</b>	<b>-40.6%</b>
Transfer In - Other	0	4,000	4,000	0	0.0%
<b>Total Residence Hall Revenue with Transfers</b>	<b>76,877,592</b>	<b>73,467,657</b>	<b>43,642,223</b>	<b>(29,825,434)</b>	<b>-40.6%</b>
<b>Expenses</b>					
Salaries & Benefits	3,104,460	2,725,077	2,725,077	0	0.0%
Direct Expenses	15,080,083	13,737,360	13,737,360	0	0.0%
Residential Life Services	6,135,571	5,847,157	5,847,157	0	0.0%
Admin Service Charge	4,103,920	3,677,183	0	(3,677,183)	-100.0%
<b>Total Operating Expenses</b>	<b>28,424,034</b>	<b>25,986,777</b>	<b>22,309,594</b>	<b>(3,677,183)</b>	<b>-14.2%</b>
Transfer Out - Debt	38,350,604	38,305,146	38,305,146	0	0.0%
Transfer Out - Other	10,102,954	8,954,263	0	(8,954,263)	-100.0%
<b>Total Transfer Out Expense</b>	<b>48,453,558</b>	<b>47,259,409</b>	<b>38,305,146</b>	<b>(8,954,263)</b>	<b>-18.9%</b>
<b>Total Expense Uses</b>	<b>76,877,592</b>	<b>73,246,186</b>	<b>60,614,740</b>	<b>(12,631,446)</b>	<b>-17.2%</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>221,471</b>	<b>(16,972,517)</b>	<b>(17,193,988)</b>	<b>-7763.5%</b>
Transfer in from Reserves	0	0	16,972,517	16,972,517	
<b>Adjusted Balance</b>	<b>0</b>	<b>221,471</b>	<b>0</b>	<b>(221,471)</b>	

## Revised Residence & Dining Hall Budget (Cont.)

Dining Halls	FY20 Budget	FY21 Original Budget	FY21 Revised Budget	Revised- Original Variance \$	Revised- Original Variance %
<b>Revenue</b>					
Meal Plans	42,619,939	39,150,313	23,423,590	(15,726,723)	-40.2%
Catering, Conference & Event Svcs, Concessions	5,441,501	3,044,974	2,785,975	(258,999)	-8.5%
Other Meal Revenues	6,913,197	7,562,202	4,580,957	(2,981,245)	-39.4%
<b>Total Dining Hall Revenue</b>	<b>54,974,637</b>	<b>49,757,489</b>	<b>30,790,522</b>	<b>(18,966,967)</b>	<b>-38.1%</b>
Transfer In - Other	0	1,800	1,800	0	0.0%
<b>Total Dining Hall Revenue with Transfers</b>	<b>54,974,637</b>	<b>49,759,289</b>	<b>30,792,322</b>	<b>(18,966,967)</b>	<b>-38.1%</b>
<b>Expenses</b>					
Salaries & Benefits	19,621,862	19,580,166	19,569,761	(10,405)	-0.1%
Direct Expenses	12,956,184	13,070,368	12,866,074	(204,294)	-1.6%
Food Service Supplies	10,681,277	9,534,095	5,512,426	(4,021,669)	-42.2%
Admin Service Charge	2,332,960	2,487,874	0	(2,487,874)	-100.0%
<b>Total Operating Expenses</b>	<b>45,592,283</b>	<b>44,672,503</b>	<b>37,948,261</b>	<b>(6,724,242)</b>	<b>-15.1%</b>
Transfer Out - Debt	3,508,304	3,502,872	3,502,872	0	0.0%
Transfer Out - CR&R	5,874,050	1,805,385	0	(1,805,385)	-100.0%
Transfer Out - Other	0	0	0	0	
<b>Total Transfer Out Expense</b>	<b>9,382,354</b>	<b>5,308,257</b>	<b>3,502,872</b>	<b>(1,805,385)</b>	<b>-34.0%</b>
<b>Total Expense Uses</b>	<b>54,974,637</b>	<b>49,980,760</b>	<b>41,451,133</b>	<b>(8,529,627)</b>	<b>-17.1%</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>(221,471)</b>	<b>(10,659,071)</b>	<b>(10,437,600)</b>	<b>4712.8%</b>
Transfer in from Reserves	0	0	10,659,071	10,659,071	
<b>Adjusted Balance</b>	<b>0</b>	<b>(221,471)</b>	<b>0</b>	<b>221,471</b>	

# Administrative Service Charge



# Revised Intercollegiate Athletics Budget

	<b>Original</b>	<b>Revised</b>	<b>Variance</b>
Revenue	\$6,915,170	\$5,444,970	(\$1,470,200)
Designated Revenue	\$1,500,000	\$1,500,000	\$0
Restricted Revenue	\$2,193,293	\$2,193,293	\$0
General Fee Support	\$16,834,657	\$12,539,838	(\$4,294,819)
Expenses	\$24,013,691	\$23,513,691	(\$500,000)
Expense Recoveries			
Designated Expenses	\$1,500,000	\$1,500,000	\$0
Restricted Expenses	\$2,193,293	\$2,193,293	\$0
Debt Service Interest	\$0	\$0	\$0
<b>Net Before Facility Renewal &amp; Transfers</b>	<b>(\$263,864)</b>	<b>(\$5,528,883)</b>	<b>(\$5,265,019)</b>
Debt Service Principal	\$0	\$0	\$0
Transfer to CR&R	\$0	\$0	\$0
Other Transfers In/(Out)	\$263,864	\$263,864	\$0
<b>Surplus/(Deficit) before Reserves</b>	<b>\$0</b>	<b>(\$5,265,019)</b>	<b>(\$5,265,019)</b>
Reserves	\$0	\$0	\$0
<b>Surplus/(Deficit) after Reserves</b>	<b>\$0</b>	<b>(\$5,265,019)</b>	<b>(\$5,265,019)</b>

# Total Auxiliary Enterprise Budgets

	Original	Revised	Variance
Revenue	\$146,192,471	\$94,584,540	(\$51,607,931)
Designated Revenue	\$2,461,000	\$2,461,000	\$0
Restricted Revenue	\$2,428,550	\$2,428,550	\$0
General Fee Support	\$32,800,531	\$26,274,746	(\$6,525,785)
Expenses	\$131,725,319	\$120,506,648	(\$11,218,671)
Expense Recoveries	(\$16,974,089)	(\$16,974,089)	\$0
Designated Expenses	\$2,461,000	\$2,461,000	\$0
Restricted Expenses	\$2,428,550	\$2,428,550	\$0
<u>Debt Service Interest</u>	\$23,020,223	\$23,020,223	\$0
Net Before Facility Renewal & Transfers	<b>\$41,221,549</b>	<b>(\$5,693,496)</b>	<b>(\$46,915,045)</b>
Debt Service Principal	\$27,275,950	\$27,275,950	\$0
Transfer to CR&R	\$14,552,473	\$1,106,029	(\$13,446,444)
Other Transfers In/Out	\$606,873	\$606,873	\$0
Surplus/(Deficit) before Reserves	(\$1)	(\$33,468,602)	(\$33,468,601)
Reserves	\$0	\$28,203,582	\$28,203,582
Surplus/(Deficit) after Reserves	(\$1)	(\$5,265,020)	(\$5,265,019)

# All Revenue Sources and Budget Ordinance



MIAMI UNIVERSITY

## FY2021 Revised Revenue Budgets

Revenue	Oxford Revised FY 21	Regional Campuses Revised FY 21	Revised Total FY 21	Original Total FY 21	Total FY 20	FY19 Budget
Student Tuition & Other Fees	\$ 428,904,417	\$ 34,028,603	\$ 462,933,020	\$ 465,194,499	\$ 450,515,467	\$ 437,298,133
Less Tuition Discounts	116,098,557	1,808,739	117,907,296	116,675,317	101,863,363	85,281,262
Net Tuition & Fees	312,805,860	32,219,864	345,025,724	348,519,183	348,652,104	352,016,871
State Appropriations	64,609,621	12,876,142	77,485,763	62,770,897	64,289,270	64,007,384
Other General Fund Revenue	7,943,360	189,902	8,133,262	8,133,262	8,224,258	8,224,258
Transfer In & Use of Reserves	4,086,289	1,029,815	5,116,104	1,893,233	-	-
<b>Total General Fund</b>	<b>\$ 389,445,130</b>	<b>\$ 46,315,723</b>	<b>\$ 435,760,853</b>	<b>\$ 421,316,575</b>	<b>\$ 421,165,632</b>	<b>\$ 424,248,513</b>
Designated Funds	48,933,136	3,193,700	52,126,836	52,126,836	48,558,294	49,335,138
Restricted Funds	59,629,827	9,290,000	68,919,827	59,750,618	51,376,251	49,441,737
Auxiliary Funds	150,035,901	-	150,035,901	179,966,035	200,342,589	190,932,335
<b>Total Designated, Restricted and Auxiliary Funds</b>	<b>\$ 258,598,864</b>	<b>\$ 12,483,700</b>	<b>\$ 271,082,564</b>	<b>\$ 291,843,490</b>	<b>\$ 300,277,134</b>	<b>\$ 289,709,210</b>
<b>Total Revenues</b>	<b>\$ 648,043,994</b>	<b>\$ 58,799,423</b>	<b>\$ 706,843,417</b>	<b>\$ 713,160,065</b>	<b>\$ 721,442,766</b>	<b>\$ 713,957,723</b>



# Oxford Campus

## Projected Revenue Variance to Original Budget

<b>Net Instructional Fee &amp; Out of State Surcharge</b>	
Change in Enrollment	(\$672,503)
Third Party Agreement for International Students	(\$332,556)
\$1000 Credit for Online Nonresidents	(\$1,513,000)
Change in Continuing Student Aid	\$437,963
<b>Total Net Instructional Fee &amp; Out of Surcharge Changes</b>	<b>(\$2,080,096)</b>
<b>General Fee</b>	
\$250 Credit for Online Students (E&G)	(\$116,306)
\$250 Credit for Online Students (Auxiliaries)	(\$6,525,785)
\$250 Credit for Online Students (CR&R)	(\$6,276,893)
Other General Fee Changes	\$24,350
<b>Total General Fee Changes</b>	<b>(\$12,894,634)</b>
<b>State Share of Instruction 1st Half Estimate</b>	<b>\$11,764,859</b>
<b>Total E&amp;G Revenue Changes</b>	<b>(\$3,209,871)</b>
Housing & Dining Revenue Loss	(\$48,792,401)
Other Auxiliaries	(\$2,815,271)
<b>Total Revenue Loss</b>	<b>(\$54,817,543)</b>

**REVISED APPROPRIATION ORDINANCE 2021**

BE IT ORDAINED: by the Board of Trustees that the Operating Budget for Fiscal Year 2020-21, as presented at this meeting, be and it hereby is enacted with the following current expenditures and transfers for the major purposes as follows:

	FY2021 Revised	FY2021 Original
General Fund Expenditures		
Salaries	\$211,375,810	\$213,353,799
Staff Benefits	\$74,437,738	\$75,637,208
Scholarships, Fellowships & Fee Waivers	\$166,804,528	\$153,493,869
Less Financial Aid Discount	(\$117,907,296)	(\$116,675,316)
Utilities	\$9,696,146	\$9,769,861
Support Expense	<u>\$32,703,326</u>	<u>\$21,586,904</u>
Sub-Total General Fund Expenditures	\$377,110,252	\$357,166,325
General Fund Transfers		
Debt Service (Mandatory)	\$10,881,369	\$7,273,251
General Fee & Other (Non-Mandatory)	<u>\$44,396,020</u>	<u>\$56,876,999</u>
Total General Fund	\$432,387,641	\$421,316,576
Designated Funds	\$52,126,836	\$52,126,836
Restricted Funds	\$68,919,827	\$59,750,618
Auxiliary Enterprises:		
Expenditures	\$103,532,559	\$114,751,230
Debt Service (Mandatory)	\$50,296,173	\$50,296,173
Other Transfers	<u>\$1,472,189</u>	<u>\$14,918,633</u>
Total Auxiliaries	<u>\$155,300,921</u>	<u>\$179,966,036</u>
TOTAL	<u>\$708,735,225</u>	\$713,160,065

Be IT Further Ordained: that the Senior Vice President for Finance and Business Services and Treasurer, with the approval of the President, may make such adjustments as are necessary in the operating budget within the limits of available funds or within the limits of additional income received for a specific purpose (“restricted funds”); and

Be IT Further Ordained: that the Senior Vice President for Finance and Business Services is directed to take actions as appropriate given the pandemic to reduce spending and to reduce the reliance on the drawdown of renewal and replacement balances to balance this budget and is further directed to develop a long-term budget plan to restore these funds and preserve the facilities requiring these funds.

# Other Budget Scenarios for Fiscal Year 2021



MIAMI UNIVERSITY

## Scenario 2

### FY21 Revenue Variance

Assumes Students are Remote all of Fall Semester

Revenue Source	Oxford General Operating Budget Variance	Regional General Operating Budget Variance	Intercollegiate Athletics Budget Variance	Other Auxiliary Budget Variance
State Appropriation	\$0	\$0	\$0	\$0
Instructional Fee	(\$5,177,000)	\$0	\$0	\$0
General Fee	(\$57,934)	\$0	(\$1,944,725)	(\$1,131,222)
Room and Board	\$0	\$0	\$0	(\$19,209,834)
Sales Activity	\$0	\$0	(\$70,200)	(\$10,065,167)
Total	(\$5,234,934)	\$0	(\$2,014,925)	(\$30,406,223)
Avail Balance 7/1/19	\$112,191,872	\$8,205,724	\$0	\$52,115,823
Change 6/30/20	(\$1,773,430)	\$849,537	\$531,141	(\$20,112,657)
Net	\$105,183,508	\$9,055,261	(\$1,483,784)	\$1,596,943

## Scenario 3 FY21 Revenue Variance

Assumes Students are Remote Fall Semester and a Winter Term Disruption

Revenue Source	Oxford General Operating Budget Variance	Regional General Operating Budget Variance	Intercollegiate Athletics Budget Variance	Other Auxiliary Budget Variance
State Appropriation	\$0	\$0	\$0	\$0
Instructional Fee	(\$6,289,305)	\$0	\$0	\$0
General Fee	(\$57,934)	\$0	(\$1,944,725)	(\$1,131,222)
Room and Board	\$0	\$0	\$0	(\$19,209,834)
Sales Activity	\$0	\$0	(\$70,200)	(\$10,065,167)
Total	(\$6,347,239)	\$0	(\$2,014,925)	(\$30,406,223)
Avail Balance 7/1/19	\$112,191,872	\$8,205,724	\$0	\$52,115,823
Change 6/30/20	(\$1,773,430)	\$849,537	\$531,141	(\$20,112,657)
Net	\$104,071,203	\$9,055,261	(\$1,483,784)	\$1,596,943

## Scenario 4

### FY21 Revenue Variance

Assumes Fall and Spring Semesters are Remote and  
a Winter Term Disruption

Revenue Source	Oxford General Operating <u>Budget Variance</u>	Regional General Operating <u>Budget Variance</u>	Intercollegiate Athletics <u>Budget Variance</u>	Other Auxiliary <u>Budget Variance</u>
State Appropriation	\$0	\$0	\$0	\$0
Instructional Fee	(\$12,723,305)	\$0	\$0	\$0
General Fee	(\$154,049)	\$0	(\$7,115,883)	(\$4,103,791)
Room and Board	\$0	\$0	\$0	(\$61,857,785)
Sales Activity	\$0	\$0	(\$4,753,453)	(\$15,213,576)
Total	(\$12,877,354)	\$0	(\$11,869,336)	(\$81,175,152)
Avail Balance 7/1/19	\$112,191,872	\$8,205,724	\$0	\$52,115,823
Change 6/30/20	(\$1,773,430)	\$849,537	\$531,141	(\$20,112,657)
Net	\$97,541,088	\$9,055,261	(\$11,338,195)	(\$49,171,986)

# Questions?





BOARD OF TRUSTEES  
ROUDEBUSH HALL ROOM 212  
OXFORD, OHIO 45056  
(513) 529-6225 MAIN  
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WWW.MIAMIOH.EDU

September 24, 2020  
Finance & Audit

### REVISED APPROPRIATION ORDINANCE 2021-xx

BE IT ORDAINED, by the Board of Trustees that the Operating Budget for Fiscal Year 2020-21, as presented at this meeting, be and it hereby is enacted with the following current expenditures and transfers for the major purposes as follows:

	FY2021 Revised	FY2021 Original
General Fund Expenditures		
Salaries	\$211,375,810	\$213,353,799
Staff Benefits	\$74,437,738	\$75,637,208
Scholarships, Fellowships & Fee Waivers	\$166,804,528	\$153,493,869
Less Financial Aid Discount	(\$117,907,296)	(\$116,675,316)
Utilities	\$9,696,146	\$9,769,861
Support Expense	<u>\$32,703,326</u>	<u>\$21,586,904</u>
Sub-Total General Fund Expenditures	\$377,110,252	\$357,166,325
General Fund Transfers		
Debt Service (Mandatory)	\$10,881,369	\$7,273,251
General Fee & Other (Non-Mandatory)	<u>\$44,396,020</u>	<u>\$56,876,999</u>
Total General Fund	\$432,387,641	\$421,316,576
Designated Funds	\$52,126,836	\$52,126,836
Restricted Funds	\$68,919,827	\$59,750,618
Auxiliary Enterprises:		
Expenditures	\$103,532,559	\$114,751,230
Debt Service (Mandatory)	\$50,296,173	\$50,296,173
Other Transfers	<u>\$1,472,189</u>	<u>\$14,918,633</u>
Total Auxiliaries	<u>\$155,300,921</u>	<u>\$179,966,036</u>
<b>TOTAL</b>	<b>\$708,735,225</b>	<b>\$713,160,065</b>

BE IT FURTHER ORDAINED, that the Senior Vice President for Finance and Business Services and Treasurer, with the approval of the President, may make such adjustments as are necessary in the operating budget within the limits of available funds or within the limits of additional income received for a specific purpose (“restricted funds”); and

BE IT FURTHER ORDAINED, that the Senior Vice President for Finance and Business Services is directed to take actions as appropriate given the pandemic to reduce spending and to reduce the reliance on the drawdown of renewal and replacement balances to balance this budget and is further directed to develop a long-term budget plan to restore these funds and preserve the facilities requiring these funds.



