

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MEETING
FEBRUARY 9, 2010**

I. CALL TO ORDER

A **special meeting** of the Board of Regents of Northern New Mexico College was held on Wednesday, February 9, 2011 in the Boardroom of the Montoya Administration Building on the Espanola Campus. Regents present: Michael P. Branch, Alfred Herrera, Feliberto Martinez, and Theresa Martinez. Regent Cecille Martinez-Wechsler could not attend the meeting and was excused. Board President Michael Branch called the meeting to order at 8:39 a.m.

Northern New Mexico College staff present: Dr. Nancy Barcelo, President; Domingo Sanchez, Interim Chief Financial Officer; Susan Pacheco, Chief of Staff; Rebecca Cabildo Director of Special Needs; and Josephine Aguilar, Assistant to the President and Recording Secretary. Others present: Tim Crone, faculty; and Chris Mcguinness, Reporter with the Rio Grande Sun.

II. APPROVAL OF AGENDA

The final agenda was approved as presented.

III. NEW BUSINESS

A. Review and approval of NNMC's Fiscal Operations Recovery Plan.

President Barcelo reported that Mr. Domingo Sanchez, III, was hired as Interim Chief Financial Officer (CFO) on January 31, 2011 to assist the College in resolving a number of budget approval/reporting issues and in preparing the Fiscal 2010 audit. Mr. Sanchez has extensive higher education finance experience having been Chief Financial Officer at New Mexico Highlands University and the College of Santa Fe, and overseen finance operations at Santa Fe Community College. He also served as Santa Fe County Manager and, most recently, as Deputy Secretary of the New Mexico Department of Transportation.

Mr. Sanchez presented a copy of Northern New Mexico College's (NNMC) "Fiscal Operations Recovery Plan" that was developed about two weeks ago to address and resolve legacy budget and financial issues perpetuated by prior administrations from several years back, which are now of immediate concerns to the College, as well as to the Higher Education Department (HED), Department of Finance and Administration (DFA), and the Legislative Finance Committee (LFC). This plan is being presented to the Board of Regents for formal approval. A copy of this plan is attached and is also duplicated in its entirety below.

The Fiscal Operations Recovery Plan will ensure: 1) finalization of NNMC's FY11 (2010-2011) Operating Budget; 2) that documents necessary for auditors to complete the FY10 (2009-2010) audit are prioritized; and 3) that the financial resources and staff are used as efficiently as possible in order to ensure the timely preparation and submission of all required statutory and/or regulatory budget, cash or financial reports. In order to do this, NNMC has begun assembling a professional team of experts knowledgeable in the necessary areas to accomplish this task.

IMMEDIATE PRIORITIES – NNMC ADMINISTRATION

- By January 31, 2011, appoint an Interim Chief Financial Officer (CFO) with a working knowledge of DFA, LFC and HED reporting requirements and experience in the actual management of fiscal operations for higher education, to work closely with NNMC's Chief of Staff; *(This was accomplished by hiring Mr. Domingo Sanchez III.)*
- Contact SunGard Higher Education (Banner) regional representatives by January 28, 2011, to assist NNMC in the development and coordination of an on-site Banner Finance Module training plan for all financial personnel;
- Develop a Communication Plan for informing DFA, LFC, HED, area Legislators and the Board of Regents of NNMC's progress regarding its Fiscal Operations Recovery Plan by February 4, 2011; and
- By February 28, 2011, prepare estimated cash-projections, revenues and expenditures through fiscal year-end (June 30, 2011), to ensure available resources are sufficient enough to address current-year budgetary requirements.

IMMEDIATE PRIORITIES – NNMC AUDIT

- Complete the preparation of operational cash account reconciliations for NNMC's auditor, Moss Adams, by February 21, 2010;
- Review auditor's PBC list with NNMC staff by February 2, 2011, to identify any outstanding items necessary for Moss Adams to complete its field work; and
- Meet with Moss Adams by February 4, 2011, to discuss the status of any outstanding items necessary to complete the audit and to determine an estimated date of completion of the FY10 (2009-2010) audit.

IMMEDIATE PRIORITIES – HED

- Meet with Staff and third-party auditing firm by February 2, 2011, to discuss and finalize the approach to be used to determine beginning fund balances and a time schedule for the completion of this work;
- Meet with HED by February 4, 2011, prior to NNMC resubmitting its FY11 (2010-2011) operating budget for final review and approval, to ensure that there are no differing opinions regarding the approach taken to determine initial beginning fund balances for budgeting purposes; and
- Meet with HED by February 4, 2011, to discuss any other outstanding administrative issues or concerns necessary to reestablish normal financial reporting requirements.

In addition, NNMC will immediately begin an assessment of existing staff resources and its financial infrastructure. The assessment will identify deficiencies in current staff resources and determine training requirements necessary to ensure that the staff is capable of utilizing the Banner accounting system to: 1) properly record beginning balances and interim detailed financial transactions; 2) compute fund balances; 3) report budget balances; and 4) allow for the use of journal entries for the accurate maintenance of the

general ledger, in accordance with generally-accepted accounting principles and standards set by the New Mexico State Auditor and the American Institute of Certified Public Accountants.

Mr. Sanchez stated that all deadlines mentioned above were met and the College continues to update all parties involved. He indicated that the work to determine correct beginning fund balances will be resolved within seven to ten days with the assistance of Kardas, Abeyta & Weiner, P.C. Preparation of operational cash accountant reconciliations for the auditors will be complete in about two weeks. The FY11 operating budget will be presented to the Board of Regents for final review and approval. Mr. Sanchez will work with representatives of Banner to develop a thorough training program for the Finance Department staff. A slight delay occurred because of some school closures due to snow days and the recent natural gas crises. However, Mr. Sanchez believes the school will get into a routine fairly soon so everyone is on the same page and reporting is back on track.

President Barcelo expressed her appreciation for the work Mr. Sanchez has accomplished in the short time he has been on board. She stated the College will emerge as a stronger institution as a result of addressing its financial concerns at this point in time.

The Regents thanked President Barcelo and staff for taking a proactive role and for working so diligently to get the budget back on track, and for taking steps to reduce spending in anticipation of upcoming budget cuts from the State. Because Northern's resources have not kept pace with its recent growth, the proposed budget cuts will be even more challenging. The Regents requested a complete update at the next Board of Regents regular meeting.

Regent Theresa Martinez moved to approve the College's Fiscal Operations Recovery Plan as presented. Motion carried unanimously.

IV. ADJOURNAMENT

Regent Theresa Martinez moved to adjourn the meeting. The meeting adjourned at 9:10 a.m.

Josephine Aguilar, Recording Secretary

APPROVED: February 17, 2011

/s/
Michael P. Branch, Board President

/s/
Cecille Martinez-Wechsler, Secretary/Treasurer