1. Enrollment and Budget Assumptions  
   Kevin Wildes, S.J.

2. December Meeting - Action Items
   Finance:
   - Resolution to Increase Endowment Draw to fund VSP
   - Recommendation of Step 2 to offset the budget shortfall (RIF)
   - Recommendation of Tuition & Fees, Room and Board and Salary Merit Pool
   - Resolution Delegating Authority to Executive Committee
   Other:
   - Recommendation for Benson Center
   - Approval of Honorary Degree Candidates
   - Approval of Candidate for BOT List

3. Public Launch for Campaign  
   Kevin Wildes, S.J.

4. 1912 Society Dinner  
   Kevin Wildes, S.J.

5. Legal Update  
   Gita Bolt

6. ACTION ITEM:
   Approval Audit committee description revised  
   (Attachment)  
   Kevin Wildes, S.J.
Fr. Wildes called the meeting to order at 10:00 a.m. CST.

**Enrollment and Budget Assumptions.** Fr. Wildes said enrollment and budget assumptions for next year are being reviewed and that the University Budget Committee will make recommendations to him. He will review those recommendations and then bring his recommendations through the Finance Committee at the December Board meeting. He commented that he attended an Association of Jesuit Colleges and Universities (AJCU) meeting earlier in October and that generally private higher education around the country is experiencing enrollment challenges. The university is working on ways to reduce its expense base. He explained that the Voluntary Severance Program packages were sent to those eligible employees and that he will not know the savings from the VSP until after the December Board meeting.

**December Board Meeting – Action Items.** Fr. Wildes discussed the action items for the December Board meeting. He noted that the results of the first phase of the budget reductions (VSP) will not be known until after the December Board meeting, so he has asked for a resolution to be crafted that will delegate authority to the Executive Committee to take further steps, if necessary, to reduce the budget deficit.

Fr. Wildes said he will bring his recommendation for the Benson Jesuit Center to the Facilities Committee then through the Finance Committee to the full Board. Fr. Wildes explained that the religious nature of the Benson Jesuit Center does not allow for the use of bond money for the building. Because of the nature of how to finance the building, he will need to move forward with advancement in fundraising efforts for the Benson Jesuit Center and having an approved plan to show potential donors will help in those efforts.
Public Launch for the Capital Campaign. Fr. Wildes said March – April 2014 dates are being explored as possible dates for the public launch of the campaign. He said this is a good time of year both seasonally and in the academic calendar. He reported that to date $38 million has been committed to the campaign. A date will be selected so that Institutional Advancement may begin planning an event. Mr. Gisclair commented that scheduling the public launch date for spring 2014 also allows more time to becoming closer to reaching 50% of the campaign goal.

1912 Society Dinner. Fr. Wildes noted that because of IRS regulations, there are no longer gratis tickets for this dinner, what was formerly known as the Benefactors Dinner. This year and going forward, the cost of the 1912 Society Dinner is $100 per person. Additionally, the event is no longer black tie but rather cocktail attire. The 1912 Society Dinner coincides with the December Board meeting.

Legal Update. Ms. Gita Bolt, general counsel, gave an update on pending litigation.

Audit Committee Charter. Fr. Wildes reported that the Audit Committee has developed a detailed audit charter which will go to the Board for approval at the December meeting. A draft of audit committee charter was circulated via email to the Executive Committee prior to this meeting, and the draft will be included in the December 2013 Board book. Ms. Bolt commented that the Audit Committee charter is in accordance with the revised University Charter and Bylaws which were approved by the Board in May 2013.

March 2014 Board Meeting. Fr. Wildes commented he would like the March 2014 meeting to focus on planning. The internal planning committee is working on the next strategic plan and will have information to share with the Board by the March meeting. This will be an opportunity to engage the Board in the planning process. Fr. Rogers asked if the issue of what is the right size for Loyola is part of the planning process. Fr. Wildes responded it will be part of the process.