# Finance & Audit Committee Presentation

September 24, 2020



MIAMI UNIVERSITY

# Fiscal Year 2020 Financial Performance



MIAMI UNIVERSITY

# Review of Financial Ratios



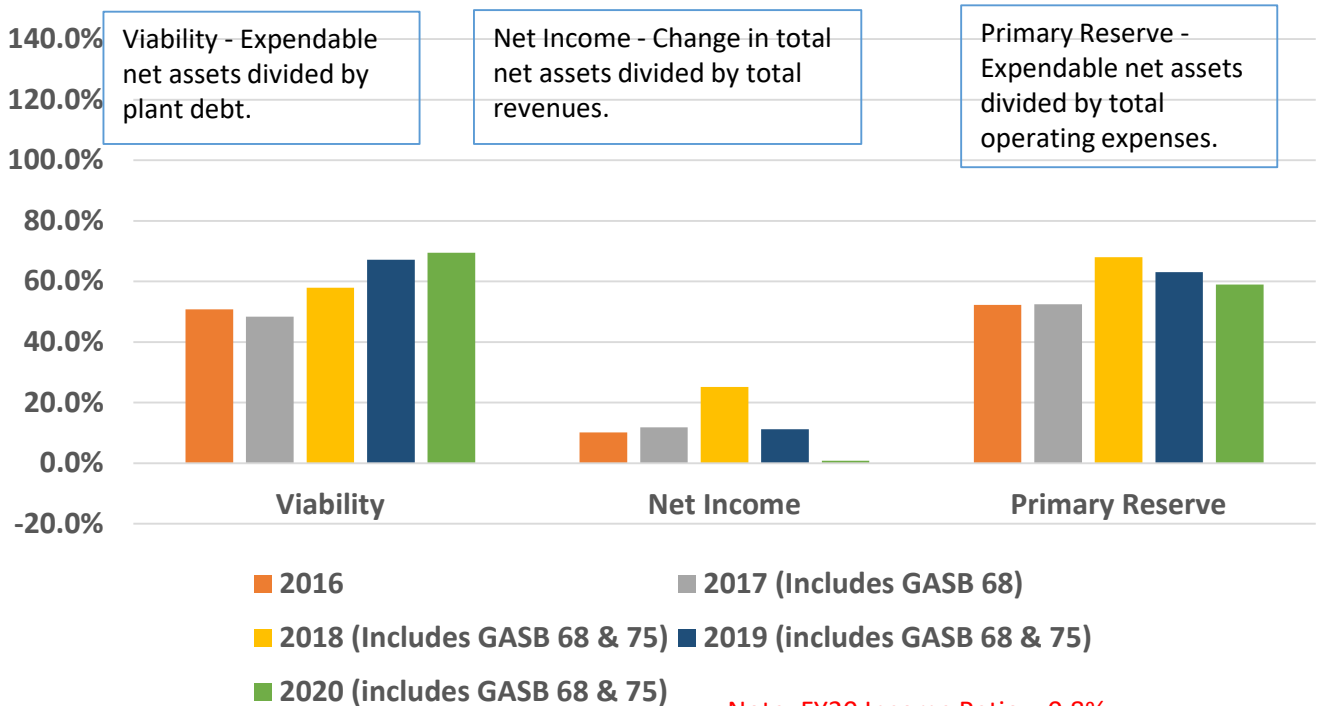
MIAMI UNIVERSITY

# Financial Statement Highlights

Cash and Investments	Down \$19.5 Million
Current Ratio	Up to 7.1 from 6.1
Long-term Debt	Down \$35.5 Million
University Endowment	Down \$3.2 Million
Capital Assets	Up \$16.5 Million
Tuition and Fees	Down \$3.3 Million
Auxiliary Sales	Down \$27.8 Million
Federal Grants (Total)	Up \$13.9 Million
Scholarships and Discounts	Up \$20.8 Million
Pension Accrual	Up \$22.8 Million
Investment Income	Down \$18.7 Million
Change in Net Position	Down \$76.5 Million

# Miami University Financial Performance

## **Includes** the Effect of GASB 68 & 75 (FY16, FY17, FY18, FY19 & FY20)

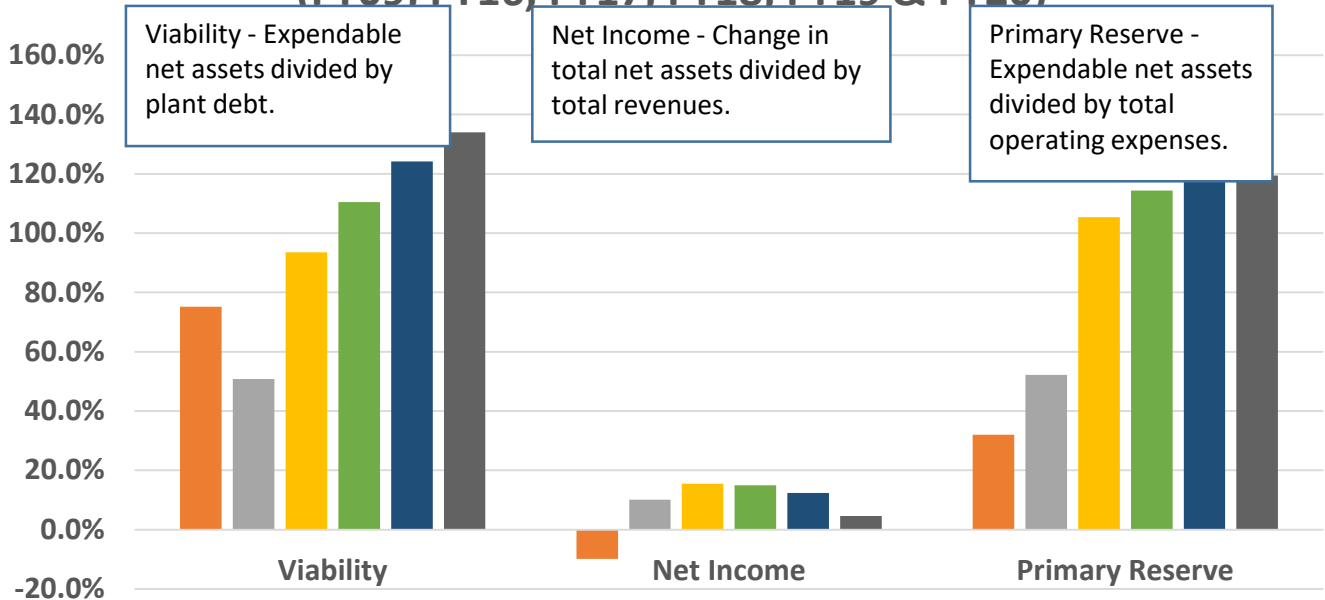


Note: FY20 Income Ratio = 0.8%

# Miami University Financial Performance

**Excludes** the Effect of GASB 68 & 75

(FY09, FY16, FY17, FY18, FY19 & FY20)



2009

2016

2017 (Exclude GASB 68)

2018 (Exclude GASB 68 & 75)

2019 (Exclude GASB 68 & 75) 2020 (Exclude GASB 68 & 75)

## Miami University FY20 SB 6 Ratios Compared to Other Insitutions (FY19)

Institution	Includes GASB 68 & 75				Excludes GASB 68 & 75			
	Composit t Score	Viability	Net Income	Primary Reserve	Composit Score	Viability	Net Income	Primary Reserve
Bowling Green	0.2	-17.4%	-0.8%	-12.0%	3.3	66.6%	0.2%	46.5%
Central State	1.0	-113.7%	5.9%	-40.4%	2.8	29.0%	8.8%	10.6%
Cleveland State	0.6	-24.8%	2.8%	-16.4%	4.2	77.3%	3.8%	51.6%
Kent State	0.0	-20.4%	-5.0%	-12.2%	3.6	91.5%	-4.5%	55.2%
Ohio State	2.7	39.9%	1.6%	18.7%	4.7	170.2%	8.8%	86.1%
Ohio	1.8	0.4%	6.3%	0.3%	4.4	77.5%	6.5%	63.2%
Shawnee State	0.2	-189.9%	-4.5%	-65.7%	2.1	33.6%	-6.1%	11.5%
Akron	1.0	-40.5%	6.2%	-43.4%	2.8	40.0%	-2.9%	39.1%
Cincinnati	1.0	-0.7%	2.9%	-0.7%	3.4	54.7%	4.4%	49.8%
Toledo	0.0	-115.3%	-7.7%	-32.8%	3.1	95.7%	-5.0%	27.9%
Wright State	1.0	-283.6%	8.1%	-63.8%	3.2	70.1%	4.0%	15.1%
Youngstown State	0.4	-112.6%	0.4%	-42.5%	3.3	80.8%	0.3%	30.5%
Average (excludes MU)	0.8	-73.2%	1.4%	-25.9%	3.4	73.9%	1.5%	40.6%
<b>Miami FY19</b>	<b>4.4</b>	<b>67.2%</b>	<b>11.1%</b>	<b>63.1%</b>	<b>4.7</b>	<b>124.1%</b>	<b>12.4%</b>	<b>118.2%</b>
<b>Miami FY20</b>	<b>3.8</b>	<b>69.5%</b>	<b>0.8%</b>	<b>59.0%</b>	<b>4.7</b>	<b>135.1%</b>	<b>5.5%</b>	<b>120.4%</b>
<b>Miami FY20 with Debt</b>	<b>3.5</b>	<b>56.9%</b>	<b>0.8%</b>	<b>59.0%</b>	<b>4.7</b>	<b>101.6%</b>	<b>5.5%</b>	<b>120.4%</b>

# **Preliminary Year End Operating Results Review of Net Position and Carry Forward**



MIAMI UNIVERSITY



## Miami University

### Unrestricted Net Position - Summary at June 30, 2019 and June 30, 2020

	<b><u>FY2020</u></b>	<b><u>FY2019</u></b>	<b><u>Change</u></b>
Fund Balances & Reserves- Before Pension Liability	\$ 139,597,351	\$ 126,924,337	\$ 12,673,014
Ohio Pension Liability	<b>(380,631,403)</b>	<b>(348,475,191)</b>	<b>(32,156,212)</b>
Fund Balances and Reserves - Net	<b>(241,034,052)</b>	<b>(221,550,854)</b>	<b>(19,483,198)</b>
Carry Forward and Designated - Academic Divisions	189,303,811	183,105,288	6,198,524
Carry Forward and Designated - Administrative Divisions	60,807,856	54,909,461	5,898,395
Facility Renewal & Replacement Funds	199,023,727	212,109,131	<b>(13,085,404)</b>
Quasi-Endowment	<u>120,605,502</u>	<u>120,481,550</u>	<u>123,952</u>
Total Unrestricted Net Position	<b><u>\$ 328,706,844</u></b>	<b><u>\$ 349,054,576</u></b>	<b><u>\$ (20,347,732)</u></b>

# Miami University

## Unrestricted Net Position

### Oxford and Regional Campuses Central Fund Balances & Reserves at June 30, 2019 and June 30, 2020

	<b><u>FY2020</u></b>	<b><u>FY2019</u></b>	<b><u>Change</u></b>
Unallocated Fund Balance	\$ 14,315	\$ 1,607,294	\$ (1,592,979)
Reserve for Future Budgets	0	0	0
Reserve for Investment Fluctuations	82,128,877	79,758,887	2,369,990
Reserve for Health Care Stabilization	19,855,765	15,000,000	4,855,765
Reserve for Financial Aid	8,172,053	8,066,232	105,821
Reserve for Litigation	<u>1,547,953</u>	<u>1,547,953</u>	<u>0</u>
Total Oxford Central Fund Balances	<u>\$ 111,718,963</u>	<u>\$ 105,980,366</u>	<u>\$ 5,738,597</u>
<b>Regional Campus Central Fund Balances &amp; Reserves</b>			
Hamilton	\$ 12,528,470	\$ 11,541,794	\$ 986,676
Middletown	1,631,534	1,730,391	(98,857)
Voice of America	<u>80,563</u>	<u>118,844</u>	<u>(38,282)</u>
Total Regional Campus Central Fund Balances	14,240,566	13,391,030	849,536
Auxiliary Enterprises	10,754,718	2,689,121	8,065,597
Encumbrances	<u>2,883,104</u>	<u>4,863,821</u>	<u>(1,980,717)</u>
Total All Fund Balances & Reserves	<u>\$ 139,597,351</u>	<u>\$ 126,924,337</u>	<u>\$ 12,673,014</u>

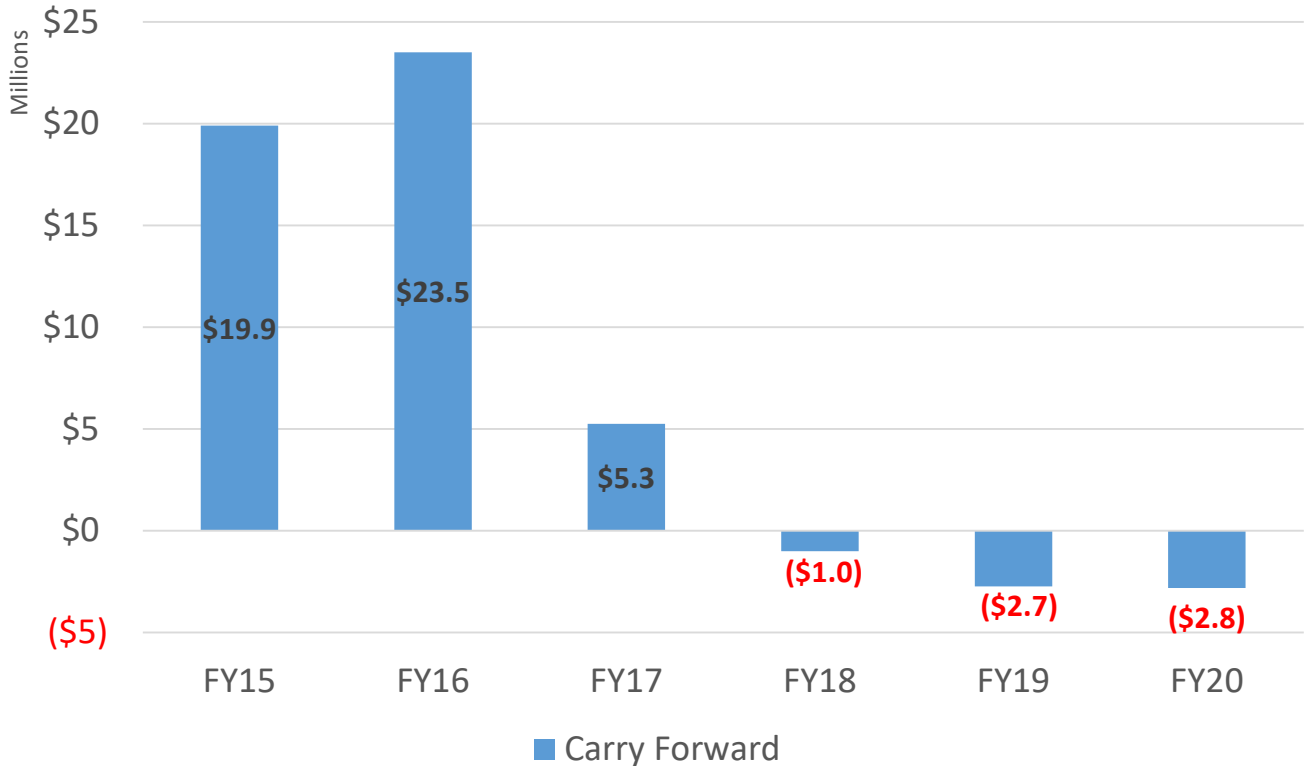
# Unrestricted Net Position by University Division at June 30, 2020

