

23.10.20 Minutes of the GCNYC Meeting held on 23 October 2020 at 9.30 EST (2.30pm GMT) via Online Conferencing Facilities

Present: Gordon Jack (Chair), Laura Becking, Daniel Bena, Sylvie Freund-Pickavance, Professor Pamela Gillies, Ian Kerr, Professor James Miller, Professor Ann Priest, Elinor Tatum and Johnnie Walker.

In attendance: Jacqueline LeBlanc (VP & Provost GCNYC)
Agnes Russell (Financial Accounting Manager).
Katie Malone (Governance Administrator)
Kea Horvers (Minute Secretary).

1. Apologies for absence

1.1 The Chair confirmed that there were no apologies.

2. Declaration of Members Interests

2.1 The Committee **noted** that no further Declarations of Interests had been received.

3. Minutes of the Meeting of the GCNYC Board of Trustees held on September 14 2020

3.1 The Committee **approved** the minutes of the previous GCNYC Board of Trustees Committee Meeting held on September 14 2020.

4. Matters arising Briefing Note

4.1 The Committee **noted** the Matters arising Briefing Note.

5. Minutes of the GCNYC Audit Meeting on 29 September 2020

5.1 The Committee approved the minutes of the GCNYC Audit Meeting held on September 29 2020, subject to the removal of the DVC Strategy from the list of apologies.

6. Chair of the Board Trustees Report

6.1 The Chair reported that he had been part of GCNYC's meeting with Middle States Commission on Higher Education (MSCHE) on 22 October 2020. This had been an extremely positive event. The Chair thanked Daniel Bena for his excellent contribution on the day.

6.2 Other activities for the Chair included :-

Discussions with the Board secretary on the effectiveness Board review and new GCNYC Trustee recruitment,
Regular updates with the VP GCNYC
Planning for the evaluation meeting with MSCHE

7. Vice President & Provost's Report

- 7.1 The Vice President reported that the meeting with Dr Di Marco from Middle State had been hugely positive. Dr Di Marco was very welcoming and had taken a collegiate approach. Dr Di Marco observed that GCNYC had been too 'humble' in expressing its accomplishments. She had welcomed the transparency and honesty of the College's self-Study Report and stated that it contained one of the best draft statements she had ever seen. She understood how GCU's Mission of the Common Good was threaded throughout the College and was extremely complimentary about GCNYC's young and small team. She praised the manner in which GCNYC had swiftly dealt with specific issues, praised Jacqueline LeBlanc's strong and accountable leadership and considered the College was able to offer something extraordinary in New York city.
- 7.2 Dr Di Marco suggested that GCNYC's story needed to come through much more strongly on the GCNYC website.
- 7.3 The President was meeting weekly with the VP and Board Secretary and monthly with the GCNYC staff.

8. GCNYC Board Secretary's Report

- 8.1 It was noted that members of the Trustee Board were appointed for a three-year term of office and eligible for one further term of office. The Board was asked to approve the re-appointment of those Trustees whose terms of office complete in October 2020: Daniel Bena, Professor Pamela Gillies, J Gordon Jack, Ian Kerr, Professor James Miller, Professor Ann Priest, Elinor Tatum and John Walker.
- 8.2 The Board **approved** the continuation for terms of office for the Trustees named above.
- 8.3 The Board Secretary thanked the Board for their advice on the long list of candidates to be considered as new Trustees. Candidates were assessed against the Board's skill matrix. Experience in Higher Education and philanthropic giving were the key skills identified by the Board. He reported that an interview with a prospective trustee with a background in Higher education had been completed and one with a trustee with philanthropy experience was scheduled. Following discussion around both candidates the Board recommended the appointment of JoAnn Rolle and provided the delegated accountability to the Board Secretary and Chair for the appointment of Eva Haller following satisfactory conclusion of the process. These new Trustees should be invited to attend the December Board meeting in 2020.

ACTION: The Acting Head of Governance to invite new Trustees to the December, 11 2020 Board of Trustees meeting.

- 8.4 The Board **noted** the interim results of the Board Effectiveness Review. It was requested that those Trustees who had not yet responded were asked to complete and return the pro forma to the Board Secretary. It was noted that the report will form part of the evidence inventory for the MSCHE self-study.
- 8.5 The Board **noted** the Forward Plan 2021.

