

December 2025 Finance & Audit Committee









Schedule











Wednesday, December 3, 2025 9:30 AM — 10:15 AM CST

Organizer

Colton Cockrum

Agenda

1. Call to Order and Opening Remarks Presented by David McKinney	1
2. Roll Call and Declaration of Quorum For Approval - Presented by David McKinney	2
3. Approval of September 3, 2025, Finance & Audit Committee Meeting Minutes For Approval - Presented by David McKinney	3
 Finance and Audit Meeting Minutes September 2025.docx	4
4. Summary of Audit Reports Presentation - Presented by Angela Ross	8
 December 2025 BOT Slides from Internal Audit.pptx	9
 1. Agenda Item-Summary of Audit Reports.docx	16
 2. Summary of Audit Reports Issued.xlsx	17
5. Summary of Internal Audit Investigations Presentation - Presented by Angela Ross	18
 1. Agenda Item-Investigations Resolved.docx	19
 2. Summary of Investigations Resolved.xlsx	20
6. Review of Conflict of Interest Policy Presentation - Presented by Angela Ross	21
 1. Agenda Item -Review of University Policies.docx	22
 GE2021 - Conflict of Interest.pdf	23

7. Review of University Code of Ethics	34
Presentation - Presented by Angela Ross	
 GE2044 - University Code of Ethics.pdf	35
<hr/>	
8. Review of Finance & Audit Charter	41
Presentation - Presented by Angela Ross	
 Agenda Item -Review of Finance & Audit Charter.docx	42
 Finance & Audit Committee Charter.docx	43
<hr/>	
9. Review and Approval of Internal Audit Strategic Plan	46
For Approval - Presented by Angela Ross	
 Internal Audit Strategic Plan.docx	47
 UofM Internal Audit Strategic Plan - DRAFT 2026 - 2031.pdf	48
<hr/>	
10. 2025-2026 Revised Budget Approval	49
For Approval - Presented by Rene Bustamante	
 Revised Operating Budget FY26 Final.pptx	50
 Dec 2025 BOT Agenda Item - FY26 Revised Budget - Approval.docx	58
 BOT Revised Operating Budget-FY26 Final.pdf	59
<hr/>	
11. Annual Information Security Update	62
Presentation - Presented by Jeff Delaney	
 December 2025 BOT Delaney.pptx	63
 Agenda Item - Annual Information Security Update.docx	66
<hr/>	
12. Additional Business	67
Presented by David McKinney	
<hr/>	
13. Adjournment	68
Presented by David McKinney	
<hr/>	

1. Call to Order and Opening Remarks

Presented by David McKinney

2. Roll Call and Declaration of Quorum

For Approval

Presented by David McKinney

3. Approval of September 3, 2025, Finance & Audit Committee Meeting Minutes

For Approval

Presented by David McKinney

University of Memphis Board of Trustees

Finance & Audit Committee

September 3, 2025

Meeting Minutes

Agenda Item 1: Call to Order and Opening Remarks

Trustee McKinney called the meeting to order.

Agenda Item 2: Roll Call and Declaration of Quorum/Meeting of Necessity

Trustee McKinney recognized Board Secretary, Colton Cockrum to call the roll. Secretary Cockrum called the roll. The following trustees were in attendance:

Trustee Bailey
Trustee Carter
Trustee Keeney
Trustee Marchetta
Trustee McKinney
Trustee Springfield

The following additional trustees were present at the meeting:

Trustee Gregory
Trustee Edwards
Chairman Johnson
Trustee Orgel
Trustee North (Trustee North joined virtually via Microsoft Teams. He stated that he was alone and could hear)

Secretary Cockrum announced the presence of a quorum.

Agenda Item 3: Approval of Finance & Audit Committee Meeting Minutes from June 4, 2025

Trustee McKinney called for a motion to approve the meeting minutes for the June 4, 2025, meeting. The motion was made by Trustee Springfield and properly seconded. Secretary Cockrum took a roll call vote, and the meeting minutes were approved.