The meeting adjourned at 10:30 a.m.
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF TRUSTEES
OF
LOYOLA UNIVERSITY NEW ORLEANS

ARTICLE I

PURPOSE

The Audit Committee ("Committee") is appointed by the Board of Trustees (the "Board") of Loyola University New Orleans (the "University") to (a) appoint, oversee and replace, if necessary, the independent auditor; (b) oversee the accounting and financial reporting processes of the University and the audits of the University’s financial statements by assisting the Board in monitoring (i) the integrity and completeness of the financial statements of the University, (ii) the independent auditor’s qualifications and independence, (iii) the performance of the University’s independent auditors and internal audit function; and (iv) the compliance by the University with legal and regulatory requirements; (c) review the University’s systems of internal controls established for finance, accounting, information technology, legal compliance and ethics, and overseeing changes to correct internal control weaknesses, if necessary; and (d) review the University’s risk management system. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full power and all necessary resources to retain special legal, accounting or other consultants to advise the Committee or refer to appropriate unit.

ARTICLE II

MEMBERSHIP AND TERM

The Committee shall be comprised of at least five members of the Board. Committee members shall be appointed by the Chairman of the Board and shall serve until their successors are duly elected and qualified. Committee members may be removed by the Board in the Board’s discretion. The President of the University will appoint a Chairman of the Committee. As with the Chairs of each Board committee the President will review his choices with the Chairman of the Board.

Each Committee member shall meet the applicable independence requirements as determined by the Board in its business judgment. Each member of the Committee must be an independent, non-executive Trustee free from any relationship that, in the judgment of the Board, may interfere with the exercise of the member's independence. Each member of the Committee must not directly or indirectly receive any payments from the University other than in such member's capacity as a member of the Audit Committee, the Board, or any other Board committee.

At least one member of the Committee shall have had past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in such individual's financial sophistication, including
being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. This member should have an understanding of Generally Accepted Accounting Principles (GAAP) and financial statements and experience with internal control and procedures for financial reporting. No member of the Audit Committee shall have participated in the preparation of the financial statements of the University in the past three years.

The University’s chief financial officer and internal auditor serve as staff to the committee.

Each member of the Committee must, in the judgment of the Board, have sufficient time to devote to service as a member of the Committee, considering the other professional and personal commitments of such member, including other Board duties and obligations.

ARTICLE III

RELATIONSHIP WITH INDEPENDENT ACCOUNTANTS

The University's independent public accountants shall directly report to the Committee, and the Committee shall be directly and solely responsible for the appointment, compensation, oversight and replacement, if necessary, of the University's independent public accountants engaged for the purpose of preparing or issuing an audit report or related work, including the resolution of disagreements between management and the auditor regarding financial reporting.

ARTICLE IV

MEETINGS

The Committee shall meet at least four times per year. Members of the Committee may attend a meeting by telephone or video conference.

Except as otherwise provided by statute or this Charter, a majority of the incumbent members of the Committee shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the Committee members present and voting at any meeting at which a quorum is present shall be the act of the Committee. Any action which may be taken at a meeting of the Audit Committee may be taken without a meeting if consent in writing or email setting forth the action so taken, shall be signed by all members of the committee. Minutes of each meeting of the Committee shall be documented in writing.

The Committee may request any officer or employee of the University or the University's outside counsel or independent public accountants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. As part of its job to foster open communication, the Committee should meet, whenever deemed appropriate by the Committee, with management, with the internal auditors (or other personnel responsible for the internal audit function), and/or with the independent public accountants in separate sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee should meet with the independent public accountants and management to review the University's financial statements and related materials as described below.
The Committee shall report to the Board at the first Board meeting following each such Committee meeting.

ARTICLE V

RESPONSIBILITIES

The following guidelines enumerate the duties, responsibilities and authority of the Committee in assisting the Board in carrying out its oversight role.

1. Annually evaluate, determine the selection of, and if necessary, determine the replacement of or rotation of, the independent auditor.

2. Review the effectiveness of the University’s system for monitoring compliance with laws, regulations and donor intent.

3. Review and reassess the adequacy of this Committee and its Charter not less than annually and recommend any proposed changes to the Board for consideration and approval.

4. Hold such regular meetings as may be necessary and such special meetings as may be called by the Chairman of the Committee or at the request of the independent public accountants or management.

5. Review with management and the independent public accountants the audited financial statements and related footnotes, and the clarity of the disclosures in the financial statements, including a review of major issues regarding accounting and auditing principles and practices and any related party transactions as well as the adequacy of internal controls that could significantly affect the University's financial statements; review and consider with the independent public accountants the matters required to be discussed by Statement on Auditing Standards ("SAS") 114, “The Auditor’s Communication With Those Charged with Governance.”