9. Report from the Vice-President and Provost

- 9.1 The Board received and **discussed** the Vice President and Provost, report. Successful remote working has continued during COVID 19. Blackboard is now successfully up and running. The title of the MS in International Fashion Marketing had been changed to MS in Sustainable Fashion. Students will also be offered writing skills as part of this MS. A virtual speaker series has been launched featuring speakers from GCNYC, GCU London and strategic partners from across the world.
- 9.2 Permissions had been received from New York State Education and Middle States Commission to offer all degree programs in an online format. The search for the candidate for Assistant/Associate Professor was in the final stages with an offer having been made. A career service bootcamp had been launched which will become a full service by Trimester B.
- 9.2 A Fact Book had been developed to capture metrics from a number of different aspects of the College's activities. This resource was for internal use only, and was considered best practice and will be expected as part of the Middle States self-study evaluation.
- 9.3 The VP GCNYC confirmed that different educational institutions across the country were managing the Covid crisis in a variety of ways. Some large educational colleges had robust testing in place, others had shut down completely and some offered a hybrid experience.
- 9.4 The President stated she has been extremely encouraged by the way all the team at GCNYC had risen to the challenge of managing the COVID crises and praised them for all they had achieved in an extremely challenging external environment.
- 9.5 The Board **approved** the Academic Board Terms of Reference.

10. Report on the Middle States Evaluation Team visit to GCNYC on 22 October 2020

- 10.1 The VP GCNYC echoed the excellent feedback given by the Chair and the President regarding Middle States Evaluation Team visit. Work would now begin complete the self-study submission by gathering all appendices for the evidence inventory as required by Middle State.
- 10.2 The Board of Trustees commended Jacqueline LeBlanc for all her excellent work on this initiative.

11. Recruitment update

- 11.1 The Committee **noted** a report on GCYNC's marketing, recruitment and enrolment for Trimester B. Since the report was produced, 101 prospects had been generated with the expectation of more to come, and 1 student enrolled. Board members were reminded that the revised recruitment plan did not envisage any new enrolments for the September intake and 24 for the January intake.
- 11.2 Next month Carnegie Dartlet will hold workshops for personality study to inform branding. The results will be used to design the website and marketing tactics. The Board was aware

that goals for many organisations had been severely affected by the tumultuous environment post Covid.

- 11.3 The Board observed that there were moves from other educational colleges to rapidly develop fashion and sustainability courses. GCNYC was ahead of the curve with an established, in depth course. It was suggested that social media groups be approached to disseminate this GCNYC's story. Contact had already been made with Women's Wear Daily (WWD). It was proposed that the Business of Fashion be asked to cover GCNYC's offering as its status within fashion leader circles remained high.

ACTION: The VP GCNYC to make contact with CEO of Business of Fashion.

- 11.6 The VP GCNYC noted that the College's website needed to be clearer about GCNY's USP. Work had begun on the technical optimisation of search engines and several web pages had now been optimised. The results of the Carnegie Dartlett's personality test would also support more creative search optimisation.

12. GCNYC Annual Financial Statements and Letters of Representation

- 12.1 The Board received and considered the GCNYC Annual Financial Statements and Letters of Representation. It was noted that the statements were presented for the College alone, with all prior GCU-NYC, Inc. balances and operations having been dissolved in July 2019. BDO LLP would formally sign and release the statements upon receipt of the Sole Member support letters.
- 12.2 The Board of Trustees **approved** the financial statements for the College for the year ended 31 July 2020.

13. Letter of Support for GCNYC

- 13.1 BDO LLP, auditors for the College, had sought assurance from the University Court of GCU over the financial support it provided to the College. This support should be extended to ensure that the College can continue its activities through the foreseeable future, and at least until 1 December 2021. GCU will also provide the College with a letter of parental support for the same period. BDO will only sign off the financial statements once the letters of support were formally approved.
- 13.2 The Board of Trustees **approved** the letters of support for onward submission to the University Court for approval on 11 November 2020.

14. Report to Board of Trustees from External Auditors

- 14.1 The Board **noted** the report provided by BDO LLP which outlined the audit scope, audit status and the responsibilities placed on the external auditors. This document had previously been presented by the auditors to the GCNYC Audit Committee on 29 September 2020. GCNYC received a clear report with no weakness or inefficient controls found. The auditors reported that the audit had gone extremely smoothly. One issue was raised regarding GCNYC as a going concern and this will be dealt with under item 16 of this meeting's agenda. The Chair congratulated everyone on achieving a clean audit.

14.2 The Chair of the Audit Committee remarked that at the back of the external audit report there was an excellent section of Covid responsibilities for board members which may be useful for the Trustees to view.

15. GCNYC Form 990

15.1 Form 990 is an annual information return used by tax-exempt organisations to provide the IRS with the information required by section 6033 of the Internal Revenue Code. BDO are engaged to perform a review of this form (and other filings) in order to ensure regulatory compliance is achieved. It is a requirement that GCNYC state that the Board of Trustees have reviewed Form 990 and that this statement is published on the not for profit website.

15.2 The Chair of the Audit Committee observed that former employees were listed under the Compensation of Officers' Section on page 7. This is because the document relates to the calendar rather than fiscal year. For the same reason, the VP and Provost is not listed as an officer as she joined GCNYC in April 2020.

15.3 The President observed that the Chair of the Middle States Evaluation Committee was keen to ensure that the College retained high levels of independence and was governed by the Board of Trustees. It was suggested this document be scrutinised for any areas where GCNYC requires prior approval of GCU.

