

**SUBPART 2-4
COMMITTEES OF THE BOARD**

Sec. 2-401. Executive Committee. There shall be an Executive Committee consisting of the Chairperson, the Vice Chairperson, the Secretary, and the most recent past Chairperson who is (1) still in office as a Trustee, and (2) not currently serving as an officer of the Board. If at any time there is not a past Chairperson who is still in office as a Trustee and not then serving as an officer of the Board, then the Board of Trustees shall elect a Trustee who is not then serving as an officer of the Board to serve as an at-large member of the Executive Committee until the next formal biennial meeting of the Board. The Chairperson of the Board shall act as Chairperson of the Executive Committee. Three (3) members of the Executive Committee shall constitute a quorum for the transaction of such business as may properly come before the Executive Committee, except as otherwise provided in this code.

Prior Board Actions:

December 14, 2018.

Cross Reference:

Sec. 9-102 Executive Committee Review of Entertainment Expenses Incurred by the President and by the Trustees.

Sec. 2-402. Functions of the Executive Committee. The purpose of the Executive Committee is to strengthen the Board's performance by helping it to function efficiently and effectively. The Executive Committee shall act with full interim authority for the Board shall serve as the Board's mechanism for arriving at, in conjunction with the President, a mutually acceptable listing of institutional objectives for the coming academic year; and shall annually initiate and make recommendations regarding the President's performance and compensation, in compliance with Board policies. Interim actions of the Executive Committee are subject to ratification and confirmation by the Board at the next following formal meeting.

Sec. 2-403. Meetings of the Executive Committee. The Executive Committee shall meet from time to time when deemed necessary, during the intervals between regular meetings of the Board, upon call of the Chairperson or the President or any two members of the Executive Committee. Meetings of the Executive Committee shall be held at a location that is reasonably convenient for the members of the Committee.

Sec. 2-404. Reports of Action Taken by the Executive Committee. A written report of each action taken by the Executive Committee shall be delivered or mailed by the Recording Secretary to all Trustees and to the President within eight (8) business days following the meeting of the Executive Committee at which such action was taken.

Sec. 2-405. Finance Committee. There shall be a Finance Committee consisting of four (4) Trustees (which may, but need not, include the Chairperson) appointed by the Chairperson. The term of Finance Committee membership of each of the appointees shall be effective from the first day of January, and shall continue for two (2) years and until their successors are duly appointed. One appointee shall be designated by the Chairperson of the Board as the Chairperson

of the Committee. Two (2) members of the Finance Committee shall constitute a quorum for the transaction of such business as may properly come before the Finance Committee. No action of the Finance Committee shall be binding on the University or the Board or commit the Board to any policy or action of any kind until and unless duly approved by the Board.

Sec. 2-406. Functions of the Finance Committee Relating to Audit. The Finance Committee shall perform the following audit-related functions:

- (1) Recommend to the Board the independent auditors to be selected.
- (2) Discuss with the independent auditors the scope of their audit and related fees, and serve as the Board's liaison with the auditors.
- (3) Discuss with the independent auditors and University staff the University's accounting principles and policies and the reporting practices followed, including the impact of alternate accounting principles.
- (4) Discuss with the internal auditors the adequacy of the University's accounting and financial systems in internal control.
- (5) Be aware of all work (audit, tax and systems) that the public accounting firm performs for the University.
- (6) Discuss with the independent auditors the results of their audit, along with any matters of controversy (resolved or unresolved) with the University staff.
- (7) Review and recommend what action is required as a result of any memoranda prepared by the independent auditors listing significant weaknesses in internal control noted during the annual audit and management's evaluation of such weaknesses.
- (8) Review and make appropriate recommendations regarding any memorandum prepared by independent auditors setting forth any questionable activities or payments noted during their audit work.
- (9) Review and recommend to the Board what action is required as a result of the State Auditor's report.
- (10) Review management's evaluation and response to the State Auditor's report.

Sec. 2-407. Other Functions of the Finance Committee. The Finance Committee shall perform the following additional functions:

- (1) Review changes in tuition levels, fees, room and board rates, and other housing charges as proposed by the President, and make recommendations to the Board.
- (2) Review the operating budgets of the University as proposed by the President, and make recommendations to the Board.