<u>Division</u>	<u>Carry Forward</u>	<u>Designated Funds</u>	<u>Fund Balance &amp; Reserves</u>	<u>FY20</u>	<u>FY19</u>
Provost					
Arts & Science	\$ 35,391,910	\$ 10,646,414	\$ -	\$ 46,038,324	\$ 46,392,032
Education, Health & Society	12,279,084	4,229,211	0	16,508,294	18,348,214
Farmer School of Business	11,874,189	9,711,241	0	21,585,430	23,557,040
Engineering & Computer Services	1,554,835	2,790,593	0	4,345,428	3,803,866
Creative Arts	4,755,174	805,957	0	5,561,130	6,150,891
Regional Campuses	6,962,475	4,509,148	14,240,566	25,712,190	23,561,081
Other	<u>28,288,954</u>	<u>55,504,627</u>	<u>0</u>	<u>83,793,582</u>	<u>74,683,193</u>
Sub-Total Provost	\$ 101,106,622	\$ 88,197,190	\$ 14,240,566	\$ 203,544,378	\$ 196,496,317
President	\$ 3,260,013	\$ 634,399	\$ -	\$ 3,894,412	\$ 2,322,570
Finance & Business Services					
Physical Facilities	1,340,666	1,530,485	0	2,871,151	2,322,625
Other	2,317,500	2,505,046	0	4,822,546	6,617,928
Enrollment Management	1,171,494	1,482,899	0	2,654,393	2,085,915
Student Life	293,481	2,446,362	0	2,739,843	2,764,074
University Advancement	1,172,267	20,683,241	0	21,855,509	17,865,085
Information Technology	<u>3,693,297</u>	<u>8,344,857</u>	<u>0</u>	<u>12,038,154</u>	<u>11,935,873</u>
Sub-Total Administrative	\$ 13,248,717	\$ 37,627,289	\$ -	\$ 50,876,007	\$ 45,914,070
Auxiliary Enterprise	0	0	10,754,718	10,754,718	2,689,121
Central Budget	1,434,039	8,497,810	111,718,963	121,650,813	114,975,757
Sub-Total Available Balances	\$ 115,789,378	\$ 134,322,289	\$ 136,714,247	\$ 386,825,915	\$ 360,075,265
Facility Renewal & Replacement	0	0	199,023,727	0	212,109,131
Quasi-Endowment	0	0	120,605,502	0	120,481,550
Reserve for Encumbrances	0	0	2,883,104	0	4,863,821
Total Before Pension Liability	\$ 115,789,378	\$ 134,322,289	\$ 459,226,580	\$ 386,825,915	\$ 697,529,767
Less Pension Liability	<u>0</u>	<u>0</u>	<u>(380,631,403)</u>	<u>0</u>	<u>(348,475,191)</u>
Total Unrestricted Net Position	\$ 115,789,378	\$ 134,322,289	\$ 78,595,177	\$ 328,706,844	\$ 349,054,576

# Analysis of Investment Fluctuation Fund as of June 30, 2020

Current Balance of		
Investment Fluctuation Fund		\$82,128,877
Policy Target for Fund:		
Target Balance 20% of Tier III as of 6/30/20	\$96,483,801	
Two years of Investment Earnings Budget	\$12,980,000	
Required Fund		\$109,463,801
Shortfall		(\$27,334,924)

# Annual Change in Academic Divisions' Carry Forward Balances



# **Academic Position Reallocations & Boldly Creative Activity**



MIAMI UNIVERSITY

# Academic Position Reallocation

Department	December 2019		July 2020		Original Department or Funding Source
	Positions	Labor	Positions	Labor	
Art/Graphic Design	1	\$83,100			Salary Savings
Arts & Science Admin	1	\$56,785			Salary Savings
Chemical Paper & Biomed Engineering	2	\$380,231			Salary Savings
Computer Science & Software Engineering	4	\$508,295			Salary Savings
Economics	1	\$113,570			Information Systems & Analytics
Electrical and Computer Engineering	2	\$268,690			Salary Savings
Family Science & Social Work	1	\$92,795			Educational Leadership
Mechanical and Manufacturing Engineering	3	\$349,020			Salary Savings
Nursing	2	\$195,285			Humanities & Creative Arts, & Salary Savings
Regional Development	1	\$83,100			Salary Savings
Statistics	1	\$103,875			English
Finance			1	\$207,750	Salary Savings
Humanities & Creative Arts			1	\$69,250	Justice & Community Studies
Regl Dean's Office			2	\$86,563	Salary Savings
Regl Enrollment & Admissions			2	\$59,555	Engineering Technology
<b>Academic Reallocation Total</b>	<b>19</b>	<b>\$2,234,746</b>	<b>6</b>	<b>\$423,118</b>	
Reallocation Target 1.0%		\$1,735,869		\$1,724,296	
Difference vs 1.0% Target		\$498,877		(\$1,301,178)	
Reallocation Target 2.0%		\$3,471,738		\$3,418,540	
Difference vs 2.0% Target		(\$1,236,992)		(\$2,995,423)	

The are 171 positions totaling \$35.5 million in labor costs in the reallocation pool.

# Academic Positions Returned to Original Department

Department	December 2019		July 2020		
	Positions	Labor	Positions	Labor	
Biology	1	\$42,204			December 2019: Includes 5 faculty and 1 classified positions. July 2020: Includes 5 faculty and 2 unclassified positions
Chemistry & Biochemistry	1	\$96,950			
Computer & Information Technology	1	\$96,950			
English	1	\$105,260			
Spanish & Portuguese	1	\$84,485			
Teacher Education	1	\$90,025			
Art			1	\$66,063	
Arts & Science Admin			1	\$59,555	
Global and Intercultural Studies			1	\$69,250	
Justice & Community Studies			1	\$65,095	
Mathematical & Physical Science			1	\$73,405	
Music			1	\$74,501	
Political Science			1	\$88,640	
<b>Total</b>	<b>6</b>	<b>515,874</b>	<b>7</b>	<b>496,509</b>	



## Boldly Creative Position Actions

Proposal	December 2019		July 2020		Original Department and Funding Source
	Positions	Labor	Positions	Labor	
Center for Analytics & Data Science	3	\$320,146	1	\$152,350	Salary Savings
Healthcare Programs Management	5	\$571,100			Salary Savings & Biology
Micro Credentials	1	\$63,710			Salary Savings
Engineering Initiative eLearning	1	\$102,490	4	\$433,505	Electrical & Computer Engineering Salary Savings
<b>Boldly Creative Total</b>	<b>10</b>	<b>\$1,150,241</b>	<b>5</b>	<b>\$585,855</b>	
Grand Total	29	\$3,384,986	11	\$1,008,973	
Reallocation Target 1.0%		\$1,735,869		\$1,724,296	
Difference vs 1.0% Target		\$1,649,117		(\$715,323)	
Reallocation Target 2.0%		\$3,471,738		\$3,418,540	
Difference vs 2.0% Target		(\$86,752)		(\$2,409,568)	

# Boldly Creative Strategic Investment Fund

## Balance Available = \$45,167,144

<b>Boldly Creatative</b>				
<b>One-Time Funding Allocations</b>				
<b>Program</b>	<b>Amount Allocated at 6/30/20</b>	<b>FY21 Allocation</b>	<b>FY20 Revenue Net of Expense</b>	<b>FY21 Revenue Net of Expense</b>
BC- Nursing at Oxford	\$2,210,127	\$239,474	\$1,842,609	\$2,488,135
BC- PA program/Masters	\$50,658	\$21,500	\$0	\$0
BC CADS & Analytics	\$148,789	\$66,530	(\$81,516)	\$1,290,227
BC -Engineering	\$594,019	\$316,650	(\$153,983)	(\$97,860)
BC-Cybersecurity	\$19,168	\$0	\$0	\$0
BC-Microcredentials	\$0	\$0	\$0	\$0
BC-Management	\$0	\$0	\$2,898	\$342,771
BC-esports	\$40,543	\$251,625	\$0	\$0
BC-Oxford eLearning (round 3)	\$0	\$0	\$0	\$0
D,E & I Efforts (round 2.5)	\$0	\$750,000	\$0	\$0
BC - Digital Innovation (round	\$0	\$123,777	\$0	\$0
<b>Total</b>	<b>\$3,063,303</b>	<b>\$1,769,556</b>	<b>\$1,610,008</b>	<b>\$4,023,273</b>

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**Review of Gift  
Funded Projects  
and Trends in  
Housing and Dining  
Financial Performance**



MIAMI UNIVERSITY

# Status of Gift Funded Projects as of June 30, 2020

<b><u>Project Description</u></b>	<b><u>Project Budget</u></b>	<b><u>Project Budget Not Funded</u></b>	<b><u>Outstanding Pledges</u></b>	<b><u>Outstanding Bequests</u></b>	<b><u>Project Deficit</u></b>
Athletic Performance Center <sup>1</sup>	\$22,993,815	\$13,186,219	\$7,607,543	\$500,000	\$5,078,676
Goggin Ice Arena	36,009,525	956,011	400,000	40,000	516,011
Hayden Park Addition	3,943,307	511,775	2,475	500,000	9,300
Dauch Indoor Sports Center	<u>14,000,000</u>	<u>2,899,119</u>	<u>1,666,438</u>	<u>1,500,000</u>	<u>0</u>
<b>Total</b>	<b>\$76,946,647</b>	<b>\$17,553,124</b>	<b>\$9,676,456</b>	<b>\$2,540,000</b>	<b>\$5,603,987</b>

1. \$520,000 was pledged towards the project in Fiscal year 2020

# Residence and Dining Halls Net Increase/Decrease by Fiscal Year

	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY09
Revenues	\$98,070,580	\$115,298,363	\$110,343,907	\$105,966,230	\$99,675,905	\$95,379,311	\$88,831,459	\$81,287,838	\$78,756,210	\$68,559,447
Expenses										
Salaries & Benefits	\$19,628,477	\$17,668,325	\$17,747,770	\$21,629,860	\$20,457,009	\$19,779,250	\$19,282,892	\$19,143,162	\$20,522,868	\$29,185,462
Operating Expenses and Food Purchases	\$36,978,466	\$37,545,249	\$36,488,478	\$32,938,874	\$34,534,197	\$32,202,763	\$30,177,911	\$27,110,500	\$28,282,014	\$27,819,033
Residence Life Transfer to Student Life	\$4,538,085	\$5,908,139	\$5,833,638	\$5,336,093	\$5,323,404	\$5,059,978	\$4,786,056	\$4,802,246	\$4,677,926	\$0
Total Expenses	\$61,145,028	\$61,121,713	\$60,069,886	\$59,904,827	\$60,314,610	\$57,041,991	\$54,246,859	\$51,055,908	\$53,482,808	\$57,004,495
Net Income before Debt Service & Transfers	\$36,925,552	\$54,176,650	\$50,274,021	\$46,061,402	\$39,361,294	\$38,337,320	\$34,584,600	\$30,231,930	\$25,273,402	\$11,554,952
Debt Service and Transfers										
Debt Service	(\$41,870,644)	(\$42,391,186)	(\$41,597,907)	(\$35,973,640)	(\$33,873,421)	(\$30,866,290)	(\$22,303,542)	(\$19,882,993)	(\$11,906,810)	(\$3,796,186)
Capital Projects	(\$16,794,192)	(\$13,956,020)	(\$8,545,255)	(\$10,087,720)	(\$5,487,287)	(\$7,463,613)	(\$11,845,020)	(\$10,305,050)	(\$13,339,934)	(\$7,708,962)
Total Facility Investment	(\$58,664,836)	(\$56,347,206)	(\$50,143,162)	(\$46,061,360)	(\$39,360,708)	(\$38,329,903)	(\$34,148,562)	(\$30,188,043)	(\$25,246,744)	(\$11,505,148)
Change in Fund Balance	(\$21,739,284)	(\$2,170,556)	\$130,859	\$42	\$586	\$7,417	\$436,038	\$43,887	\$26,658	\$49,804
Total All Fund Balances and Reserves	\$39,934,264	\$62,234,752	\$57,476,589	\$80,112,906	\$71,931,648	\$66,164,901	\$60,014,075	\$51,780,699	\$44,436,411	\$12,419,095

# **Miami University Foundation Preliminary Year End Operating Results**



MIAMI UNIVERSITY

**Miami University Foundation****Statement of Financial Position****June 30, 2020****Preliminary & Unaudited****(With Comparative Totals for June 30, 2019)**

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 52,370,458	\$ 48,269,311
Pledges receivable, net	26,153,262	28,817,280
Other receivables, primarily investment related	14,890,158	16,638,084
Investments	505,528,979	508,118,790
Cash value of life insurance	2,082,859	2,068,041
Real estate investments	30,000	30,000
<b>Total assets</b>	<b>\$ 601,055,716</b>	<b>\$ 603,941,506</b>
<b>Liabilities</b>		
Accounts payable and other liabilities	\$ 16,253,392	\$ 16,359,967
Assets held for other entities	223,847,779	227,155,079
Deferred revenue	1,515,820	1,529,075
Obligations under split-interest agreements	3,926,994	3,915,047
<b>Total liabilities</b>	<b>245,543,985</b>	<b>248,959,168</b>
<b>Net Assets</b>		
Without donor restrictions	3,803,299	2,989,811
With donor restrictions	351,708,432	351,992,527
<b>Total net assets</b>	<b>355,511,731</b>	<b>354,982,338</b>
<b>Total liabilities and net assets</b>	<b>\$ 601,055,716</b>	<b>\$ 603,941,506</b>

**Miami University Foundation****Statement of Activities**  
**Year Ended June 30, 2020****(With Comparative Totals for the Year Ended June 30, 2019)****Preliminary &  
Unaudited**

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues and other additions:				
Contributions	\$ 932,033	\$ 16,535,375	\$ 17,467,408	\$ 17,615,318
Investment income:				
Dividend and interest income, net	21,928	1,908,239	1,930,167	2,837,715
Net realized and unrealized gains	9,657	410,424	420,081	8,482,509
<b>Net investment income</b>	<b>31,585</b>	<b>2,318,663</b>	<b>2,350,248</b>	<b>11,320,224</b>
Change in value of split-interest agreements	-	(615,570)	(615,570)	394,526
Net assets released from restrictions due to satisfaction of donor restrictions	18,522,563	(18,522,563)	-	-
Reclassification of net assets	-	-	-	-
<b>Total revenues and other additions</b>	<b>19,486,181</b>	<b>(284,095)</b>	<b>19,202,086</b>	<b>29,330,068</b>
Expenses and other deductions:				
Distributions to Miami University (Note 6)	15,559,285	-	15,559,285	23,092,749
Other expenses	397,182	-	397,182	497,010
Administrative expenses (Note 6)	2,716,226	-	2,716,226	2,928,471
<b>Total expenses and other deductions</b>	<b>18,672,693</b>	<b>-</b>	<b>18,672,693</b>	<b>26,518,230</b>
<b>Change in net assets</b>	<b>813,488</b>	<b>(284,095)</b>	<b>529,393</b>	<b>2,811,838</b>
Net assets - beginning of year	2,989,811	351,992,527	354,982,338	352,170,500
Net assets - end of year	\$ 3,803,299	\$ 351,708,432	\$ 355,511,731	\$ 354,982,338



# Current Campaign Contributions First 4 Years

	<u>University</u>	<u>Less Distribution</u>	<u>Plus Capital Grants &amp; Gifts</u>	<u>Plus Additions to Permanent Endowments</u>	<u>Total University Gifts</u>	<u>Foundation Contributions</u>	<u>Grand Total</u>
2020	\$31,766,032	\$15,559,285	\$1,879,606	\$759,220	\$18,845,573	\$17,467,408	\$36,312,981
2019	\$26,035,250	\$23,092,749	\$7,958,468	\$1,626,887	\$12,527,856	\$17,615,318	\$30,143,174
2018	\$27,265,739	\$18,181,165	\$4,895,331	\$2,644,228	\$16,624,133	\$14,877,143	\$31,501,276
2017	<u>\$16,578,473</u>	<u>\$15,347,172</u>	<u>\$4,627,105</u>	<u>\$456,041</u>	<u>\$6,314,447</u>	<u>\$25,497,080</u>	<u>\$31,811,527</u>
<b>TOTAL</b>	<b>\$101,645,494</b>	<b>\$72,180,371</b>	<b>\$19,360,510</b>	<b>\$5,486,376</b>	<b>\$54,312,009</b>	<b>\$75,456,949</b>	<b>\$129,768,958</b>