Agenda Item 4: Summary of Internal Audit Reports Issued

Trustee McKinney recognized Chief Internal Auditor, Angela Ross. Ms. Ross explained that the 'Cash Balances Audit' report and the 'Inventory Observation Audit' report were completed as part of the year end responsibilities to state auditors. There was one minor cash issue that

management resolved with a corrective action. In adherence to the global professional standards, Ms. Ross explained that the University's Audit Team has adopted their strategic plan in alignment with the ASCEND strategic plan for the university that will be presented to the board at the December 2025 meeting following the Gap Analysis. In terms of the Memphis Spirit Foundation Consulting Project, there were three observations with recommendations of mediation plans under the responsibility of management. Ms. Ross explained that in the short-term plans will address policies, processes, procedures, and best practices. The long-term plan will address governance and oversight related to the foundation.

Agenda Item 5: Audit Issue Follow-Up

Ms. Ross explained that there were five action items completed by the School of Music and there were two items closed out from FY24 in the Cash Balances Audit. Ms. Ross noted that while there were two cash issues identified in FY24, this was not the same issue identified in FY25.

Agenda Item 6: FY25 Year-End Report

Ms. Ross explained that this report explains Internal Audit's purpose and the services provided and summarizes audit hours by functional area; audit issues and recommendations; fraud, waste, and abuse investigations; consulting and advisory work; and other projects completed during the year for FY25. She explained that Internal Audit participated in several committees and boards. There was a chart presented with a breakdown of audit hours by functional area with majority (34%) spent in Academics. In the 5-year comparison of audit hours, Ms. Ross noted that there was an increase in hours spent on the Office of the President for FY25 due to charging the hours understanding the Gap Analysis and governance to that area. The audit recommendation summary included 30 identified issues and recommendations by the internal audit team and 8 externally identified issues. There were 37 total issues corrected by management. The investigation summary reported 22 complaints received, 8 reports assigned to internal audit, with 5 memos issued. Ms. Ross noted the challenges and accomplishments as a conclusion to her FY25 Year End Report.

Trustee McKinney thanked Angela and the Internal Audit team for their work.

Trustee Marchetta asked Ms. Ross to explain what is meant by the challenge of monitoring external audits. Ms. Ross explained that primarily the community has a responsibility for informing the internal audit team when an external request has been made to them and sometimes this is not the case causing miscommunication.

Agenda Item 7: Financial Update

Trustee McKinney recognized Chief Financial Officer, Chief Operations Officer, Rene Bustamante. Mr. Bustamante introduced Shirley Ford, Assistant Vice President of Financial Accounting and Reporting. He recognized Ms. Ford as today's presenter.

Ms. Ford explained the comparative financial statement summaries of Audited FY24 and Preliminary FY25. She noted a 1.2% increase in Total Assets and Deferred Outflows. There was an 11.7% decrease in liabilities and deferred inflows due to decrease in the long-term liabilities. She explained that there was a 78% reduction in Capital Appropriations and Gifts. This was due to FY24's \$20mil dedicated to the SOAR project and closeouts on large capital projects for FY25 to include the STEM building, boiler and pipes, and repairs and replacements across campus.

Ms. Ford explained the Sources of Revenue. Tuition and Fees were down 2.5% and Gifts, Grants, and Contracts were up 18.7%. She explained that gifts were up primarily due to \$5M in intercollegiate athletics gifts and the \$2.3M Campus Kimball addition. Grants and contracts increased \$23M. Sales and Services decreased \$3M. She explained that this classification includes insurance proceeds. FY24 included a \$2M insurance payout that created the variance.

Ms. Ford explained that Total Expenses increased 10%. Salaries increased 6% with a slight decrease in benefits. The 'other expenses' category increased by 18% primarily due to Deloitte fees of Oracle Implementation, closeout of Holiday Inn, and software updates. She noted a 'healthy increase' in total investments and cash with a 4.7% increase.

Trustee Orgel asked for explanation of the difference between \$9M and \$14M noted for the residential life revenues. Ms. Ford explained that NACUBO presented on Higher Education's funding and how it is reported. Historically it was 'fund' focused and new methodology is individual student focused. She noted that she would share the NACUBO presentation with board.

Agenda Item 8: Finalization of President's Review

Trustee McKinney explained that The Board of Trustees is responsible for the supervision of the President and pursuant to the Presidential Review and Evaluation (PRE) policy, the President is to be evaluated on an annual basis for an evaluative period of April through March. As part of the evaluative process, the Finance and Audit Committee shall . . . take appropriate action on any recommendations regarding compensation or other terms of employment. The Committee's action will then be submitted to the full Board of Trustees for approval or modification.