- (3) Review the operating budget requests of the University as proposed by the President for submission to State government, and make recommendations to the Board.
- (4) Review financing plans for various projects of the University as proposed by the President, and make recommendations to the Board.
- (5) Recommend to the Board guidelines for the investment of funds.
- (6) Review the condition of buildings, grounds, and utilities and make recommendations to the Board.
- (7) Review the amount and adequacy of funds devoted to plant operations and maintenance, utilities, and major repairs and renovations, and make recommendations to the Board.
- (8) Review capital outlay budget requests to State government as proposed by the President and make recommendations to the Board.
- (9) Review the status of any new construction, major additions, and proposed projects and make recommendations to the Board.
- (10) Perform such other functions as may from time to time be requested by the Board.

Sec. 2-408. Academic Affairs/Student Affairs Committee. There shall be an Academic Affairs/Student Affairs Committee consisting of four (4) Trustees (which may, but need not, include the Chairperson) appointed by the Chairperson. The term of Academic Affairs/Student Affairs Committee membership of each appointee shall be effective from the first day of January, and shall continue for two (2) years and until their successors are duly appointed. One of the appointees shall be designated by the Chairperson of the Board as the Chairperson of the Committee. Two (2) members of the Academic Affairs/Student Affairs Committee shall constitute a quorum for the transaction of such business as may properly come before the Academic Affairs/Student Affairs Committee. No action of the Academic Affairs/Student Affairs Committee shall be binding on the University or the Board or commit the Board to any policy or action of any kind until and unless approved by the Board.

Sec. 2-409. Functions of the Academic Affairs/Student Affairs Committee Relating to Academic Affairs. The Academic Affairs/Student Affairs Committee shall exercise oversight and review of policy, planning, and strategic academic issues, and shall make recommendations to the Board concerning these issues and issues relating to the maintenance of the integrity of the University's role and mission. In particular, the Academic Affairs/Student Affairs Committee shall:

- (1) Review and make recommendations to the Board regarding certain new academic programs, program terminations, and changes in the locations of programs, to the extent that the Board has reserved to itself an obligation to review and take final action with respect thereto elsewhere in this Code.

- (2) Establish, with guidance from the President, an Information Calendar, specifying data the Committee needs to receive, in what form, and how often.
- (3) Receive, review, and (where appropriate) make recommendations regarding reports resulting from the Academic Program Review process.
- (4) Receive, review, and (where appropriate) make recommendations regarding reports regarding the planning processes and objectives of the Academic Affairs Division.
- (5) Receive, review, and (where appropriate) make recommendations regarding the formal reports and recommendations of the Academic Senate and other major academic groups.
- (6) Perform such other functions as may from time to time be assigned by the Board.

Cross References:

Subpart 3-2. Programming Responsibilities.

Sec. 2-410. Functions of the Academic Affairs/Student Affairs Committee Relating to Student Affairs. The Academic Affairs/Student Affairs Committee shall exercise oversight and review of policy, planning, and strategic student issues, and shall make recommendations to the Board on these issues.

Sec. 2-411. Other Committees. The Board may establish one or more other committees, and each such committee shall include one or more Trustees. The structure, membership, duties, and terms of other committees which may be established from time to time shall be as designated by the Board in a resolution, or, to the extent not designated by the Board shall be designated by the Chairperson of the Board at the time of the formation of the Committee.

Sec. 2-412. Voting Procedures. Whenever a vote is taken on a matter before a committee of the Board, the vote shall be taken by the chairperson of the committee or other person chairing the meeting and recorded by the Recording Secretary.

Sec. 2-413. Minutes of Committee Meetings. The Recording Secretary shall keep minutes of the meetings of all committees of the Board, and shall mail or deliver copies of the minutes to each Trustee and to the President.

Case References:

Federated Publications, Inc. v Michigan State University Board of Trustees, 460 Mich 75 (1999). Open Meetings Act inapplicable to State universities.

Cross References:

Subpart 3-2. Programming Responsibilities.

Prior Board Actions:

September 23, 1998 (Finance Committee Meeting) [Voting Procedures for Committee Meetings]

Entire Subpart 2-4 included in October 19, 2001 Codification, Phase I.

Entire Subpart 2-4 included in October 22, 2004 Codification, Phase II.

July 11, 2012.