# Endowment Model

Yellow cells are variable inputs							
Fiscal Year	Endowment Balance	Endowment Pledge	Endowment Addition	Quasi-Endowment Additions	Administrative Fee and Payout	Investment Earnings	Ending Balance
		\$ 75,000,000	5 Annual Inst	\$5 M Per Year	5.00%	7.00%	
2016	\$ 444,154,847		\$ 10,000,000	\$ 5,000,000	\$ 22,207,742	\$ 31,090,839	\$ 468,037,944
2017	\$ 468,037,944		\$ 15,000,000	\$ 5,000,000	\$ 23,401,897	\$ 32,762,656	\$ 497,398,703
2018	\$ 497,398,703	\$ 75,000,000	\$ 25,000,000	\$ 5,000,000	\$ 24,869,935	\$ 34,817,909	\$ 537,346,677
2019	\$ 537,346,677	\$ 75,000,000	\$ 40,000,000	\$ 5,000,000	\$ 26,867,334	\$ 37,614,267	\$ 593,093,610
2020	\$ 593,093,610	\$ 75,000,000	\$ 55,000,000	\$ 5,000,000	\$ 29,654,681	\$ 41,516,553	\$ 664,955,483
2021	\$ 664,955,483	\$ 75,000,000	\$ 70,000,000	\$ 5,000,000	\$ 33,247,774	\$ 46,546,884	\$ 753,254,592
2022	\$ 753,254,592	\$ 75,000,000	\$ 75,000,000	\$ 5,000,000	\$ 37,662,730	\$ 52,727,821	\$ 848,319,684
2023	\$ 848,319,684	\$ 75,000,000	\$ 75,000,000	\$ 5,000,000	\$ 42,415,984	\$ 59,382,378	\$ 945,286,078
2024	\$ 945,286,078	\$ 75,000,000	\$ 75,000,000	\$ 5,000,000	\$ 47,264,304	\$ 66,170,025	\$ 1,044,191,799
Actual Performance							
2016	\$ 444,154,847		\$ 10,715,354	\$ 19,043,233	\$ 20,930,385	\$ (19,209,480)	\$ 433,773,569
2017	\$ 433,773,569	\$ 24,605,411	\$ 15,791,252	\$ 21,332,000	\$ 19,744,046	\$ 47,895,136	\$ 499,047,911
2018	\$ 499,047,911	\$ 3,784,876	\$ 16,121,982	\$ 1,503,253	\$ 21,438,537	\$ 31,700,000	\$ 519,973,725
2019	\$ 519,973,725	\$ 7,604,601	\$ 8,396,858	\$ 5,299,572	\$ 22,596,170	\$ 11,340,224	\$ 522,799,782
2020	\$ 522,799,782	9,105,199	\$ 25,529,972	\$ 4,893,726	\$ 22,901,270	\$ 7,014,770	\$ 537,336,980
* Note: actual endowment pledges exclude bequests due to uncertainty of timing							

## Summary of University and Foundation Gift Activity for Scholarships

<b>Contributions</b>	<b>FY 2020</b>
<b>Gifts - Foundation</b>	
Commitments for Scholarships	\$ 6,478,595
Commitments for Recruitment Scholarships	\$ 1,875,666
<b>Gifts - University</b>	
Commitments for Scholarships	\$ 1,465,404
Commitments for Recruitment Scholarships	\$ 65,125
<b>Permanent Endowment - Foundation</b>	
Cash for Scholarships	\$ 7,096,670
Cash for Recruitment Scholarships	\$ 2,674,642
<b>Permanent Endowment - Univeristy</b>	
Cash for Scholarships	\$ 313,043
Cash for Recruitment Scholarships	\$ 100,904

**Ten Year Endowment Spending Distribution History**  
**Miami University and Foundation**  
**June 30, 2020**

<u>Year</u>	<u>Calculated Total Distribution</u>	<u>Calculated Spending Rate</u>	<u>Actual Total Distribution</u>	<u>Actual Spending Rate</u>	<u>Average Fund Spending Rate</u>	<u>Number of Underwater Funds</u>	<u>Number of Partial Distributions</u>	<u>Administrative Fee</u>
FY 2011	\$ 18,340,707	5.3%	\$ 16,167,440	4.7%	5.2%			\$ 3,514,244
FY 2012	\$ 18,706,336	4.6%	\$ 15,897,703	3.9%	4.7%	170	158	\$ 3,502,010
FY 2013	\$ 19,384,814	5.0%	\$ 18,098,616	4.7%	5.2%	34	61	\$ 3,812,410
FY 2014	\$ 20,264,984	4.9%	\$ 19,248,703	4.6%	5.0%	0	2	\$ 4,169,154
FY2015	\$ 20,797,077	4.5%	\$ 19,664,183	4.3%	4.6%	8	26	\$ 4,461,220
FY2016	\$ 21,319,926	4.6%	\$ 17,839,409	3.9%	4.7%	203	533	\$ 3,539,976
FY2017	\$ 17,544,542	3.9%	\$ 15,877,068	3.6%	4.0%	7	28	\$ 4,258,019
FY2018	\$ 18,225,443	3.6%	\$ 16,659,099	3.3%	4.0%	0	0	\$ 4,807,546
FY2019	\$ 19,848,655	3.7%	\$ 17,545,031	3.3%	3.7%	19	22	\$ 5,113,239
FY2020	\$ 21,076,514	3.8%	\$ 17,963,783	3.2%	3.8%	30	153	\$ 4,898,405
Total	\$ 195,508,998	4.4% (average)	\$ 174,961,035	3.9% (average)	4.5% (average)	52 (average)	109 (average)	\$ 42,076,223

Comments

In FY2017, the endowment spending formula was changed from the weighted average formula to 4% of the average of the last 12 quarterly market value. Spending Rates are defined as spending distribution divided by beginning of year market value.

The difference between Calculated Distribution Amount and Actual Amount Distributed reflects partial distributions and reinvestments.

# Questions?



September 25, 2020  
Finance and Business Services

**RESOLUTION R2021-xx**

WHEREAS, the University's General Counsel has recommended the University remove the 20 day and durational 5 day /40 hour limitations from the University's Furlough Policy to provide for the most flexibility in planning for furloughs; and

WHEREAS, the General Counsel drafted a policy and consulted with the Unclassified Personnel Committee (UPAC) the Classified Personnel Committee (CPAC) and University Senate which all provided valuable input and advice which are attached as Exhibits A, B, and C respectively; and

WHEREAS, after due consideration of the advice of UPAC, CPAC and University Senate, the General Counsel made appropriate modifications to the proposed policy;

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees hereby approves and adopts the Changes to the Furlough Policy and attached Principles for Consideration attached hereto as Exhibit D and

BE IT FURTHER RESOLVED, that the University's General Counsel report to the Board of Trustees at its September 2021 meeting on any uses of the Policy including any instances in which the number of furlough days exceeded 20.

Statement Re: Removal of restriction to Furlough Policy  
*Unclassified Personnel Advisory Council*

In light of the current economic situation, members of the Unclassified Personnel Advisory Council (UPAC) are in agreement that the current restrictions to the furlough policy be lifted. However, the following principles related to proposed furloughs and the review of this policy are strongly recommended:

- Review of the furlough policy occurs every 3 years, at minimum. More frequent reviews may be requested by members of the President's Executive Committee per the University's needs, allowing for appropriate restrictions to be reinstated based on assessment of the first uses of the policy.
- Furlough decisions are made in consultation with department chairs/directors of program areas to ensure essential functions are covered by remaining staff and/or lapse in service/function is approved and clearly communicated to the University community by leadership.
- Each furlough day is a non-working day for classified or unclassified staff. If faculty are furloughed, accommodations will be made regarding research and/or service work load.
- Consider a graduated furlough where possible to allow for least impact on our more vulnerable employees.
- Provide university assistance/consultation for understanding and timely filing for unemployment during a furlough.
- If a furlough must be converted to a temporary reduction in force, a minimum of 30 days notice be given to the staff members affected.
- Aim to recognize the effort of those staff who find their workload greatly increased, and in particular, those who are asked to take on greater responsibility, even if this reward must be non-monetary (e.g., additional PTO, flexible work schedule, remote work where possible).
- Recommend administration take into consideration essential staff requirements, so that in the rare event of a weather emergency, there is adequate coverage for essential services.

TO: President Crawford

From: CPAC (Classified Personnel Advisory Committee)

RE: Statement of Removal of Restrictions to Furlough Policy

- Based upon the information provided to us and the circumstances of the ICA budget deficit we recommend that the current Furlough Policy of (20) working days in a fiscal year be lifted during the pandemic for ICA.
- 30 day written notice should be given to the affected employees.

However if further recommendations for furlough are recommended the following considerations need to be verified and considered.

- The consensus is that there is concern about how the furlough is administered and who is eligible or ineligible for unemployment exists. Further explanation of reduced hours and unemployment benefits need to be confirmed with Butler County Job and Family Services. If reduced hours are not eligible for unemployment benefits then are there other sources (funds/grants) available to the staff?
- Further review of furlough policy after the fiscal year 2020-21 to see if we can return to the original policy of (20 day maximum) in a fiscal year.



**SR 21-01****Sense of the Senate: Furlough Policy Recommendations****August 31, 2020**

Whereas, Senate recognizes the unprecedented circumstances and financial repercussions of the COVID-19 pandemic. As a result, Senate supports revising the furlough policy in the following way: the 20-day limit and the consecutive 5 days/40 hours limit will be replaced with an unlimited cap until July 31, 2021.

Whereas, so that Senate can make an informed recommendation on furlough proposals, current university revenue and expense and cashflow reports and projections as well as a summary of avoidable and non-avoidable costs will be shared with Senate. The information provided ahead of Senate's decision on ICA furloughs should not be taken as a precedent.

Whereas, Senate supports the principles and considerations in the statements on furloughs from UPAC and CPAC, and asks the Board of Trustees and administrators who are designing furlough policies to consider, in addition, the following principles: Whenever possible, people should be working. Other avenues to dealing with a budget shortfall should be considered before furloughs and layoffs and position eliminations.

- Furloughs are preferable to lay-offs and position eliminations.
- Furloughs should be thoughtfully implemented with careful consideration of both employee welfare and Miami's mission
- Furloughing people up to the allowed limit will be deeply painful to employees and should be avoided whenever possible
- Avoid furloughs for people who make under \$40K a year, whenever possible.
- Consult with employees who will be impacted regarding whether they would prefer furloughs to be structured in a way that allows them to receive unemployment benefits (ie, taking furlough days in week-long increments) or if they would prefer to have the furlough days spread out across as much time as possible
- Furloughs should be progressively graduated so that lower-paid workers are the least impacted
- Furlough days should be commensurate to pay reductions and reduction in work

- Employees should be provided with as much notice as possible before a furlough begins

Furthermore, Senate asks Fiscal Priorities Committee to prepare for a future, more permanent revision to the furlough policy by identifying a limit for furloughs that would both address a reasonably projectable budget deficit and would also take into account the amount of reduction in annual income an employee who makes at or above Butler County median per-capita income can tolerate. There is no reason to establish a limit for furloughs that is above what a projectable budget deficit might require.

With the approval of the September 14, 2020, University Senate, the following Resolution was approved:

# Furlough Policy | Unclassified Staff and Instructional Staff

May 05, 2018

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## Scope: Who is Covered by this Policy?

Employees

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## Policy

### General

In the 2009-2011 Biennial Budget for the State of Ohio, the General Assembly provided: "...the board of trustees of any state institution of higher education, notwithstanding any rule of the institution to the contrary, may adopt a policy providing for mandatory furloughs of employees, including faculty, to achieve spending reductions necessitated by institutional budget deficits." (Section 371.70.20 of Amended Substitute House Bill Number 1)

The University's long-term financial stability depends on the ability to balance the operating budget each fiscal year. A "significant operating budget deficit" is defined as a documented substantial decline in the financial resources of the institution that is brought about by a reduction in state funding, loss of revenue from endowments or investments, decline in institutional enrollment, or by other action or events that compel a reduction in the operating budget. The Fiscal Priorities and Budget Planning Committee (a standing committee of University Senate), the chair of the Classified Personnel Advisory Committee (CPAC), the chair of the Unclassified Personnel Advisory Committee (UPAC), and chair of Senate Executive Committee shall be consulted before a determination is made that a significant operating budget deficit exists and that a furlough is required. Consultation shall be understood to be a substantive opportunity to provide feedback before a determination is made. The Fiscal Priorities Committee shall report its determination to University Senate. University Senate shall be afforded an opportunity to respond within the time frame set by the President. The time frame set by the President shall not be less than fourteen days (14) from the date the issue was first presented to the Fiscal Priorities Committee.

## Implementation

If, after consultation, the President reasonably believes the University is facing a significant operating budget deficit, a furlough may be implemented. This policy supersedes all other University policies and applies to all employees regardless of source of funds, place of work or appointment terms or status, including faculty, unclassified administrative staff, and non-bargaining unit classified staff\*. A furlough may be implemented upon thirty (30) days advance written notice to affected employees.

~~Employees may not be furloughed for more than twenty (20) working days in any fiscal year. Furloughed employees may be required to take up to five (5) consecutive working days or forty (40) consecutive working hours off without pay.~~ The President or the President's designee(s) will engage in timely and substantive consultation with the Senate Executive Committee, University Senate, and the leadership of the Classified Personnel Advisory Committee (CPAC) and the Unclassified Personnel Advisory Committee (UPAC) in planning for the implementation of a furlough. Consultation may, by necessity, require intense and limited periods of time for planning.

## Scheduling

Scheduling of furlough days or portions of days shall be the responsibilities of the President or the President's designee(s), but in no event will the University close completely. Furloughs may be implemented on a differential, intermittent, or staggered basis based on pay/salary level, employee classification or nature of appointment. For example, furloughs may take into account the essential operating and safety needs of the University, the availability of designated federal funding, or income generated by the division, department, unit, or program. Days that the University is normally closed or days that may not normally be work days for certain groups of employees (i.e., Spring Break and the week between December 25 and January 1) may be designated as furlough days.

*Classified staff represented by the AFSCME bargaining unit will follow Article 20 of the Collective Bargaining Agreement which provides for furloughs up to 90 days.*

## Employee Benefits and Contributions While on Furlough

Employees may not use accrued paid leave during periods of furlough. The University may allocate employees' reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs.

1. Healthcare, dental care and life insurance benefits will not be affected by a furlough.

2. Employees' continuous Miami service, review date, and employment status will not be affected by any period of mandatory furlough.
3. Employees will continue to accrue vacation and sick leave during a furlough.
4. Retirement contributions by both employees and the University will be affected by furloughs as contributions are based on actual earnings.

Employees remain responsible for making all employee contributions (i.e., healthcare, dental care, Flexible Spending Accounts, and 403(b) contributions) and all miscellaneous authorized deductions (i.e., credit union, charitable contributions, University payments).

### Principles and Considerations for Furlough Proposals

- Furloughs are preferable to lay-offs and position eliminations.
- Furloughs should be thoughtfully implemented with careful consideration of both employee welfare and Miami's mission.
- Furloughing people over 20 days in a fiscal year will be deeply painful to employees and should be avoided if possible
- Furloughs for people earning \$40,000 per year or less should be avoided whenever possible.
- Impacted employees should be consulted regarding whether they would prefer furloughs to be structured in a way that allows them to be eligible to apply for unemployment benefits or whether they would prefer to spread furlough days out as much time as possible. Employee preferences will be accommodated if possible but the operational and budgetary needs of the University take priority.
- Furloughs should be progressively graduated so that workers earning less are the least impacted
- Furlough days should be commensurate to reductions in pay and work
- Employees should be provided with as much notice as possible before a furlough begins.
- Nothing in this Policy should be read as preventing employees from taking voluntary furloughs or salary reductions with the approval of their supervisor, divisional vice president and the appropriate personnel office.

September 25, 2020  
Finance and Business Services

**RESOLUTION R2021-xx**

WHEREAS, the University's General Counsel has recommended the University adopt a Reduction In Force Policy for unclassified administrative staff; and

WHEREAS, the General Counsel drafted a policy and consulted with the Unclassified Personnel Committee (UPAC) regarding the proposed policy and UPAC offered valuable input and advice which is attached as Exhibit A; and

WHEREAS, the General Counsel also consulted with University Senate and University Senate voted to support the proposed policy subject to the advice given by UPAC; and

WHEREAS, after due consideration of the advice of UPAC and University Senate, the General Counsel made appropriate modifications to the proposed policy.

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees hereby approves and adopts the Reduction In Force Policy for unclassified administrative staff attached hereto as Exhibit B.