6. Review with management and the independent public accountants their judgments about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity and transparency of the disclosures in the financial statements.

7. Review at least annually management’s risk assessment including potential risks and events that may affect the University. Ensure that management’s plans and related controls to mitigate the likelihood and severity of such events are implemented and effective.
8. Discuss with management and the independent public accountants the effect of regulatory and accounting initiatives, including pronouncements by the Financial Accounting Standards Board and other agencies or bodies, as well as off-balance sheet structures, on the University's financial statements.

9. Review disclosures made to the Committee by the University's President and Chief Financial Officer about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the University's internal controls.

10. Review any relevant financial reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent public accountants, Form 990 and Form 990T and state income tax return.

11. Review and discuss, on an annual basis with the independent public accountants, the following:

   a. all critical accounting policies and practices used;
   
   b. all alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent public accountants; and
   
   c. other material written communications between the independent public accountants and management, such as any management letter or schedule of unadjusted differences.

12. Obtain from the independent public accountants their recommendation regarding internal controls and other matters relating to the accounting procedures and the books and records of the University and the correction of controls deemed to be deficient. After the completion of the audit, the Committee shall review with the independent public accountants any problems or difficulties the independent public accountants may have encountered.

13. Receive periodic reports from the independent public accountants regarding relationships between the independent public accountants and the University consistent with Independence Standards Board Standard Number 1. The Committee shall also discuss with the independent public accountants any such disclosed relationships and their impact on the independent public accountants’ independence. The Committee shall take appropriate action to ensure the continuing objectivity and independence of the independent public accountants.
14. Adopt procedures for the receipt, retention and treatment of complaints received by the University regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The University will not retaliate against an ethics violation reporter acting in good faith.

15. Review with the independent public accountants and the internal auditor, if any, the coordination of audit efforts to promote a reduction of redundant efforts and the effective use of audit resources.

16. Ensure the timely rotation of the lead partner and the concurring partner (sometimes described as the reviewing partner), using the same guidance as required for public companies as defined for in Rule 2-01 of Regulation S-X.

17. In the event the University considers hiring any current employees of the independent public accountants or former employees who participated in any capacity in the audit of the University, recommend to the Board employment policies.

18. Review with the University's general counsel legal matters that may have a material impact on the financial statements, the University's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

19. Review periodically the University’s Conflict of Interest and ethics that covers, among other things, business ethics, and procedures and policies in connection with transactions between the University and covered persons, and ensure that management has established a system to enforce this code. Review the procedures established by the University that monitor the compliance by the University with its Conflict of Interest and ethics applicable to Trustees, officers and employees, and compliance with its bond and indenture covenants and restrictions. Review and evaluate whether University management is adequately communicating the importance of complying with the code to all covered persons.

20. Review periodically policies and procedures in connection with approving any related party transactions between the University and Trustees, officers or employees, and ensure that management has established a system to enforce these policies and procedures. Review the procedures established by the University to monitor compliance by the University with these policies and procedures, and whether the University is complying with these policies and procedures.

21. Review any reports of management of the University on its assessment of the design and effectiveness of internal controls and financial reporting, and any reports of the independent public accountants on management's assertions contained in its reports. Review and evaluate whether University management is
adequately communicating the importance of internal controls to all relevant persons.

22. The University’s internal auditor will report to the board through the Audit Committee.

23. Review the appointment and replacement of the senior internal auditing executive. Review the significant reports to management prepared by the internal auditing department and management’s responses. Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audits.

24. Conduct or authorize investigation into any matters within the Committee's scope of responsibilities with full access to all books, records, facilities and personnel of the University and direct access to the independent public accountants.

25. Consider such other matters within the Committee’s scope of responsibilities in relation to the University, as the Committee may, in its discretion, determine to be advisable.

26. Perform any other activities consistent with the Charter, By-laws and governing law as the Board or the Audit Committee shall deem appropriate.

The Committee has the authority to retain legal, accounting or other experts that it determines to be necessary to carry out its duties. It also has authority to determine compensation for such advisors as well as for the independent auditor.

The function of the Committee is oversight. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the University's financial statements are complete and accurate and are in accordance with the generally accepted accounting principles. This is the responsibility of management and the independent public accountants. Each member of the Committee shall be entitled to rely on the records, reports and other materials provided to them in discharging their duties.