

MINUTES OF FINANCE COMMITTEE
May 12, 2025

1. Call to Order and Roll Call

Trustee Parks called the meeting to order at 2:02 p.m. and asked the recorder to call the roll.

Finance Committee members present: Trustee Parks, Trustee Barbosa-Guzman

Finance Committee members absent: Trustee Allen (*arrived 2:13 p.m.*)

Other Trustees present: Trustee Rakow, Student Trustee Gidlund, Trustee Rodriguez

Others present: Dr. Peggy Heinrich, President; Ms. Loewe, Recorder; Ms. Scholl, Assistant VP, Business & Finance; Dr. Phil Garber, VP, PIE; Respicio Vasquez, General Counsel; Ed Martin, Internal Auditor; various other ECC employees.

2. Approval of Meeting Minutes of the Finance Committee on March 10, 2025

Motion: Trustee Parks moved to approve the March 10, 2025, meeting minutes.

Second: Trustee Barbosa-Guzman seconded the motion.

Roll Call Vote: Aye, 2: Parks, Barbosa-Guzman

Nay, 0

Absent, 1: Allen

3. Audience Wishing to Address the Committee

Ms. Loewe reported to Mr. Parks that there were no requests.

4. New Business

A. Internal Audit Report (Ed Martin)

1. Return to Title IV (R2T4) Compliance

- Title IV mandates recalculating financial aid within 45 days of a student's withdrawal.
- Problems arose because of delays in reporting the last attendance dates.
- Eight exceptions were noted out of 141 cases reviewed.
- Faculty reporting delays are a major concern; new communication strategies are scheduled for the Fall semester.
- Financial aid processes function smoothly when they receive timely data.
- Expect regular updates each semester.

2. Updates

Financial Statement Audit

- External auditors will conduct preliminary fieldwork in mid-May and will submit their findings in August, with the final reports expected in November.
- SAS 99 (Fraud Inquiry): Trustees and staff will be given standard fraud-related questionnaires.

Administrative Procedure Review

- Currently, 144 procedures are being reviewed on a 1- to 2-year cycle.
- Progress is being made; the goal is to complete a full review by the end of the fiscal year.

Data Governance & Security

- The committee successfully reduced access to Social Security numbers by approximately 20%, which is the equivalent of 21 individuals.
- The IT and Data Quality teams supervise the committee and its initiatives.

3. Gift Card Distribution

- Plans to switch from gift cards to stipends for CRSS grant recipients to improve security and tracking of funds.
- While Workforce Development still uses gift cards for immediate needs, the process has been improved and is now more secure.

B. Software Contract Renewals (Pam Singleton & Heather Scholl)

- All software renewals of \$25K or more will be submitted to the Board of Trustees for transparency.
- Administrative Procedures and the Illinois Public Community College Act govern procurement.
- No ratifications of related Board actions were required in March or April, indicating improved planning.

C. FY2025 Financial Update and Transfers to Aux Units (Heather Scholl & Kim Wagner)

- The College is on track to meet its budget goals, with revenue expectations exceeding previous forecasts at 101% of the budget.
- Investment income remains higher than expected.
- Expenditures are 85% of the budget after 10 months and remain in line with the budget.
- Auxiliary units are monitored for performance and need-based financial transfers.

D. Capital Projects Funding List (Heather Scholl)

- The Manufacturing and Technology Center (MTC), also known as Building S, along with the Truck Driving building and its programs, remain major projects and the College's top financial priorities.
- The Building F renovation will be financed partly through deferred maintenance, while Building I will be submitted for future state funding via RAMP.
- The renovation of the Culinary department also continues to be a priority.

E. Fund Balance Policy Review (Heather Scholl)

- The policy requires the College to keep six months of operating reserves.
- Adjustments are made to accurately reflect changes in capital project commitments.
- A \$4M annual transfer to the Capital Projects Fund remains essential and will persist.

F. FY2026 Draft Budget (Kimberly Wagner & Heather Scholl)

- The College continues to utilize a zero-based budgeting plan, focusing on intentional spending and prioritization.
- Tuition has risen by \$3 per credit hour, with \$1 going toward instructional equipment, making the total \$138 per credit hour.
- There remains a balanced operating budget with a \$4M transfer to debt service, in addition to the Capital Projects transfer.

G. College Insurance Program Funding Plan (Kimberly Wagner)

- Liability was reduced from \$40M to \$16.5M, respectively.
- No extra funding was required this year as the reserve remains at \$25.5M.

H. Report on Tax-Exempt Bond Record-Keeping Policy

- The College continues to meet IRS bond requirements.
- No rebate or arbitrage liability is required.

I. Fiscal Year 2026 Finance Committee Agenda Items

- Meetings are planned for October, December, March, and May.
- Agenda items include audit findings (both internal and external), updates on capital projects, budget evaluations and projections, and a review of any necessary board actions.

5. Old Business

No old business was brought forward.

Adjournment

Motion: Trustee Parks moved to adjourn the meeting.

Second: Trustee Allen seconded the motion.

Roll Call Vote: Aye, 3: Parks, Allen, Barbosa-Guzman

Nay, 0

Absent, 0

Meeting adjourned at 3:11 p.m.