Statement Re: Temporary Reduction in Force of Unclassified Personnel  
*Unclassified Personnel Advisory Council*

In light of the current economic situation, members of the Unclassified Personnel Advisory Council (UPAC) support a temporary reduction in force (RIF) policy, however we recommend the following additions:

- Add details related to the continuation of ancillary benefits such as tuition reimbursement and life insurance
- Describe the procedure if a temporary RIF becomes permanent including (but not limited to):
  - The timeline for switch to permanent RIF and if this constitutes a position elimination
  - Specific guidelines and timeframes for departments to repost the position or reallocate funds for a similar position to ensure RIF is not used to eliminate an employee instead of using proper discipline channels
  - Employee's access to reapply for the position if reposted
- Procedures if RIF meets the 180 days limit within a fiscal year--does this become a permanent RIF or an automatic recall to service?
- Delineate how a recall may or may not happen, EX: "Employees impacted by position elimination will have the option of being reinstated into their former position if the position is restored in the same capacity within the same work unit within 12 months (one year). Recall will take place in the reverse order of position elimination. Individuals recalled under this provision will not be required to serve a new initial orientation and evaluation period. An employee who declines an offer of recall will forfeit any remaining benefits of this policy, including any unpaid separation pay. An employee may not be eligible for recall if, on the RIF notification date, there is a documented performance plan or disciplinary action in the previous twelve-month (one year) period." ([taken from Vanderbilt University](#))
- Create a policy for faculty that is similar to the policy for temporary RIF for classified and unclassified staff

In addition, the following recommendations or clarifications related to temporary RIF are strongly recommended:

- Although the policy states 10 days, we recommend 30 days, or one pay period, to align with furlough policy and other forms of notification within the University
- We recommend clearer language defining RIFs, such as "A reduction in force may require the separation, involuntary demotion, reassignment, or reduction in work hours of Miami University's covered employee" ([altered from Clemson University](#)) OR "A separation from employment due to such reasons as lack of funds, changes in staffing priorities, lack of work, redesign of work processes, redundancy in roles, excess staffing capacity, or department reorganization, with no likelihood or expectation that the individual will be recalled because the need for the position itself is eliminated." ([taken from Vanderbilt University](#))

- A balance between furlough and RIF is recommended, so that Miami can both meet its operational budget deficit, and its continuum of operational needs.
- Once all policies are approved and in place (i.e. furlough and RIF), transparent definitions of a furlough, RIF, layoff, and position elimination should be disseminated university-wide. These definitions should also describe how each of these methods impact benefits, pay, and eligibility for unemployment. Temporary RIF decisions are made in consultation with department chairs/directors of program areas to ensure essential functions are covered by remaining staff, and/or any lapse in service/function is approved and clearly communicated to the University community by leadership.
- Administration might consider voluntary furloughs or temporary RIFs of faculty and/or staff as an option



## Temporary Reduction in Force for Unclassified Administrative Staff

Appropriate staffing is critical to the University's educational and research mission. When faced with changing economic and programmatic imperatives, Miami University recognizes that at certain times a temporary reduction in force may be necessary to meet the operational needs or resources of the University. A temporary reduction in force (RIF) may require the separation, involuntary demotion, reassignment or reduction in work hours. A RIF may be administered by a department or other programmatic unit with the prior approval of the divisional vice president and appropriate personnel office. Where the reduction in force unit is different than a department, the unit must represent a discrete, coherent, programmatically justifiable grouping of people.

A RIF in force can be a reduction in appointment (e.g. full-time to part-time, 12 month to 9 or 10 month), a temporary reassignment with a corresponding reduction in pay, or a cessation of employment for a designated period of time. In no event, will a RIF continue beyond 180 consecutive days during any fiscal year. Employees subject to a RIF are eligible to apply for [Ohio Unemployment Compensation](#).

Unclassified administrative staff members subject to a RIF have the option of using accumulated and unused vacation in work-week (normally 40 hours) increments during the RIF. The appropriate personnel office will determine whether or not sufficient vacation exists to be used during a RIF.

A RIF will be preceded by written notice to each affected employee as soon as practicable but at least 10 working days in advance of the reduction in force.

During a RIF affected employees:

- May continue existing coverage in healthcare, dental, and other benefit programs, including use of the tuition fee waiver and use of the employee health clinic. The University will continue to pay its portion of the health care premium and the employee will continue to be responsible for the employee portion.
- Employees will accrue vacation and sick leave during a RIF based on time worked.
- Continuous Miami service and employment status will not be affected by any temporary reduction in force period.
- Employees on approved sick leave and/or family and medical leave will be subject to the RIF, but the RIF will not begin until after the approved leave is exhausted.
- Retirement contributions will be affected by a RIF as both employee and University contributions are based on actual earnings.

If the employee has not been returned to work by the end of the 180 day period, the employee's position is eliminated and the 180 day reduction in force period satisfies any notice to the employee required under the Position Elimination Policy.

An employee who declines an offer of recall is ineligible for any remaining benefits under this or the Position Elimination Policy. An employee may not be eligible for recall, if on the date of the RIF notification, there is a performance improvement plan or the employee has been subjected to disciplinary action within the previous 12 months.

Nothing in this Policy should be read as prohibiting any unclassified administrative staff member from taking a voluntary reduction in force with the approval of their supervisor, divisional vice president and the appropriate personnel office.

# Finance & Audit Committee Presentation

September 24, 2020



MIAMI UNIVERSITY

# Status of Capital Projects

September 24, 2020



MIAMI UNIVERSITY

# Harris Hall Renovation

Project Cost: \$6,200,000

Cost of Work: \$5,410,000

Completion Date/% Comp: May 2020/100%

Project Delivery Method: Design-Build

Contingency/Balance: \$265,000/90%



# Harris Hall Renovation



## Pearson Hall Renovations, Phase 2

Project Cost: \$30,000,000

Completion Date/% Comp: August 2020/100%

Contingency/Balance: \$1,500,000/22%

Cost of Work: \$25,238,135

Project Delivery Method: Design-Build



# Stanton Hall Renovation

Project Cost: \$19,000,000

Completion Date/% Comp: August 2020/100%

Contingency/Balance: \$1,089,000/47%

Cost of Work: \$16,000,000

Project Delivery Method: Design-Build





# Stanton Hall Renovation



# Questions?



# Finance & Audit Committee Presentation

September 24, 2020



MIAMI UNIVERSITY

# Facilities Condition Index at June 30, 2019



MIAMI UNIVERSITY

**MIAMI UNIVERSITY**  
**FACILITIES CONDITION INDEX**  
**SUMMARY**  
**FY 2019**  
**(July 1, 2018 - June 30, 2019)**

Group	Estimated Current Replacement Value (CRV)	Total Projects Completed	Estimated Total Work Accumulated	Facility Condition Index (FCI)*	% Change From FY 18
<b>Buildings</b>					
Academic & Admin.					
Total	\$1,213,499,635	\$7,031,088	\$361,639,591	29.80%	1.55%
Auxiliary Total	548,089,951	3,777,701	132,806,084	24.23%	1.44%
Res. & Dining Hall Total	919,375,885	1,968,233	195,745,802	21.29%	1.89%
Hamilton Campus Total	115,927,919	232,142	54,192,632	46.75%	1.93%
Middletown Campus Total	110,108,023	366,033	63,108,586	57.32%	1.80%
Rental Properties Total	6,853,009	11,289	2,840,334	41.45%	1.78%
Southwest Book Depository	8,327,452	0	0	0.00%	0.00%
	<b>\$2,922,181,874</b>	<b>\$13,386,486</b>	<b>\$810,333,029</b>	<b>27.73%</b>	<b>1.65%</b>
<b>Infrastructure</b>					
Utility Distribution Total	\$464,064,388	\$1,444,547	\$162,507,181	35.02%	1.81%
Walks & Drives Total	114,837,063	3,152,102	36,764,466	32.01%	-0.70%
<b>Totals</b>	<b>\$3,501,083,324</b>	<b>\$17,983,136</b>	<b>\$1,009,604,676</b>	<b>28.84%</b>	<b>1.60%</b>

# MIAMI UNIVERSITY FACILITIES CONDITION INDEX PROJECT DETAILS

## FY 2019

(July 1, 2018 - June 30, 2019)

Building Group	Estimated Current Replacement Value (CRV)	Total Projects Completed	Total Work Accumulated	Facility Condition Index (FCI)	% Change from FY 2018	Gross Square Feet	Work per Square Foot	Year of Construction
<b>ACADEMIC</b>								
Ecology Research Center	\$651,655	\$17,495	\$425,367	65.27%	-0.56%	2,284	\$186.24	1969
Harrison Hall	\$17,838,772	\$239,836	\$11,215,754	62.87%	0.78%	47,476	\$236.24	1960
Bachelor Hall	\$41,818,689	\$10,986	\$21,575,928	51.59%	2.10%	111,296	\$193.86	1979
Boyd Science Building	\$19,373,171	\$113,308	\$8,425,957	43.49%	1.54%	47,263	\$178.28	1947
Center for Performing Arts	\$35,798,698	\$429,120	\$14,749,482	41.20%	0.93%	82,812	\$178.11	1969
Phillips Hall	\$47,607,116	\$69,782	\$19,611,001	41.19%	1.98%	114,793	\$170.84	1962
Hall Auditorium	\$16,585,216	\$71,034	\$6,778,194	40.87%	1.70%	37,190	\$182.26	1908
Laws Hall	\$31,618,394	\$61,575	\$12,473,045	39.45%	1.93%	84,149	\$148.23	1959
Hiestand Hall	\$23,588,596	\$287,256	\$9,184,339	38.94%	0.91%	57,547	\$159.60	1958
Williams Hall	\$13,746,844	\$281,560	\$5,230,307	38.05%	0.08%	32,379	\$161.53	1959
Art Building	\$19,550,657	\$874,940	\$7,428,901	38.00%	-2.35%	47,696	\$155.76	1985
Alumni Hall	\$36,750,530	\$69,329	\$13,689,880	37.25%	1.94%	89,657	\$152.69	1910
Upham Hall	\$68,983,297	\$750,708	\$22,575,670	32.73%	0.99%	183,320	\$123.15	1949
Irvin Hall	\$20,774,453	\$5,051	\$6,582,947	31.69%	2.10%	55,289	\$119.06	1925
MacMillan Hall	\$13,101,544	\$286,317	\$3,661,459	27.95%	-0.06%	33,919	\$107.95	1923
Hughes Laboratories	\$106,183,072	\$340,820	\$27,780,311	26.16%	1.81%	220,565	\$125.95	1970
McGuffey Hall	\$48,309,927	\$117,967	\$12,203,622	25.26%	1.88%	126,781	\$96.26	1909
Benton Hall	\$28,354,691	\$89,276	\$6,156,682	21.71%	1.81%	75,463	\$81.59	1968
Engineering Building	\$43,862,157	\$33,219	\$8,829,023	20.13%	2.02%	106,829	\$82.65	2006
Psychology Building	\$47,122,642	\$31,541	\$9,092,135	19.29%	2.06%	100,016	\$90.91	2006
Presser Hall	\$14,521,577	\$15,444	\$2,795,636	19.25%	2.02%	35,427	\$78.91	1931
Farmer School of Business	\$87,620,627	\$92,522	\$16,092,490	18.37%	2.02%	233,193	\$69.01	2009
Kreger Hall	\$30,131,051	\$7,253	\$5,479,865	18.19%	2.10%	63,952	\$85.69	1931
Shideler Hall	\$41,181,593	\$23,478	\$7,449,840	18.09%	2.07%	91,018	\$81.85	1967
Pearson Hall	\$87,379,082	\$4,563	\$13,030,462	14.91%	2.12%	181,396	\$71.83	1985
Voice of America Learning Center (VOALC)	\$10,841,914	\$362,972	\$1,601,059	14.77%	-1.22%	23,034	\$69.51	2008
University Stables Classroom	\$130,166	\$6,952	\$14,842	11.40%	-3.21%	1,500	\$9.89	2008
<b>Academic Total</b>	<b>\$953,426,132</b>	<b>\$4,694,303</b>	<b>\$274,134,199</b>	<b>28.75%</b>	<b>1.63%</b>	<b>2,286,244</b>	<b>\$119.91</b>	

## MIAMI UNIVERSITY FACILITIES CONDITION INDEX PROJECT DETAILS

### FY 2019

(July 1, 2018 - June 30, 2019)

Building Group	Estimated Current Replacement Value (CRV)	Total Projects Completed	Total Work Accumulated	Facility Condition Index (FCI)	% Change from FY 2018	Gross Square Feet	Work per Square Foot	Year of Construction
<b>RESIDENCE &amp; DINING HALLS</b>								
Elm Street Building	\$9,727,909	\$0	\$9,727,909	100.00%	0.00%	39,157	\$248.43	1932
Wilson Hall	\$5,988,967	\$0	\$5,432,892	90.72%	2.13%	19,481	\$278.88	1925
Cook Place	\$1,404,146	\$0	\$1,173,622	83.58%	2.13%	5,652	\$207.65	1932
Wells Hall	\$12,712,375	\$12,123	\$10,236,858	80.53%	2.03%	41,351	\$247.56	1923
Thomson Hall	\$16,119,578	\$51,770	\$12,184,395	75.59%	1.81%	52,434	\$232.38	1963
Dodds Hall	\$13,041,629	\$52,309	\$7,172,851	55.00%	1.73%	42,422	\$169.08	1961
McKee Hall	\$8,136,338	\$3,183	\$4,286,557	52.68%	2.09%	26,466	\$161.96	1904
Emerson Hall	\$20,813,667	\$32,691	\$10,778,552	51.79%	1.97%	67,703	\$159.20	1969
Ogden Hall	\$20,954,910	\$132,976	\$10,839,755	51.73%	1.49%	61,401	\$176.54	1924
Tappan Hall	\$22,078,109	\$62,041	\$10,983,114	49.75%	1.85%	71,816	\$152.93	1970
Morris Hall	\$21,625,579	\$16,583	\$9,509,132	43.97%	2.05%	70,344	\$135.18	1969
Havighurst Hall	\$21,912,099	\$20,150	\$9,583,033	43.73%	2.04%	71,276	\$134.45	1983
Heritage Commons Tallawanda Hall	\$8,907,055	\$5,440	\$2,512,641	28.21%	2.07%	28,973	\$86.72	2005
Peabody Hall (res. rooms)	\$13,053,311	\$106,680	\$3,680,608	28.20%	1.31%	42,460	\$86.68	1871
Heritage Commons Blanchard Hall	\$9,156,685	\$5,098	\$2,540,661	27.75%	2.07%	29,785	\$85.30	2005
Heritage Commons Reid Hall	\$9,272,584	\$5,943	\$2,548,796	27.49%	2.06%	30,162	\$84.50	2005
Harris Dining Hall	\$17,893,198	\$3,185	\$4,843,147	27.07%	2.11%	43,403	\$111.59	1961
Heritage Commons Pines Hall	\$8,856,944	\$9,559	\$2,319,767	26.19%	2.02%	28,810	\$80.52	2005
Heritage Commons Fisher Hall	\$9,293,797	\$3,749	\$2,395,516	25.78%	2.09%	30,231	\$79.24	2005
Miami Inn	\$10,139,320	\$68,451	\$2,571,053	25.36%	1.45%	32,511	\$79.08	1986
Heritage Commons Center	\$1,991,689	\$26,122	\$446,935	22.44%	0.82%	4,566	\$97.88	2005
Heritage Commons Logan Lodge	\$10,337,508	\$20,588	\$2,201,666	21.30%	1.93%	33,626	\$65.48	2005
Culinary Support Center	\$15,938,964	\$36,661	\$3,121,572	19.58%	1.90%	61,477	\$50.78	2001
Dorsey Hall	\$15,941,885	\$6,085	\$3,030,505	19.01%	2.09%	51,856	\$58.44	1962
Scott Hall	\$26,356,666	\$3,296	\$4,640,743	17.61%	2.12%	59,676	\$77.77	1957
Collins Hall	\$11,899,233	\$186,286	\$1,929,588	16.22%	0.56%	38,706	\$49.85	1952
Clawson Hall	\$18,261,025	\$10,861	\$2,816,144	15.42%	2.07%	52,368	\$53.78	1946
Minnich Hall	\$23,623,736	\$1,717	\$3,635,187	15.39%	2.12%	63,082	\$57.63	1962
Symmes Hall	\$34,515,661	\$231,908	\$5,133,130	14.87%	1.46%	79,313	\$64.72	1939
McBride Hall	\$11,035,059	\$4,741	\$1,598,675	14.49%	2.08%	35,895	\$44.54	1952
Stoddard Hall	\$3,907,385	\$66,561	\$504,940	12.92%	0.42%	12,710	\$39.73	1836
Elliott Hall	\$3,876,950	\$3,684	\$480,915	12.40%	2.03%	12,611	\$38.13	1825
McFarland Hall	\$11,556,760	\$7,605	\$1,431,958	12.39%	2.06%	37,592	\$38.09	1959
Western Dining	\$19,857,960	\$7,876	\$2,454,771	12.36%	2.09%	46,000	\$53.36	2013

## MIAMI UNIVERSITY FACILITIES CONDITION INDEX PROJECT DETAILS

### FY 2019

(July 1, 2018 - June 30, 2019)

