The meeting was called to order at 4:33 p.m.

There were present:

**Committee Members:**
- Hon. Valerie L. Beal, Chair
- Hon. Philip A. Berry
- Hon. Terrence F. Martell, faculty member

**University Staff:**
- Vice Chancellor Matthew Sapienza
- Senior Advisor Marc V. Shaw
- University Deputy Controller Miriam Katowitz

**Ex-officio:**
- Hon. Benno Schmidt

**Trustee Observer:**
- Hon. Una S. T-Clarke

**Observer:**
- Prof. Kay Conway

**Trustee Staff:**
- Senior Vice Chancellor and Secretary of the Board Jay Hershenson
- General Counsel and Senior Vice Chancellor Frederick P. Schaffer
- Ms. Towanda Lewis
- Ms. Fenella Ramsami
- Mr. Anthony Vargas

The agenda items were considered in the following order:

**I. ACTION ITEMS:**

A. **APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 1, 2016.** The minutes were approved as submitted.

B. **POLICY CALENDAR:**

1. **The City University of New York – Approval of Audit Scope.** Subcommittee Chair Valerie Beal stated that this resolution calls for the Subcommittee’s approval of the Fiscal Year 2016 audit plan, and authorizes that the engagement letter be signed by the Vice Chancellor for Budget and Finance. The financial terms are in accordance with the multi-year contract with KPMG.

***PRESENTATION BY JANE LETTS, PARTNER, JASON SPIEGEL, SENIOR MANAGER, AND MAGGIE CASELLA, MANAGER, KPMG***

In response to a question from Subcommittee Chair Beal, Ms. Jane Letts stated that the roles and responsibilities of directors with regard to audits have not changed for not-for-profits from prior years. The not-for-profit audit is not done in accordance with the Public Company Accounting Oversight Board (PCAOB) standards, and it is not required, nor is it anticipated that it will be required.

In response to another question from Subcommittee Chair Beal, University Deputy Controller Miriam Katowitz stated that the CUNY colleges and their foundations have separate audits. In regards to the foundations, the Financial Accounting Standards Board Interpretations (FASBI)
set the standards because it is an independently produced audit required to follow these standards rather than GASB, which the University follows.

In response to a question from Prof. Kay Conway, Ms. Maggie Casella stated that financial aid is reviewed at the time college visits are underway.

In response to a question regarding GASB 72, Fair Value Measurement and application from Subcommittee Chair Beal, University Deputy Controller Katowitz stated that the accounting standard for the foundations are also separate and have been reported on for a number of years. This is the first time details will be disclosed within the GASB statements for fair value. It will not affect the balance sheet or income statement. This requirement is more about the footnote disclosure.

In response to another question from Subcommittee Chair Beal, University Deputy Controller Katowitz stated that the University has a policy on derivatives apropos of the reporting need to value those derivatives. CUNY does report for an investment derivative directly as these are managed by the University’s investment advisors. The Dormitory Authority of New York (DASNY) manages the financing side.

In response to a third question from Subcommittee Chair Beal, Vice Chancellor Matthew Sapienza stated that the foundations do not have any derivatives, but the Office of Budget and Finance will assess if the foundations are impacted by GASB 72.

In response to a question from University Faculty Senate (UFS) Chair and Trustee Terrence Martell, University Deputy Controller Katowitz stated that there is only derivatives outstanding on the financing from DASNY.

In response to another question from UFS Chair and Trustee Martell, University Deputy Controller Katowitz stated that the University does not have any swaps other than the ones that DASNY manages.

In response to a question from Subcommittee Chair Beal, Vice Chancellor Sapienza stated that the Office of Budget and Finance will provide the Subcommittee with an update—at a subsequent meeting—on derivatives, particularly at the University level, but also at the foundation level.

Following discussion, this item was approved.

The meeting was adjourned at 4:48 p.m.