Trustee McKinney called for a motion and a second to provide President Hardgrave with the amount of \$100,000 in the form of deferred compensation, based upon a successful review and evaluation of his job performance. The motion was made by Trustee Marchetta and properly seconded. Secretary Cockrum conducted a roll call vote. The motion carried. There was no discussion.

Agenda Item 9: Additional Business

Trustee McKinney asked for additional business. There was none.

Agenda Item 10: Adjournment

Trustee McKinney called for a motion and second to adjourn the meeting. The motion was made by Trustee Springfield and properly seconded. Secretary Cockrum called for a voice vote, and the meeting was adjourned.

Trustee McKinney recognized Secretary Cockrum to move to executive session to address items mentioned by President Hardgrave.

4. Summary of Audit Reports

Presentation

Presented by Angela Ross

Internal Audit Agenda Items

Finance and Audit Committee

Angela Ross

Associate Vice President and Chief Audit Executive

December 3, 2025

Maxine A. Smith University Center



THE UNIVERSITY OF
MEMPHIS

December 2025 Finance & Audit Committee

Board of Trustees

4. Summary of Audit Reports

DEC. 2025 Page 9 of 68

Summary of Internal Audit Reports Issued

Name of Audit Report	Date of Audit Report	Audit Engagement Report Opinion	Observations	Minor Issues Addressed Verbally	Minor Issues	Moderate Issues	Major Issues	Matters for Consideration by University Management	Actions Completed	Issues Outstanding from Prior Audit	Recommendations for Management
Graduate School Financial and Compliance Audit	9/12/2025	Effective with the Opportunity for Improvement	1	0	5	0	0	0	4	0	6
Audit of President's Expenses for the Period July 1, 2024 - June 30, 2025	11/17/2025	Effective	0	0	0	0	0	0	0	0	0
IT Security Review - Theater and Dance	10/31/2025	Effective with the Opportunity for Improvement	0	3	0	0	0	0	0	0	0



Internal Audit Investigations Resolved

Allegation Received by	Date Allegation Received	Description of Allegation	Date Assigned by Complaint Triage Team	Internal Audit Investigation Number	Investigation Status	Investigation Outcome	Date of Final Action
Anonymous Fraud, Waste, or Abuse Report Received	9/10/2024	Conflict of Interest	9/23/2024	INV-25-004	Investigation Complete, Internal Audit Memo Issued	Conflict of Interest Existed	10/24/2025
Anonymous Fraud, Waste, or Abuse Report Received	6/23/2025	Embezzlement and Misuse of Sick and Annual Leave	7/11/2025	INV-25-008	Investigation Complete, Human Resources Memo Issued by Internal Audit	No Evidence of Embezzlement or Indication that Police Services Intentionally Allowed Employee to Use Leave Not Accrued	9/30/2025

University Policy – Annual Review

GE2021 - Conflict of Interest

All employees of the University of Memphis serve the interests of the state of Tennessee and its citizens and have a duty to avoid activities and situations that, either actually or potentially, put personal interests ahead of the professional obligations that they owe to the University.

GE2044 - University Code of Ethics

The University of Memphis is committed to maintaining the highest ethical standards in furtherance of the University's mission to provide quality education, support world class research and engage in beneficial service in our local and global communities. All employees of the University of Memphis are expected to conduct themselves in accordance with the ethical standards established in this Code of Ethics.

Finance and Audit Committee Charter – Annual Review

The Finance and Audit Committee Charter charges the Committee with reviewing and assessing the adequacy of their Charter annually and requesting Board approval for proposed changes.

Internal Audit Strategic Plan

In alignment with the Global Internal Audit Standards, the Office of Internal Audit and Consulting has developed a 5-year strategic plan and seek review and approval from the Finance and Audit Committee.

Questions?

The University of Memphis Board of Trustees

Presentation
For Information

Date: December 3, 2025

Committee: Finance and Audit Committee

Presentation: Summary of Internal Audit Reports Issued

Presented by: Angela Ross, Associate Vice President & Chief Audit Executive

Background:

Three audit assurance reports were issued since the September 2025 BOT meeting. Summarized information is included in the attached table.