Building Group	Estimated Current Replacement Value (CRV)	Total Projects Completed	Total Work Accumulated	Facility Condition Index (FCI)	% Change from FY 2018	Gross Square Feet	Work per Square Foot	Year of Construction
<b>HAMILTON CAMPUS</b>								
Knightsbridge Building	\$4,460,930	\$0	\$3,611,758	80.96%	2.13%	22,675	\$159.28	1984
Hamilton Maintenance	\$453,870	\$0	\$348,908	76.87%	2.13%	1,281	\$272.37	1970
Hamilton Maintenance Block Building	\$526,868	\$0	\$335,289	63.64%	2.13%	4,240	\$79.08	1980
Rentschler Library	\$16,098,041	\$13,194	\$9,963,844	61.89%	2.05%	45,436	\$219.29	1968
Mosler Hall	\$30,886,908	\$182,682	\$15,402,891	49.87%	1.54%	87,174	\$176.69	1969
Phelps Hall	\$18,287,672	\$26,374	\$8,980,684	49.11%	1.98%	51,616	\$173.99	1972
Hamilton Gymnasium	\$7,870,271	\$1,841	\$3,179,972	40.40%	2.10%	22,213	\$143.16	1980
Hamilton Maintenance Barn	\$184,866	\$0	\$72,432	39.18%	2.13%	3,190	\$22.71	1980
Hamilton Chill Water System	\$2,489,536	\$0	\$932,488	37.46%	2.13%	0		0
Schwarm Hall	\$13,969,705	\$8,050	\$5,207,374	37.28%	2.07%	39,428	\$132.07	1996
Wilks Conference Center	\$9,628,354	\$0	\$3,040,872	31.58%	2.13%	27,175	\$111.90	1997
Conservatory	\$5,934,958	\$0	\$1,727,165	29.10%	2.13%	7,293	\$236.83	2005
University Hall	\$5,135,939	\$0	\$1,388,954	27.04%	2.13%	26,576	\$52.26	1984
<b>Hamilton Campus Total</b>	<b>\$115,927,919</b>	<b>\$232,142</b>	<b>\$54,192,632</b>	<b>46.75%</b>	<b>1.93%</b>	<b>338,297</b>	<b>\$160.19</b>	
<b>MIDDLETOWN CAMPUS</b>								
Bennett Rec. Center	\$8,226,352	\$36,973	\$7,439,164	90.43%	1.68%	23,218	\$320.41	1972
Middletown Maintenance	\$681,337	\$0	\$581,533	85.35%	2.13%	1,923	\$302.41	1975
Finkelman Auditorium	\$12,898,189	\$2,761	\$9,726,324	75.41%	2.11%	30,077	\$323.38	1969
Thesken Hall	\$18,129,572	\$11,228	\$12,868,471	70.98%	2.07%	42,317	\$304.10	1968
Johnston Hall	\$34,522,285	\$256,611	\$18,077,577	52.36%	1.38%	97,429	\$185.55	1966
Gardner-Harvey Library	\$9,253,495	\$11,141	\$4,844,032	52.35%	2.01%	26,117	\$185.47	1966
Levey Science Building	\$20,765,669	\$41,544	\$7,762,238	37.38%	1.93%	38,151	\$203.46	1999
Middletown Chill Water System	\$3,046,793	\$0	\$1,033,223	33.91%	2.13%	0		0
Verity Lodge	\$2,584,332	\$5,776	\$776,025	30.03%	1.90%	7,294	\$106.39	1943
<b>Middletown Campus Total</b>	<b>\$110,108,023</b>	<b>\$366,033</b>	<b>\$63,108,586</b>	<b>57.32%</b>	<b>1.80%</b>	<b>266,526</b>	<b>\$236.78</b>	



# Questions?



# Finance & Audit Committee Presentation

September 24, 2020



MIAMI UNIVERSITY

# Annual Planning Meeting with IACS



MIAMI UNIVERSITY

Reference to Audit Risk Analysis	Division	Audit Area	Audit Project	Lead Auditor	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
					4	IT Services	Information Security	Payment Card Industry Compliance Audit	BJ							
24	University-wide	University-wide	P-Card Continuous Monitoring	TM												
36	Finance & Bus. Svc.	Accounts Payable	Vendor Audit	QZ												
	University-wide	University-wide	Lean Consulting Services	TM												
12	University-wide	University-wide	Enterprise Risk Assessment	BJ												
12	University-wide	University-wide	EthicsPoint Reporting System with General Counsel	BJ												
4	IT Services	IT Services	Consulting - IT	BJ												
5	Student Life	Community Standards	VAWA Required Notifications	TM												
40	Finance & Bus. Svc.	Payroll	Payroll Adjustments Audit	BJ												
4	IT Services	Information Security	RSM IT Observations - Follow-up	BJ												
24	University-wide	University-wide	P-Card FY21 Continuous Monitoring	QZ												
1	Finance & Bus. Svc.	Budget Office	Daily COVID Tracking - Key Metrics	TM												
34	Academic Affairs	Provost Office	Consultant Payments Follow-up Audit	QZ												
22	Finance & Bus. Svc.	Police	Clery Act Crime and Fire Statistics - CY19 Agreed-upon Procedures	TM												
6	Finance & Bus. Svc.	Treasury Services	Zelle E-Payments - Consulting Services	TM												
38	Finance & Bus. Svc.	General Accounting	Fund and Account Analysis	BJ												



Reference to Audit Risk Analysis	Division	Audit Area	Audit Project	Lead Auditor	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
34	Academic Affairs	Research	Uniform Guidance Audit	TM												
24	Finance & Bus. Svc.	Purchasing	Vendor Payment Analyses	QZ												
38	Finance & Bus. Svc.	General Accounting	Miscellaneous Accounts Receivable Audit	QZ												
6	Finance & Bus. Svc.	Treasury Services	Pledge Financial Accounting - Follow-up Audit	BJ												
4	IT Services	Information Security	IT Vulnerability Management - Follow-up Audit	BJ												
14	Finance & Bus. Svc.	Physical Facilities	Time and Material Contracts Audit	TM												
7	University Advancement	Development	Fundraising Amounts Follow-up Audit	BJ												
31	Enrollment Mgt & SS	Bursar	Bursar Billing Audit	QZ												
10	Finance & Bus. Svc.	Controller's Office	Health Services Accounting Follow-up Audit	BJ												
2	Enrollment Mgt & SS	Admission	Admissions P-Card and Travel Audit Follow-up Audit	QZ												
33	Enrollment Mgt & SS	One Stop	Residency Reclassification Follow-up Audit	TM												
23; 43	Finance & Bus. Svc.	Campus Services	Physical Inventory Audit - Campus Services Follow-up Audit	TM												
36	Finance & Bus. Svc.	Accounts Payable	ACH Fraud - Follow-up Audit	TM												
2	Enrollment Mgt & SS	Admission	Special Admit Process Follow-up Audit	BJ												
3	Finance & Bus. Svc.	Human Resources	Banner Access - HR Segregation of Duties Audit	TM												
4	IT Services	Information Security	Payment Card Industry Compliance Follow-up Audit	BJ												

# Questions?





BOARD OF TRUSTEES  
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**BOARD OF TRUSTEES  
 MIAMI UNIVERSITY  
 Minutes of the Investment Subcommittee Meeting  
 Virtual via Zoom, as Authorized per Ohio House Bill 197  
 September 2, 2020**

The meeting of the Investment Subcommittee was called to order at 11:00 a.m. Present to conduct the business of the Investment Subcommittee were members; National Trustee Biff Bowman, Trustee David Budig, and National Trustee Mark Sullivan.

The following additional Trustees attended all or part of the meeting:

Deborah Feldman	Rod Robinson
Zachary Haines	Mary Schell
Jeff Pegues (National Trustee)	

In addition to the Trustees, the following members of the President's Executive Cabinet attended all or part of the meeting: Senior Vice President David Creamer; Provost Jason Osborne; Senior Vice President Tom Herbert; Vice Presidents David Seidl, and Randi Thomas; and Ted Pickerill, Executive Assistant to the President, and Secretary to the Board of Trustees.

Also present as participants were: Associate Treasurer and Miami Foundation CFO Bruce Guiot; Tim Viezer, Director of Investments; and Strategic Investment Group (SIG) was represented by Nikki Kraus, Markus Krygier, and Richard Behler. In addition, several members of the public viewed as Zoom attendees.

The representatives from SIG provided an overview of the markets, characterizing them as turbulent and stating that SIG was able to maintain service without disruption throughout.

There was a comment that there may be a need to rebalance the overall portfolio, and it was agreed that this would be discussed later in the meeting.

SIG then reviewed Tier I (Operating Cash), Tier II (Core Cash), Tier III (Long-Term Capital), and the Pooled Investment Fund (PIF).

Tier I is operating cash, which is controlled by Miami University.

Tier II is a cash buffer with a 1-year to 3-year investment horizon, and it also holds funds related to capital projects. Tier II is invested primarily in short term U.S. Treasuries.

Tier III, is an endowment type investment, with a 5+ year investment horizon, but holds no private equity.

The Pooled Investment Fund is the pooled Miami University/Miami University Foundation endowment.

SIG reviewed the underperformance of the portfolio compared to the benchmark. The underperformance occurred in Quarter 1 of the calendar year (10.5 basis points), with quarter 2 outperforming the benchmark (5 basis points), making the calendar year underperformance 5.5 basis points.

They stated that COVID-19 has drastically altered the market environment and they believe the markets are currently dislocated, and that dislocations often result in underperformance for value based investment strategies followed by outperformance as the market returns to equilibrium. Given this SIG intends to lean into currently undervalued assets, which they believe are more likely to outperform over time. They stated the investment process is highly risk controlled, and believe the portfolio is well positioned to benefit from a normalization of the dislocations. They explained that SIG achieves portfolio diversity through a diversity of managers whose investment approach diversifies the portfolio balance.

Regarding the portfolio's underperformance, they stated that 60% is due to underrepresentation in three stocks, Microsoft, Apple, and Tesla.

Bruce Guiot then reviewed the non-endowment asset allocation over a ten-year period. During that time the allocation of Operating Cash (Tier I) has moved from over 20% to approximately 10%, with the actual balance remaining within an approximate band of \$50 million to \$60 million.

Tier II - Core Cash has moved from approximately one third to approximately 20%, with the actual balance increasing from approximately \$78 million to approximately \$139 million.

Tier III - Long Term Capital has moved from 43% to 71%, and the balance from approximately \$101 million to approximately \$482 million.

Operating Cash and Core Cash are more liquid, with Tier III and the quasi-endowments in the PIF being the investments exposed to the greatest risk.

The targeted minimum of Tier I is 2x the average monthly negative cash flow of the prior year.

The targeted minimum of Tier II is also 2x the average monthly negative cash flow of the prior year, with a targeted reserve for investment fluctuation equal to 20% of the prior year's Tier III balance plus an additional amount equal to 2x the annual operating distribution from investments. This makes the target Tier II balance equal to \$96,483,801 (20% of Tier III) plus \$12,980,000 (2x the annual distribution), for a total of \$109,463,801. With the actual total reserve for investment fluctuations being \$79,758,887, it is below target by \$29,704,914.

SIG then stated there is a great deal of uncertainty about nearly everything impacting the portfolio, making it very difficult to make a forecast of drivers, and therefore one should approach repositioning with caution, and SIG has taken relatively slow swings, acting based on valuations.



The Subcommittee then began a discussion of approaches to risk reduction and asset allocation. They asked Senior Vice President Creamer for an assessment of the cash flow needs of the university. He responded that if students return as planned in September the university has sufficient cash for operations and no need to access Tier II. If instruction remains remote for the fall, then there will be a need to access Tier II to meet liquidity needs, but there would not be a need to draw from Tier III. There would be a need for a conversation regarding Tier III only if the university remained remote for the fall and for the spring semesters.

The discussion regarding Tier III then became one of any desire to reduce exposure due to the market environment, rather than being driven by a need for liquidity to fund operations. It was suggested that a 10-15% reduction would be appropriate by Dr. Creamer. Such a reduction would essentially be shifting the value of accumulated earnings to date during SIG's tenure, into the more liquid Tier II. Trustee Sullivan suggested that shifting up to 20% to Tier II would have his support.

All Subcommittee members spoke in favor of this shift, referencing the unprecedented times and the reduction in risk the reallocation would bring but left the amount of the shift to Dr. Creamer following further analysis of possible cash drawdowns this fiscal year.

Senior Vice President Creamer then provided an update on the retirement investments available to Miami employees. He stated the annual review has been completed, and that one fund would be removed and one would be added. He stated Miami's retirement plan is now in a review and maintenance mode. Mr. Guiot added that the fees paid by Miami employees which were already very low, have now been further reduced.

With no more business to come before the Subcommittee, Trustee Budig moved and Trustee Sullivan seconded a motion to adjourn which was unanimously approved by voice vote, and the meeting adjourned at 12:45 p.m.



Theodore O. Pickerill II  
Secretary to the Board of Trustees

# ENROLLMENT UPDATE

## Board of Trustees Meeting

Finance and Audit Committee

September 2020

Enrollment Management & Student Success



MIAMI UNIVERSITY



# Fall 2020 Applications

## *Key Academic Quality Indicators*

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	2017	2018	2019	2020
Applications	30,255	30,126	28,920	28,471
ACT Best	27.6	27.6	27.7	27.6
GPA	3.71	3.72	3.75	3.79
Curriculum Strength	13.6	13.9	14.0	14.1

# Fall 2020 Confirmations

## *Key Academic Quality Indicators*

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	2017	2018	2019	2020
Confirmations	3,825	3,937	4,320	3,823
ACT Best	28.3	28.0	28.1	27.6
GPA	3.76	3.77	3.78	3.77
Curriculum Strength	13.8	14.1	14.0	13.7

# Fall 2020 Confirmations

## *Residency*

	2017	2018	2019	2020	Δ 2018 to 2020	Δ 2019 to 2020
Non-Resident	1,630	1,538	1,771	1,510	-1.8%	-14.7%
Domestic Non-Resident	1,318	1,246	1,588	1,403	12.6%	-11.6%
International	312	292	183	107	-63.4%	-41.5%
China	248	228	79	54	-76.3%	-31.6%
Vietnam	15	29	55	25	-13.8%	-54.5%
Other Countries	49	35	49	28	-20.0%	-42.9%
Ohio Resident	2,195	2,399	2,549	2,313	-3.6%	-9.3%
<b>Grand Total</b>	<b>3,825</b>	<b>3,937</b>	<b>4,320</b>	<b>3,823</b>	<b>-2.9%</b>	<b>-11.5%</b>

# Fall 2020 Confirmations

## *Academic Division*

	2017	2018	2019	2020	Δ 2018 to 2020	Δ 2019 to 2020
CAS	1,823	1,887	1,804	1,531	-18.9%	-15.1%
FSB	948	834	1,203	1,104	32.4%	-8.2%
CEC	470	490	554	418	-14.7%	-24.5%
EHS	375	445	426	404	-9.2%	-5.2%
CCA	209	221	244	284	28.5%	16.4%
CLAAS	--	60	89	82	36.7%	-7.9%
<b>Grand Total</b>	<b>3,825</b>	<b>3,937</b>	<b>4,320</b>	<b>3,823</b>	<b>-2.9%</b>	<b>-11.5%</b>

# Fall 2020 Deferred Enrollment

## *Residency*

	2018	2019	2020	Δ 2019 to 2020
Ohio Resident	13	25	117	368%
Domestic Non-Resident	29	30	133	343%
International (not ACE)	--	--	33	--
ACE	--	--	15	--
<b>Grand Total</b>	<b>42</b>	<b>55</b>	<b>298</b>	<b>442%</b>

# Fall 2020 Confirmations

## *Key Indicator History*

	2017	2018	2019	2020
Student of Color	645	682	706	579
% Student of Color	16.9%	17.3%	16.3%	15.1%
First Generation	579	624	573	559
% First Generation	15.1%	15.8%	13.3%	14.6%



To: Finance and Audit Committee *Barbara K. Jena*  
 From: Barbara K. Jena, Chief Audit Officer  
 Subject: **Internal Audit & Consulting Services** - Reporting Update  
 Date: September 3, 2020

As last reported in June 2020, there are six high-risk open audit issues. Three issues arose in the March 2020 Audit of Fundraising Amounts. Another issue arose in the June 2020 Audit of Residency Reclassification. The remaining two issues were from years prior to FY 2020. Progress is being made on each issue and follow-up audits are planned during FY 2021.




The attached summary provides more information.