ACTION: The Financial Accounting Manager, to review this document and bring to the Board of Trustees attention any area where it appears the Colleges' independence may be checked, for review.

15.4 These tax returns have not yet been granted final approval by BDO. However, these will be signed by BDO as paid preparer and made available for the Trustees to approve by circulation prior to submission by December 15, 2020.

15.5 The Board of Trustees **approved** Form 990 subject to investigation of the matters described above.

16. GCNYC Federal and State Tax Filings

16.1 The Chair of the Audit Committee reported there had been no unrelated business income in 2018/19 and that therefore Federal and state filings for 2019/20 will be classed as NIL returns.

16.2 The Board of Trustees **approved** the GCNYC Federal and State Tax Filings.

17.1 GCU to GCNYC Future Funding Agreement

17.1 Due to the decision taken by GCU (Sole Member) to impair the intercompany loan, the Board considered a report that outlined proposals for the Sole Member's (GCU) continued support via a grant agreement. The College in turn will account for these advances as income in the financial statements going forward. This grant agreement would be required to be put in place prior to the signing of the 2019/20 financial statements. Failure to do so would result in a

going concern issue for the College. BDO had highlighted that any going concern issue could potentially extend to the withdrawal of Title IV accreditation. This proposal has been discussed by both GCU's Audit and Finance and General Purposes committees and input was now sought from the GCNYC's Board of Trustees. From GCNYC's position this would be a favourable outcome as the amount would be shown as grant income rather than outgoing loan payments.

- 17.2 The agreement stated that any spend over \$25k needed written approval. Trustees suggested this process was too cumbersome, and it was agreed that that spend already set aside in the approved budget needed no further approval. Spend of over \$25k outside the budget will require written approval.

ACTION: The Financial Accounting Manager to amend approvals in the Funding Agreement.

- 17.3 Item 15.4 stated that the agreement was "governed by New York law". It was proposed that as the University was granting the money the agreement should be governed by UK law. Both UK and US lawyers had been consulted and raised no objection.

ACTION: The Financial Accounting Manager to amend the agreement as governed by UK law.

- 17.4 The Board of Trustees **approved** the changes in principle subject to drafting amendments. It was agreed that any material changes should be brought back to the Board of Trustees for further discussion.

18. GCNYC Corporate Risk Register

- 18.1 No new risks had been added, but the mitigating procedures and completed actions have all been updated. Some risk numbers had been revised slightly based on what has been accomplished.

- 18.2 The Board Secretary noted that any changes to risk should be marked in red within the Risk Register.

ACTION: The VP GCNYC to accommodate these in future updates.

- 18.3 The Board of Trustees proposed that after the positive feedback received from the recent Middle State Visit Risk 1, Educational Accreditation should now be reduced.

ACTION: The VP GCNYC to amend the Risk 1, Educational Accreditation in the Risk Register.

- 18.4 The Board of Trustees **approved** the GCNYC Corporate Risk Register.

19.1 GCNYC Audit Committee Report

- 19.1 Trustees **noted** the GCNYC Audit Committee Report.

- 19.2 The Chair of the Audit Committee reported that during the Audit Committee's closed meeting with the external auditors the auditors reported that the external audit process had all gone very smoothly. The Chair of the Audit Committee noted that this was a tribute to Agnes Russell's professionalism and her effective management of the process.
- 19.3 The Chair of the Audit Committee reported BDO had been an excellent audit partner. This was the third and final year of BDO's three-year contract with GCNYC and the RFP process was scheduled to be run again. However, the RFP was an onerous process and if it were to be run again it was likely that BDO would be reappointed. Moreover, under US guidelines external auditors are appointed for a 5-6-year period. Therefore, the Chair of the Audit Committee proposed that GCNYC retain BDO as external auditors. In return GCNYC would try to negotiate a zero increase in fees for the first year and a nominal increase thereafter.
- 19.4 The Board of Trustees **approved** the retention of BDO as GCNYC's external audit.
- 19.5 It was noted that the Audit Committee currently only had two Trustee members, Laura Becking had been approached and had confirmed that she would be interested in serving on the Audit Committee.
- 19.6 The Board of Trustees **approved** Laura Becking as a member of the GCNYC Audit Committee.

20. GCNYC Procurement Update

- 20.1 The Trustees **noted** the GCNYC Procurement Update which summarised all procurement activity for 1 August 2019- 31 July 2020.
- 20.2 The Trustees requested that the c\$800k Professional & Bought-in Services spend highlighted in the Procurement paper be broken down.

ACTION: The Financial Accounting Manager will provide the Board with a further breakdown of this figure.

21. Draft agenda for Next Meeting of GCNYC Board of Trustees

21. The agenda to be updated in accordance with the work plan.

ACTION: The Acting Head of Governance, to update the agenda.

22. Date of Next Meeting

- 22.1 It was noted that the next meeting would be held on Friday, December 11 2020.

23. AOB

- 23.1 The Chair requested that all Trustees set aside Saturday 12 December 2020 for the virtual commencement exercise.