Name of Audit Report	Date of Audit Report	Audit Engagement Report Opinion	Observations	Minor Issues Addressed Verbally	Minor Issues	Moderate Issues	Major Issues	Matters for Consideration by University Management	Actions Completed	Issues Outstanding from Prior Audit	Recommendations for Management
Graduate School Financial and Compliance Audit	9/12/2025	Effective with the Opportunity for Improvement	1	0	5	0	0	0	4	0	6
Audit of President's Expenses for the Period July 1, 2024 - June 30, 2025	11/14/2025	Effective	0	0	0	0	0	0	0	0	0
IT Security Review - Theater and Dance	10/31/2025	Effective with the Opportunity for Improvement	0	3	0	0	0	0	0	0	0

5. Summary of Internal Audit Investigations

Presentation

Presented by Angela Ross

The University of Memphis Board of Trustees

Presentation
For Information

Date: December 3, 2025

Committee: Finance and Audit Committee

Presentation: Summary of Investigations Resolved

Presented by: Angela Ross, Associate Vice President and Chief Audit Executive

Background:

Reports were issued for two resolved investigations since the last meeting. Summarized information is included in the attached table.

Allegation Received by	Date Allegation Received	Description of Allegation	Date Assigned by Complaint Triage Team	Internal Audit Investigation Number	Investigation Status	Investigation Outcome	Date of Final Action
Anonymous Fraud, Waste, or Abuse Report Received	9/10/2024	Conflict of Interest	9/23/2024	INV-25-004	Investigation Complete, Internal Audit Memo Issued	Conflict of Interest Existed	10/24/2025
Anonymous Fraud, Waste, or Abuse Report Received	6/23/2025	Embezzlement and Misuse of Sick and Annual Leave	7/11/2025	INV-25-008	Investigation Complete, Human Resources Memo Issued by Internal Audit	No Evidence of Embezzlement or Indication that Police Services Intentionally Allowed Employee to Use Leave Not Accrued	9/30/2025

6. Review of Conflict of Interest Policy

Presentation

Presented by Angela Ross

The University of Memphis Board of Trustees

Presentation
For Information

Date: December 3, 2025

Committee: Finance and Audit Committee

Presentation: Review of Conflict of Interest and Code of Ethics Policies

Presented by: Angela Ross, Associate Vice President & Chief Audit Executive

Background:

According to the University Policy GE2021, Conflict of Interest, all employees of the University of Memphis (UofM) serve the interests of the state of Tennessee and its citizens and have a duty to avoid activities and situations that, either actually or potentially, put personal interests ahead of the professional obligations that they owe to the University.

As stated in Policy GE2044, University Code of Ethics, all employees of the UofM are expected to conduct themselves in accordance with the ethical standards established in this Code of Ethics. UofM is committed to maintaining the highest ethical standards in furtherance of the University's mission to provide quality education, support world class research and engage in beneficial service in our local and global communities.

POLICIES

Policy Statement

All employees of the University of Memphis serve the interests of the state of Tennessee and its citizens and have a duty to avoid activities and situations that, either actually or potentially, put personal interests ahead of the professional obligations that they owe to the University. All employees serve a public interest role and thus have a clear obligation to conduct all affairs of the University in a manner consistent with this concept. Employees shall not use their positions to secure anything of value, or any financial gain or personal benefit, that would not ordinarily accrue to them in the performance of their official duties or through personal, non-University connected activities. University employees shall avoid external commitments that significantly interfere with the employee's duties to the University and diverge from the best interests of the University.

Purpose

The purpose of this policy is to provide guidelines to help employees of the University of Memphis avoid conflicts of interest. This policy is intended to 1) define the general principles which should guide the actions of University employees, 2) offer illustrations of activities which potentially constitute a conflict of interest, 3) make employees aware of disclosure requirements related to conflicts of interest, 4) describe the process by which those disclosures shall be evaluated and decisions rendered, and 5) describe the appeals process regarding such decisions.

Definitions

Conflict of Interest	Occurs when the personal interests, financial or otherwise, of a person who owes a duty to the University of Memphis actually or potentially diverge from the person's professional obligations to, and from the best interests of, the University.
Conflict of Commitment	Occurs when the personal or other non-University related activities of an employee of the University impair the ability of that employee to meet their commitments of time and energy to the University.
Family Member	Includes the parent, spouse, and children (both dependent and non-dependent) of a person covered by this policy.