**Audit Issue Status**




Risk Level	Open audit	Added	Closed	Open audit
	issues			issues
	6/5/2020			9/3/2020
High	6	0	0	6

Attachment

**Open Internal Audit Issues**

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status and Percentage of Completion
1	150.3 - Audit of Pledge Financial Accounting - 5/2017	5/26/2017	7/31/2020	High	Finance & Business Services	To increase reporting transparency, IACS recommends that Treasury Services work with University Advancement to prepare annual reconciliations between published financial reports and fundraising totals reported by University Advancement. Reconciliations should be prepared for both MU and MUF and address the following components:  a. Revenue - gift revenue in the published financial reports to University Advancement's fundraising attainment (i.e., new pledges plus new outright gifts) in the fiscal year.  b. Pledges receivable - pledges receivable in the published financial reports to University Advancement's pledges outstanding balance at fiscal year-end.	Bruce Guiot, Associate Treasurer/CFO MU Foundation	In an 8/2020 status update, the Associate Treasurer/CFO MU Foundation stated, "The status is now 100% complete." IACS will show the percentage of completion as 99% complete until the follow-up audit is performed in FY21.   99%
2	173.1 - Compliance with the Vulnerability Management Standard - 3/2019	3/12/2019	12/31/2020	High	IT Services	IACS recommends the Information Security team strengthen analysis and follow-up of cases where remediation is not taking place in accordance with the 30-day standard. Consequences of noncompliance should be re-evaluated to address problem areas.	John Virden, Asst VP for Security, Compliance and Risk Mgt and CISO	Management concurred and has provided regular status updates. In an 8/2020 update, management stated that they are making good progress with all but a couple groups inside IT Services piloted using TeamDynamix and the open source application solution. Expected completion remains 12/31/2020.   90%
3	189.1 - Audit of Fundraising Amounts - 3/2020	3/2/2020	9/30/2020	High	University Advancement	IACS recommends the full amount of the \$5,693,206 transaction reported in FY19, for use of software licenses FY14 through FY19, be reversed and excluded from fundraising totals. In addition, IACS recommends that University Advancement consistently follow the CASE Reporting Standards.	Brad Bundy, Senior Associate VP for University Advancement	University Advancement management agreed with the first part of the recommendation by stating in their 5/18/2020 update, "University Advancement has removed the software licenses transaction amounting to \$5,693,206 reported in FY19 fundraising totals. And, all future reporting of FY19 results will reflect the removal of this gift. 100% complete."  UA is in process of addressing the second part of the recommendation in which IACS recommends that University Advancement consistently follow the CASE Reporting Standards. This will be addressed in conjunction with IACS's recommendation (189.2) pertaining to CASE Guidelines, where management provided the following 8/31/2020 update: "The MUF Stewardship & Donor Relations Committee and the MUF Audit & Finance Committee have both reviewed and approved the Campaign Reporting Exception Procedure and the CASE Campaign Exception Categories at their June 2020 meetings. The final step is for the MU Finance & Audit Committee to approve the CASE Campaign Exception Categories at its September 2020 meeting."  IACS will schedule a follow-up audit in FY 2021 to verify appropriate action has been taken to close this issue.   95%

**Open Internal Audit Issues**

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status and Percentage of Completion
4	189.2 - Audit of Fundraising Amounts - 3/2020	3/2/2020	9/30/2020	High	University Advancement	IACS recommends that where CASE guidelines are not followed, alternative guidelines be documented and approved by the MU and MUF Boards or appropriate governance committees. This would increase transparency of exceptions made to the CASE guidelines, such as recording pledges exceeding payment periods of five years.	Brad Bundy, Senior Associate VP for University Advancement	<p>University Advancement management provided the following 8/31/2020 update: "The MUF Stewardship &amp; Donor Relations Committee and the MUF Audit &amp; Finance Committee have both reviewed and approved the Campaign Reporting Exception Procedure and the CASE Campaign Exception Categories at their June 2020 meetings. The final step is for the MU Finance &amp; Audit Committee to approve the CASE Campaign Exception Categories at its September 2020 meeting."</p> <p>IACS will schedule a follow-up audit in FY 2021 to verify appropriate action has been taken to close this issue.</p>  <p>95%</p>
5	189.3 - Audit of Fundraising Amounts - 3/2020	3/2/2020	9/30/2020	High	University Advancement	IACS recommends UA's reports to the Finance and Audit Committee include additional data analysis, such as fundraising amounts by gift type. In addition, both face and present values should be shown for bequests and other planned gifts, which have inherent uncertainty of timing of realization. By providing such additional information, UA's reporting would become more transparent.	Brad Bundy, Senior Associate VP for University Advancement	<p>University Advancement management agreed with this recommendation and in an 8/28/2020 update stated that this step was completed.</p> <p>This is shown at 99% complete until IACS performs a follow-up audit in FY 2021 to verify appropriate action has been taken to close the issue.</p>  <p>99%</p>
6	178.1 - Audit of Residency Reclassification - 6/2020	6/3/2020	9/7/2020	High	Enrollment Mgt & SS	IACS recommends One Stop Services implement procedures for reclassifying non-resident students as Ohio residents for tuition purposes in accordance with Ohio Administrative Code 3333-1-10 section (F)(4). Due to the significant financial impact, additional procedures should be added to require secondary, higher level review and approval prior to reclassifying a student as a resident in Banner.	Dawn White, Director of One Stop Services	<p>Management concurred stating, "The One Stop agrees with the recommendation given. Our website and internal procedures will be updated to properly display the eligibility criteria for reclassifications. Updates will be completed within 90 days. While our internal quarterly audit reviews will continue, a secondary approval (by the Director of the One Stop) process will be put in place for any approved reclassifications."</p>  <p>75%</p>

**REPORT ON CASH AND INVESTMENTS**  
**Finance and Audit Committee**  
**Miami University**  
**September 24, 2020**

Non-Endowment Fund

For the quarter ending June 30, 2020, the non-endowment's estimated net-of-fees return excluding operating cash was +9.8%. Tier II Baseline Core Cash and Special Initiatives Fund returns were +0.0% and +0.3% respectively, while Tier III's return was +13.0%. Public equities propelled Tier III, which collectively earned +20.7% over the quarter, followed by commodities, which rebounded +11.5%, and hedge funds which rose +5.1%. The non-endowment's net-of-fees return excluding operating cash managed a positive return for the fiscal year +1.4 % despite the pandemic induced bear market.

At June 30<sup>th</sup>, the Operating Cash balance was about \$55.5 million, down from \$135.0 at the end of March. Operating Cash earned an approximate 21 bps annualized yield on the average balance for the quarter and 87 bps for the entire fiscal year, in addition to a significant portion receiving earnings credit against bank fees.

<b>Current Funds</b>	<b>Fair Value (Millions)</b>	<b>% of Portfolio</b>
Operating Cash (Tier I):		
Short-term Investments*	\$55,457,898	8.2%
Core Cash (Tier II):		
Short-Term Bonds	\$87,712,286	13.0%
<u>Special Initiatives</u>	<u>\$51,477,791</u>	<u>7.6%</u>
Total Core Cash (Tier II):	\$139,190,077	20.6%
Long-Term Capital (Tier III):		
Equity Investments	\$257,093,840	38.0%
Debt Investments	\$84,161,714	12.4%
Absolute Return	\$65,016,945	9.6%
Real Assets	\$46,154,157	6.8%
Other**	\$204,170	0.0%
<u>Cash</u>	<u>\$29,992,350</u>	<u>4.4%</u>
Total Long-Term Capital (Tier III)	\$482,623,176	71.3%
<b>Total Current Fund Investments</b>	<b>\$677,271,151</b>	<b>100.0%</b>

\*not included in performance report

\*\*includes Cintrifuse Syndicate Fund II

(Continued on next page)

**REPORT ON CASH AND INVESTMENTS**  
**Finance and Audit Committee**  
**Miami University**  
**September 24, 2020**

Endowment Pooled Investment Fund

The endowment's returns were +12.0% for the quarter ending June 30<sup>th</sup>. This figure excludes updated values for private capital, which reports on a significant lag. The endowment benefitted the most from public equity's +21.1% return for the quarter, while fixed income provided +2.6%. The return for fiscal year-to-date is +0.1%.

The Miami University Foundation Investment Committee met via teleconference on June 22<sup>nd</sup> and reviewed the Pooled Investment Fund's performance, distributions, and an annual evaluation of service providers.

Bond Project Funds

As of June 30<sup>th</sup>, the Plant Funds Series 2017 Bond Project Fund had a zero balance. The General Receipts Revenue and Refunding Bonds Series 20220A was priced on June 16<sup>th</sup> and will close on July 16<sup>th</sup>.

Attachments

Non-endowment Performance Summary as of 6/30/2020  
MUF Performance Summary as of 6/30/2020

## PERFORMANCE SUMMARY

## Miami University

June 30, 2020



Asset Class <i>Benchmark</i>	Market Value (\$ mill)	Strategic Portfolio (%)	Rates of Return (%)										Inception Date
			1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	
Miami University Long-Term Capital Tier III (Net of Sub-Mgr Fees)	482.419	100.0%	2.8	13.1	1.0	(4.3)	1.0	2.8	2.6	3.9	7.2	4.2	30-Jun-02
Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)	482.419	100.0%	2.7	13.0	0.7	(4.4)	0.7	-	-	-	6.9	-	31-Dec-18
<i>Total Portfolio Policy Benchmark</i>			2.5	12.6	2.9	(2.9)	2.9	3.7	3.1	4.2	9.4	4.4	
<i>Total Portfolio Policy Benchmark (Net of Fees)</i>			2.4	12.6	2.8	(3.0)	2.8	-	-	-	9.2	-	
Miami University - Baseline Tier II (Net of Sub-Mgr Fees)	87.712	100.0%	0.0	0.0	2.4	1.3	2.4	1.6	1.4	1.8	2.6	2.7	30-Jun-02
Miami University - Baseline Tier II (Net of Sub-Mgr and Strategic Fees)	87.712	100.0%	0.0	0.0	2.3	1.2	2.3	-	-	-	2.6	-	31-Dec-18
<i>Total Portfolio Policy Benchmark</i>			0.0	0.0	2.9	1.7	2.9	1.8	1.3	1.1	3.1	2.2	
<i>Total Portfolio Policy Benchmark (Net of Fees)</i>			0.0	0.0	2.8	1.7	2.8	-	-	-	3.0	-	
Miami University Special Initiatives Fund (Net of Sub-Mgr Fees)	51.478	100.0%	0.1	0.3	6.0	4.7	6.0	-	-	-	7.0	7.0	19-Sep-18
Miami University Special Initiatives Fund (Net of Sub-Mgr and Strategic Fees)	51.478	100.0%	0.1	0.3	5.9	4.7	5.9	-	-	-	6.9	6.9	19-Sep-18
<i>Total Portfolio Policy Benchmark</i>			0.1	0.3	5.9	4.7	5.9	-	-	-	6.9	6.9	
Miami University Core Cash (Net of Sub-Mgr Fees)	139.190		0.0	0.1	3.7	2.5	3.7	2.6	2.0	2.1	3.8	2.9	30-Jun-02
Miami University Core Cash (Net of Sub-Mgr and Strategic Fees)	139.190		0.0	0.1	3.6	2.5	3.6	-	-	-	3.8	-	31-May-18
Total Miami University Client Group (Net of Sub-Mgr and Strategic Fees)	621.609		2.1	9.8	1.4	(2.9)	1.4	2.5	2.2	2.6	3.2	3.2	30-Jun-02

## PERFORMANCE SUMMARY

## Miami University Long-Term Capital Tier III

June 30, 2020



Asset Class <i>Benchmark</i>	Market Value (\$ mill)	Portfolio (%)	Rates of Return (%)										Inception Date
			1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	
<b>U.S. Equity</b> <i>U.S. Equity Policy Benchmark</i>	<b>92.707</b>	<b>19.2%</b>	<b>2.8</b>	<b>23.4</b>	<b>3.3</b>	<b>(6.4)</b>	<b>3.3</b>	-	-	-	<b>14.2</b>	<b>1.9</b>	<b>31-Aug-18</b>
			2.3	22.0	6.5	(3.5)	6.5	-	-	-	17.0	3.9	
<b>Non-U.S. Equity</b> <i>Non-U.S. Equity Policy Benchmark</i>	<b>125.898</b>	<b>26.1%</b>	<b>5.0</b>	<b>18.8</b>	<b>(4.9)</b>	<b>(11.5)</b>	<b>(4.9)</b>	-	-	-	<b>4.9</b>	<b>(3.4)</b>	<b>31-Aug-18</b>
			4.6	16.8	(4.5)	(11.1)	(4.5)	-	-	-	5.3	(3.1)	
<b>Global Equity</b> <i>Global Equity Benchmark</i>	<b>38.490</b>	<b>8.0%</b>	<b>2.4</b>	<b>20.3</b>	<b>(1.0)</b>	<b>(9.4)</b>	<b>(1.0)</b>	-	-	-	-	<b>(0.2)</b>	<b>30-Apr-19</b>
			2.8	19.5	2.2	(6.3)	2.2	-	-	-	-	2.3	
<b>Total Equity</b>	<b>257.094</b>	<b>53.3%</b>	<b>3.8</b>	<b>20.7</b>	<b>(1.3)</b>	<b>(9.3)</b>	<b>(1.3)</b>	-	-	-	<b>9.0</b>	<b>(1.0)</b>	<b>31-Aug-18</b>
<b>Hedge Funds (Net Exposure)</b> <i>Hedge Funds Policy Benchmark</i>	<b>65.017</b>	<b>13.5%</b>	<b>1.9</b>	<b>5.1</b>	<b>0.8</b>	<b>(0.5)</b>	<b>0.8</b>	<b>3.0</b>	<b>2.5</b>	<b>4.2</b>	<b>2.8</b>	<b>3.5</b>	<b>30-Jun-02</b>
			1.6	6.4	1.9	(1.1)	1.9	4.5	5.5	8.7	2.7	6.8	
<b>Total Alternatives</b>	<b>65.017</b>	<b>13.5%</b>	<b>1.9</b>	<b>5.1</b>	<b>0.8</b>	<b>(0.6)</b>	<b>0.8</b>	<b>3.0</b>	<b>2.5</b>	<b>4.2</b>	<b>2.8</b>	<b>3.5</b>	<b>30-Jun-02</b>
<b>Real Estate - IRR</b> <i>Real Estate Policy Benchmark - IRR</i>	<b>9.250</b>	<b>1.9%</b>	-	<b>0.0</b>	<b>3.6</b>	<b>1.0</b>	<b>3.6</b>	-	-	-	-	<b>3.6</b>	<b>28-Jun-19</b>
			-	0.0	3.0	0.8	3.0	-	-	-	-	3.1	
<b>Commodities</b> <i>Commodities Policy Benchmark</i>	<b>14.010</b>	<b>2.9%</b>	<b>5.6</b>	<b>11.5</b>	<b>(34.1)</b>	<b>(36.4)</b>	<b>(34.1)</b>	-	-	-	-	<b>(24.8)</b>	<b>31-Jan-19</b>
			5.1	10.5	(33.9)	(36.3)	(33.9)	-	-	-	-	(23.3)	
<b>TIPS</b> <i>TIPS Policy Benchmark</i>	<b>22.894</b>	<b>4.7%</b>	<b>0.8</b>	<b>2.9</b>	<b>4.8</b>	<b>3.5</b>	<b>4.8</b>	-	-	-	-	<b>6.3</b>	<b>30-Jan-19</b>
			1.1	3.8	5.7	4.1	5.7	-	-	-	-	7.2	
<b>Total Real Assets</b>	<b>46.154</b>	<b>9.6%</b>	<b>2.0</b>	<b>4.7</b>	<b>(7.3)</b>	<b>(9.2)</b>	<b>(7.3)</b>	-	-	-	-	<b>(3.2)</b>	<b>30-Jan-19</b>
<b>U.S. Fixed Income</b> <i>U.S. Fixed Income Policy Benchmark</i>	<b>84.162</b>	<b>17.4%</b>	<b>1.1</b>	<b>4.0</b>	<b>5.0</b>	<b>3.3</b>	<b>5.0</b>	-	-	-	<b>6.5</b>	<b>5.7</b>	<b>30-Jun-18</b>
			0.7	3.6	7.8	5.1	7.8	-	-	-	9.7	8.1	
<b>Total Fixed Income</b>	<b>84.162</b>	<b>17.4%</b>	<b>1.1</b>	<b>4.0</b>	<b>5.0</b>	<b>3.3</b>	<b>5.0</b>	<b>3.9</b>	<b>3.6</b>	<b>4.1</b>	<b>6.5</b>	<b>4.9</b>	<b>30-Jun-02</b>
<b>Total Cash, Accruals, and Pending Trades</b>	<b>29.992</b>	<b>6.2%</b>	<b>0.1</b>	<b>0.2</b>	<b>1.0</b>	<b>0.5</b>	<b>1.0</b>	-	-	-	<b>1.0</b>	<b>1.0</b>	<b>27-Aug-18</b>
<b>Miami University Long-Term Capital Tier III (Net of Sub-Mgr Fees)</b>	<b>482.419</b>	<b>100.0%</b>	<b>2.8</b>	<b>13.1</b>	<b>1.0</b>	<b>(4.3)</b>	<b>1.0</b>	<b>2.8</b>	<b>2.6</b>	<b>3.9</b>	<b>7.2</b>	<b>4.2</b>	<b>30-Jun-02</b>
<b>Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)</b>	<b>482.419</b>	<b>100.0%</b>	<b>2.7</b>	<b>13.0</b>	<b>0.7</b>	<b>(4.4)</b>	<b>0.7</b>	-	-	-	<b>6.9</b>	-	<b>31-Dec-18</b>
<i>Total Portfolio Policy Benchmark</i>			2.5	12.6	2.9	(2.9)	2.9	3.7	3.1	4.2	9.4	4.4	
<i>Total Portfolio Policy Benchmark (Net of Fees)</i>			2.4	12.6	2.8	(3.0)	2.8	-	-	-	9.2	-	
<b>Cintrifuse Syndicate Fund II, LLC</b>	<b>0.204</b>												
<b>TOTAL</b>	<b>482.623</b>												<b>30-Jun-02</b>

