| I. | Welcome | Virginia Angelico-Tatum, DDS |
| II. | Approval of Minutes | Virginia Angelico-Tatum, DDS |
| III. | Recruiting New Trustees | Kevin Wildes, S.J. |
| | Approval of Candidate(s) for Board Approved List | ACTION |
| IV. | Approval of Audit Committee Charter | Kevin Wildes, S.J. |
| V. | Approval of Revision to Trustee Commitment Statement | Kevin Wildes, S.J. |
| VI. | Executive Session | |
| VII. | Adjournment | |
Trusteeship Committee
MINUTES
Thursday, October 17, 2013
1:00 p.m.
President’s Dining Room, Thomas Hall


Absent: Stephen Sauer, S.J.

Dr. Virginia Angelico Tatum called the meeting to order at 1:25 p.m.

Approval of Minutes Dr. Tatum asked if there were any corrections or revisions to the minutes of the May 16, 2013 meeting. There were none. She called for a motion to approve. Motion was made by Fr. Peter Rogers, S.J., and seconded by Fr. T. Frank Kennedy, S.J. Motion carried.

Approval of Candidate for Board Approved List Dr. Tatum called upon Fr. Wildes to present biographical information on Robert “Bobby” J. Patrick who is being considered for approval to the Board Approved List. Fr. Wildes explained Mr. Patrick is a local executive who is civically and philanthropically active in the community. Mr. Patrick’s son is a law alumnus. Motion was made to accept Mr. Patrick for the Board Approved list by Fr. Peter Rogers, S.J., and seconded by Fr. T. Frank Kennedy, S.J. Motion carried.

2012-13 Trustee Self-Evaluation Consultant Report Fr. Wildes commented on the results of the Trustee Self-Evaluation which were sent to the committee via email prior to the committee meeting. As in previous years, the results were tabulated by Tom Longin, Ph.D., a consultant from the Association of Governing Boards (AGB). He explained that for the past several years, the Trustees complete a self-evaluation of their work and experience with the Board. The results help to identify areas in which the Board could improve and issues for the Board to address. Dr. Tatum asked if the response of 19 completed surveys out of 30 surveys distributed was a good response rate. Several committee members commented that timing of when the survey is sent out may affect the response rate. The surveys traditionally have been sent out in late May, early June, after the last Board meeting of the year. Fr. Wildes commented that the survey has been sent out in May because it was intended to reflect and summarize their year of service on the Board. He said he is open to adjusting the timing of the survey and suggested we discuss this with Dr. Longin. Several committee members noted May is the busiest time in the academic year. Fr. Kennedy suggested sending out the surveys in late August, early September with the summary report of the results completed in time for discussion at the October Trusteeship committee meeting.

Approval of new sub-committees for ASA Committee Fr. Wildes presented the committee with the revised Academic and Student Affairs Committee description which includes the creation of two sub-committees, enrollment and student affairs. Fr. Wildes had heard from various Board members that the
amount and array of information that needed to be covered in ASA committee is so voluminous that current committee structure was not working as well. He noted several other Jesuit universities have enrollment committees in which the Board sets the discount rate. He sees these two sub-committees working much like the two sub-committees of the finance committee. The sub-committees would conduct teleconferencing meetings prior to the committee meeting, and by structuring the ASA committee this way, there will be a much more integrated view of these areas. Fr. Kennedy voiced concerned about the structure of the ASA committee and the need of possibly having two separate committees, one of student affairs and one for academic affairs. Fr. Wildes suggested moving ahead with the current recommendation of keeping the ASA committee as one committee and creating the two sub-committees. He said if this new committee structure does not work, we can always look at changing it into two separate committees.

**Executive Session** The trustees went into Executive Session at 1:45.

**Adjournment** The meeting adjourned at 2:40 p.m.
ACTION ITEM

Approval of Candidate(s) to Board Approved List

Bios on candidates will be available at committee meeting.
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.
LOYOLA UNIVERSITY NEW ORLEANS

Board of Trustees

2013-14

STATEMENT OF TRUSTEE COMMITMENT & RESPONSIBILITY

[Adapted From: Merrill P Schwartz, Assessing Individual Trustee Performance, AGB, 2001]

For a century and a half, Loyola University New Orleans has benefited from the devotion, service and contributions of thousands of alumni and friends. From this broad constituency, a relative handful of individuals have been asked to assume the special responsibility and honor of serving as Trustees. The performance of those invited to serve in this capacity is directly related to the University’s continued vitality and strength. Thus, it is essential that individuals who are invited to serve as Trustees understand the responsibilities they are agreeing to fulfill.