## PERFORMANCE SUMMARY

## Miami University Pooled Investment Fund

June 30, 2020



Asset Class <i>Benchmark</i>	Market Value (\$ mill)	Total Portfolio (%)	Rates of Return (%)										Inception Date
			1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	
<b>U.S. Equity</b>	<b>111.134</b>	<b>20.6%</b>	<b>2.7</b>	<b>23.4</b>	<b>3.3</b>	<b>(6.3)</b>	<b>3.3</b>	-	-	-	<b>0.8</b>	<b>2.5</b>	<b>24-Jul-18</b>
<i>U.S. Equity Policy Benchmark</i>			2.3	22.0	6.5	(3.5)	6.5	-	-	-	4.7	6.1	
<b>Non-U.S. Equity</b>	<b>126.646</b>	<b>23.5%</b>	<b>5.9</b>	<b>19.1</b>	<b>(4.2)</b>	<b>(10.6)</b>	<b>(4.2)</b>	-	-	-	<b>(2.6)</b>	<b>(2.5)</b>	<b>30-Jun-18</b>
<i>Non-U.S. Equity Policy Benchmark</i>			5.2	17.1	(4.2)	(10.7)	(4.2)	-	-	-	(2.0)	(1.9)	
<b>Global Equity</b>	<b>41.514</b>	<b>7.7%</b>	<b>2.4</b>	<b>20.3</b>	<b>(1.0)</b>	<b>(9.4)</b>	<b>(1.0)</b>	-	-	-	<b>0.0</b>	<b>2.1</b>	<b>30-Jun-18</b>
<i>Global Equity Benchmark</i>			2.8	19.5	2.2	(6.3)	2.2	-	-	-	1.8	3.6	
<b>Total Equity</b>	<b>279.294</b>	<b>51.8%</b>	<b>4.0</b>	<b>21.1</b>	<b>(0.6)</b>	<b>(8.6)</b>	<b>(0.6)</b>	<b>4.3</b>	<b>5.5</b>	<b>7.7</b>	<b>(0.9)</b>	<b>6.0</b>	<b>31-Dec-96</b>
<b>Private Equity - IRR</b>	<b>40.048</b>	<b>7.4%</b>	-	-	<b>(15.3)</b>	-	<b>(15.3)</b>	<b>(0.4)</b>	<b>0.1</b>	<b>7.1</b>	<b>(6.2)</b>	<b>6.4</b>	<b>30-Sep-95</b>
<i>Private Equity Policy Benchmark - IRR</i>			-	-	(3.8)	-	(3.8)	7.0	7.4	12.7	1.3	11.0	
<b>Hedge Funds (Net Exposure)</b>	<b>86.059</b>	<b>16.0%</b>	<b>1.8</b>	<b>5.7</b>	<b>1.1</b>	<b>0.2</b>	<b>1.1</b>	-	-	-	<b>0.4</b>	<b>0.7</b>	<b>30-Jun-18</b>
<i>Hedge Funds Policy Benchmark</i>			1.6	6.4	1.9	(1.1)	1.9	-	-	-	0.0	0.4	
<b>Total Alternatives</b>	<b>126.107</b>	<b>23.4%</b>	<b>1.0</b>	<b>3.2</b>	<b>(5.4)</b>	<b>(4.9)</b>	<b>(5.4)</b>	-	-	-	<b>(2.1)</b>	<b>(0.9)</b>	<b>30-Jun-18</b>
<b>Timber</b>	<b>3.792</b>	<b>0.7%</b>	-	<b>0.0</b>	<b>2.1</b>	<b>0.1</b>	<b>2.1</b>	-	-	-	<b>(2.1)</b>	<b>0.0</b>	<b>30-Jun-18</b>
<i>Timber Policy Benchmark</i>			-	0.0	(0.7)	(1.6)	(0.7)	-	-	-	0.3	2.1	
<b>Real Estate - IRR</b>	<b>34.807</b>	<b>6.5%</b>	-	-	<b>1.5</b>	-	<b>1.5</b>	<b>7.6</b>	<b>7.1</b>	<b>7.5</b>	<b>7.1</b>	<b>4.3</b>	<b>31-May-06</b>
<i>Real Estate Policy Benchmark - IRR</i>			-	-	3.1	-	3.1	6.4	7.4	9.8	3.8	6.3	
<b>Total Real Assets</b>	<b>38.599</b>	<b>7.2%</b>	-	<b>0.0</b>	<b>1.5</b>	<b>(0.9)</b>	<b>1.5</b>	-	-	-	<b>5.4</b>	<b>6.1</b>	<b>30-Jun-18</b>
<b>U.S. Fixed Income</b>	<b>53.536</b>	<b>9.9%</b>	<b>0.6</b>	<b>2.6</b>	<b>2.7</b>	<b>0.9</b>	<b>2.7</b>	-	-	-	<b>4.4</b>	<b>4.1</b>	<b>30-Jun-18</b>
<i>U.S. Fixed Income Policy Benchmark</i>			0.7	3.7	7.9	5.1	7.9	-	-	-	8.9	8.0	
<b>Total Fixed Income</b>	<b>53.536</b>	<b>9.9%</b>	<b>0.6</b>	<b>2.6</b>	<b>2.7</b>	<b>0.9</b>	<b>2.7</b>	-	-	-	<b>4.4</b>	<b>4.4</b>	<b>30-Sep-18</b>
<b>Opportunistic</b>	<b>24.215</b>	<b>4.5%</b>	<b>0.0</b>	<b>0.8</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>4.5</b>	<b>2.7</b>	<b>6.2</b>	<b>2.2</b>	<b>12.5</b>	<b>28-Feb-01</b>
<i>Opportunistic Policy Benchmark</i>			0.0	0.0	(1.0)	(2.2)	(1.0)	4.4	6.6	9.6	1.7	11.0	
<b>Total Opportunistic</b>	<b>24.215</b>	<b>4.5%</b>	<b>0.0</b>	<b>0.8</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>4.5</b>	<b>2.7</b>	<b>6.2</b>	<b>2.2</b>	<b>12.5</b>	<b>28-Feb-01</b>
<b>Total Cash, Accruals, and Pending Trades</b>	<b>17.589</b>	<b>3.3%</b>	<b>0.1</b>	<b>0.2</b>	<b>1.0</b>	<b>0.5</b>	<b>1.0</b>	-	-	-	<b>1.0</b>	<b>1.0</b>	<b>30-Jun-18</b>
<b>Miami University Pooled Investment Fund (Net of Sub-Mgr Fees)</b>	<b>539.341</b>	<b>100.0%</b>	<b>2.6</b>	<b>12.0</b>	<b>0.3</b>	<b>(4.4)</b>	<b>0.3</b>	<b>3.5</b>	<b>3.4</b>	<b>5.8</b>	<b>1.1</b>	<b>8.2</b>	<b>30-Apr-93</b>
<b>Miami University Pooled Investment Fund (Net of Sub-Mgr and Strategic Fees)</b>	<b>539.341</b>	<b>100.0%</b>	<b>2.5</b>	<b>12.0</b>	<b>0.1</b>	<b>(4.5)</b>	<b>0.1</b>	-	-	-	<b>0.9</b>	-	<b>30-Sep-18</b>
<i>Total Combined Portfolio Policy Benchmark</i>			2.3	11.6	2.3	(3.6)	2.3	4.7	4.7	7.1	2.7	6.5	
<i>Total Combined Portfolio Policy Benchmark (Net of Fees)</i>			2.3	11.5	2.0	(3.7)	2.0	-	-	-	2.5	-	



**Lean Project Update  
as of 09/01/2020**

<b>MU-Lean Project Status Totals</b>					<b>Completed Projects</b>			
Division	Active	Completed	Future	Total	Cost Avoidance	Cost Reduction	Revenue Generated	Total
Finance and Business Services*	98	1551	12	1661	\$45,653,629	\$31,382,121	\$9,217,849	\$86,253,599
President	3	9	0	12	\$530,371	\$233,500	\$1,015	\$764,886
Advancement	6	27	0	33	\$151,142	\$226,290	\$4,223,000	\$4,600,432
Enrollment	7	45	0	52	\$508,829	\$36,803	\$37,705	\$583,337
Student Affairs	4	4	0	8	\$53,434	\$0	\$0	\$53,434
Information Technology Services	1	17	0	18	\$437,033	\$0	\$4,180	\$441,213
Academic Affairs	9	23	1	33	\$2,455,098	\$0	\$402,116	\$2,857,214
<b>Lean Project Total - MU</b>	<b>128</b>	<b>1676</b>	<b>13</b>	<b>1,817</b>	<b>\$49,789,536</b>	<b>\$31,878,714</b>	<b>\$13,885,865</b>	<b>\$95,554,115</b>

\* no longer track Procurement realized as a separate category

<b>MU-Lean Project Changes since 06-01-2020 report</b>					<b>Newly Completed Projects since 06-01-2020 report</b>			
Division	Newly Active	Newly Completed	Newly Future	New Total	New Cost Avoidance	New Cost Reduction	New Revenue Generated	New Total
Finance and Business Services*	-15	22	2	9	\$910,023	\$945,065	\$5,954	\$1,861,042
President	0	0	0	0	\$0	\$0	\$0	\$0
Advancement	0	1	0	1	\$0	\$0	\$0	\$0
Enrollment	0	0	0	0	\$0	\$0	\$0	\$0
Student Affairs	0	0	0	0	\$0	\$0	\$0	\$0
Information Technology Services	0	0	0	0	\$0	\$0	\$0	\$0
Academic Affairs	-5	-3	0	-8	\$0	\$0	\$0	\$0
<b>Lean Project Total - MU</b>	<b>-20</b>	<b>20</b>	<b>2</b>	<b>2</b>	<b>\$910,023</b>	<b>\$945,065</b>	<b>\$5,954</b>	<b>\$1,861,042</b>

\* no longer track Procurement realized as a separate category

## Property and Liability Insurance Update 09-24-2020

### FY20-21 Significant Renewal Challenges

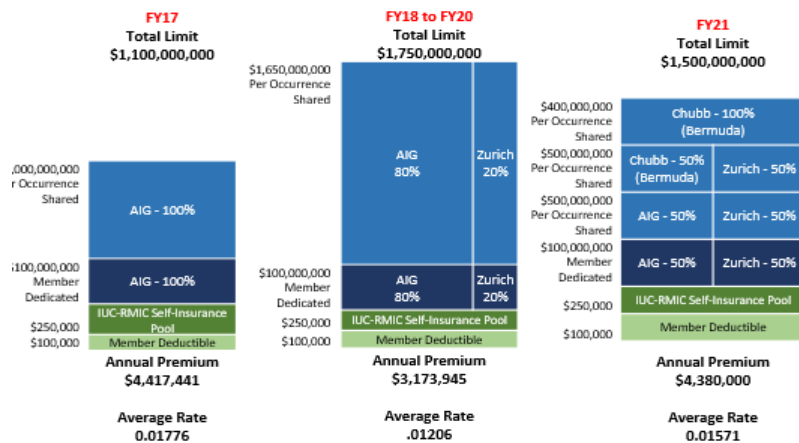
#### What Drove Rate Increases and Program Changes this Year?

- Market conditions
- Risk quality and potential for loss
- Exposure to natural catastrophes including hail, tornadoes and flooding
- The program has presented its insurers with a potentially very large claim for COVID-19 related impacts

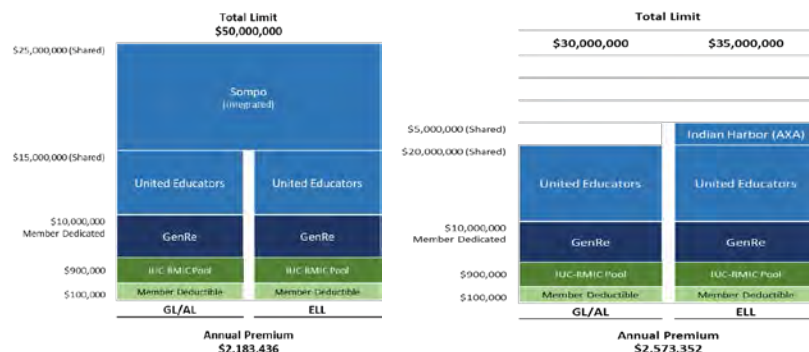
#### Property Program Underwriting Challenges

- From July 1, 2017 to April 1, 2020 the IUC-Risk Management & Insurance Consortium (IUC-RMIC) program members filed 28 property damage claims valued from \$4.2 – \$7.2 million against about \$8.25 million in earned premium during the term. Most of the loss content is related to a fire at the University of Akron.
- Upon review of the program terms, AIG determined they could not continue to support Communicable Disease coverage afforded in the current program and cancelled the remaining year in the contract in order to be able to negotiate better terms.

#### Changes to the Program



#### Property Program-Structure Changes



#### Casualty Program-Decreased Limits

Most Significant Changes were to Catastrophic (CAT) Deductibles- Earthquake/Flood/Wind/Hail

		EXPIRING		RENEWAL		
		AIG (80%) & Zurich (20%)	Losses Erode Deductible Aggregate (AIG & Zurich)	Zurich (50%)	AIG (50%)	Losses Erode Deductible Aggregate (Zurich / AIG)
CAT Deductibles	Earthquake	\$350,000	Yes	\$1,000,000	\$350,000	Yes / No
	Flood	\$350,000	Yes	\$1,000,000	\$350,000	Yes
	- SFHA Locations	\$500,000	Yes	\$1,000,000	1% per Location, \$1,000,000 Minimum	Yes / No
	- MFHA Locations	\$350,000	Yes	\$1,000,000	\$350,000	Yes
	Wind/Hail	\$350,000	Yes	\$1,000,000	1% per Location \$350,000 Minimum	Yes

**Examples of Deductible Scenarios in Current IUC- Risk Management & Insurance Consortium Funding Model**

Event	Total Values Involved in the Loss	EXPIRING (Prior to 7/1/20)			ZURICH			AIG			RENEWAL - Current Structure (After 7/1/20)		
		Member Deductible	Pool Retention	Total Deductible for this Event	Insurer Deductible Applicable to this Loss	Share	Share Deductible	Insurer Deductible Applicable to this Loss	Share	Share Deductible	Member Deductible	Pool Retention	Total Deductible for this Event
Earthquake causes \$10,000,000 of damage to 5 buildings.	N/A	\$100,000	\$250,000	\$350,000	\$1,000,000	50.0%	\$500,000	\$350,000	50.0%	\$175,000	\$425,000	\$250,000	\$675,000
Flood causes \$5,000,000 of damage to 1 building.	N/A	\$100,000	\$250,000	\$350,000	\$1,000,000	50.0%	\$500,000	\$350,000	50.0%	\$175,000	\$425,000	\$250,000	\$675,000
Hail causes damage to 1 building with an insured value of \$5,000,000.	\$5,000,000	\$100,000	\$250,000	\$350,000	\$1,000,000	50.0%	\$500,000	1% per Location \$350,000 minimum per Occurrence (1% = \$50,000)	50.0%	\$175,000	\$425,000	\$250,000	\$675,000
Tornado/Windstorm/Hail causes damage to 25 buildings each with an insured value of \$20,000,000 (total values = \$500,000,000)	\$500,000,000	\$100,000	\$250,000	\$350,000	\$1,000,000	50.0%	\$500,000	1% per Location \$350,000 minimum per Occurrence (1% = \$5,000,000)	50.0%	\$2,500,000	\$2,750,000	\$250,000	\$3,000,000

**COVID Business Interruption Claim Update**

Notice to Carriers: March 20, 2020  
 Outside Counsel: Stacy Berliner, Brouse McDowell  
 Forensic Accountant: Willis Towers Watson

Status:

- Coverage opinion by outside counsel is complete. Now seeking carrier opinion on various aspects of coverage including, but not limited to, Communicable Disease, Business Interruption, Extra Expense, Civil & Military Authority, Ingress/Egress, Rental Value & Perils Insured Against.
- Request for Information (RFI) received from carrier and is due September 30, 2020
- Coordinating Recovery – Insurance, CARES Act, FEMA