Members of the Board of Trustees of Loyola University serve as ultimate fiduciaries in their oversight of institutional affairs in accord with the University’s charter, bylaws, mission, and institutional plans. In serving in this critical capacity collectively as a governing board, the Trustees hereby clarify for themselves and for those invited to join them what is expected of its individual members.

All individual Trustees are expected to have a deep and abiding commitment to the University’s mission, values and traditions as an exceptional Jesuit, Catholic university. In their words and actions, Trustees should dedicate themselves to upholding and strengthening the University’s Jesuit and Catholic mission, identity and heritage as well as its tradition of providing high-quality liberal arts and professional education to its students at a level of excellence commensurate with its reputation as one of the finest Catholic universities in the country.

Trustees are expected to attend and participate diligently in Board meetings and demonstrate familiarity with the materials distributed in advance. They should contribute to the Board’s efforts to make informed and thoughtful decisions consistent with its fiduciary responsibilities and the University’s mission and values. While Trustees are strongly encouraged to consider assuming expenses associated with Board and other meetings, University practice is to reimburse such expenses if they are submitted.

Each Trustee should serve willingly on at least one committee (most often two committees) of the Board of Trustees and ordinarily should accept new assignments from the Board chair from time to time. Each Trustee also should freely express interest in other committee assignments to enable the University to take full advantage of his or her experience and talent.

Trustees should participate in other Board and University activities – on campus, in the community and in their region of residence – to the extent their time permits. Such participation strengthens their knowledge of the institution they hold in trust for current and future generations and contributes significantly to the Board’s standing within the University community.

Trustees are expected to accept the responsibility of providing financial support to the University through personal contributions to annual giving and special fund-raising campaigns and through participation in the solicitation of other individuals and organizations. Indeed, the University should be among the top three recipients of the Trustee’s personal philanthropy. In this regard, each Trustee is
expected to make an annual gift of at least the amount required for recognition as a member of the Loyola Society. In addition, each trustee is encouraged to consider making a deferred gift to the University by including a provision in his or her estate plan.

Trustees should actively promote the University to alumni, prospective students, donors, the media, the business community, elected officials, public servants, foundations, and the public at large. Such informed advocacy reflects favorably on their commitment to the University and can lead to advancing its reputation, growth and prosperity.

Trustees at all times should serve the University as a whole, rather than any particular internal or external constituency. In this regard, Trustees should not make judgments on the basis of information received from individuals or groups who have a perceived or real grievance or particular cause. Should a Trustee be contacted by constituents or other individuals or groups, s/he should not respond individually, but should refer the communication to the president or Board chair. Only the president and Board chair are authorized to speak for the University or its governing board.

Trustees should contribute to the Board’s responsibility to distinguish between University management and its governance. The Board should monitor the implementation of its policies and plans but should avoid engaging in administration or management.

Trustees should avoid any situation that could cause even the appearance of a conflict of interest in accord with the Board’s current policy. Any potential or actual conflict should be disclosed to the Board chair and handled in accordance with Board policy. Consistent with policy, trustees will annually review and sign the Board’s conflict of interest statement and submit it to the executive assistant to the president for Board relations. Moreover, Trustees should refrain from asking the president or other members of the University community for special personal favors.

Trustees should maintain the confidentiality of the information conveyed in the Board’s executive sessions concerning personnel and other matters. Trustees should remember that their comments and utterances carry great weight with others and that the University can be easily placed at great disadvantage if discretion is not exercised at all times.

Trustees are elected by the full Board for individual terms of three years. In keeping with a mandate from the Board of Trustees, the Committee on Trusteeship is charged with reviewing the performance, meeting attendance, personal philanthropy, and other contributions of all Board members who are eligible for re-nomination and reelection. As stipulated in the Board’s bylaws, Trustees are eligible to be renewed for a second consecutive term only, provided they manifest a strong commitment to the University and the work of the Board.

Finally, being a Loyola University New Orleans Trustee offers many rewards. They come from being an important participant in efforts to enhance the University’s reputation and standing among excellent Catholic and Jesuit comprehensive universities, the intellectual stimulation that working in partnership with outstanding educators and scholars provides, and the appreciation that comes with dedicated service to current and future generations of students.

__________________________________  __________________________________
Name       Signature