Procedures

General Procedures	<p>It is the policy of the University of Memphis that employees should avoid situations where the self interests of the employee diverge from the best interests of the University (conflicts of interest). It is also the policy of the University of Memphis that employees should avoid external commitments which significantly interfere with the employee's duties to the University (conflicts of commitment).</p> <p>Allowing a conflict of interest to exist without being addressed in an appropriate manner is a serious violation of an employee's duty to the University and can be a violation of state or federal law. Some conflicts of interests are even punishable as criminal offenses under Tennessee law. While this policy is intended to be consistent with all pertinent Federal and State laws, regulations, this policy is preempted by those enactments, to the extent that there is a material difference between any provisions. However, this policy preempts any other University policy that is inconsistent with the provisions herein.</p> <p>The mere existence of either a potential or actual conflict of interest does not necessarily mean that such conflict must be eliminated. However, all actual and potential conflicts of interests must be disclosed and evaluated by the Conflicts Review Committee as described in this policy.</p>
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Examples of Conflicts of Interests

In the following situations and activities, there is at least the appearance, and possibly the actuality, of an employee allowing his or her personal interests, and not the best interests of the University of Memphis, to affect that employee's judgment. This list is illustrative and not exhaustive.

a) **Self-dealing-** Situations in which an employee can appear to influence or actually influence a University-related decision from which that person or a member of that person's family stands to realize a personal financial benefit, or other personal benefit, are self-dealing, and conflicts of interest. Examples of self-dealing activities are numerous and include the following:

i) Purchase of State-owned property by an employee absent fair and open bidding, where required. This is a violation of State law under Tenn. Code Ann. §§ 12-2-208 and 12-2-417.

ii) Institutional purchases from businesses in which an employee or family member has a financial interest. Tenn. Code Ann. §12-4-103 prohibits employees from bidding on, selling, or offering to sell or have an interest in the selling of merchandise, equipment, material, or similar commodity to the State of Tennessee during their tenure of employment, or for six (6) months thereafter. Violation of this provision is considered a class E felony. Employees are required to disclose if he/she or members of his/her family have any significant ownership interest (more than 4%) in such business or if the employee or a member of his/her family serves as an officer for the business.

Tenn. Code Ann. §12-3-106(b) declares that it is a conflict of interest for any person or any company with whom such person is an officer, director, or equity owner with more than 1% interest to bid on any public contract for products or services for the University if that person or their relative is responsible for approving such contract for the University. Under this provision, relative means spouse, parent, sibling or child.

iii) Use of educational materials from which a faculty member derives a financial benefit. Any faculty member who wishes to use in his or her teaching activities educational materials (e.g. textbook) that he or she has authored, or in which he or she otherwise stands to benefit financially from such use, has a conflict of interest that must be managed. The use of such materials shall be evaluated by the appropriate University department or division committee. University policy **UM 1669 Faculty Authored Educational Material** establishes guidelines for making these decisions.

iv) Acceptance of gifts, gratuities, or favors. No employee shall knowingly solicit or accept, directly or indirectly, on behalf of himself or herself, any person living in the employee's household or a family member, for personal use or consumption, any gift including but not limited to any gratuity, service, favor, food, entertainment, lodging,

transportation, loan, loan guarantee or any other thing of monetary value, from any person or entity that:

a) Has or is seeking to obtain, contractual or business or financial relations with the University; and

b) Has interests that may be substantially affected by the performance or nonperformance of the employee.

Exceptions to the prohibition of gifts:

1) a gift with a non-business purpose motivated by a close personal relationship and not by the employee's position with the University;

2) informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communications

3) sample merchandise, promotional items, and appreciation tokens, if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business, including items distributed at tradeshow and professional meetings where vendors display and promote their services and products;

4) food, refreshments, foodstuffs, entertainment, or beverages provided as part of a meal or other event, including tradeshow and professional meetings, if the value of such items does not exceed fifty dollars (\$50.00) per occasion; provided

that the value of the gift may not be reduced in value by dividing the cost of the gift among two or more persons or entities. Rather, the measure is the value of the gift received by each individual person;

5) circumstances where refusal or reimbursement of the gift may be awkward and contrary to the larger interests of the University. In such circumstances, the employee is to use his or her best judgment, and disclose the gift including a description, estimated value, the person or entity providing the gift, and any explanation necessary within fourteen (14) days to their immediate supervisor;

6) food, refreshments, meals, foodstuffs, entertainment, beverages or intrastate travel expenses that are provided in connection with an event where the employee is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which has regular meetings;

7) participation in institution or foundation fundraising and public relations activities (i.e. golf tournaments and banquets), where persons or entities provide sponsorship; and

8) loans from established financial institutions made in the ordinary course of business on usual and customary terms, so long as there are no guarantees or collateral provided by any person from whom the employee would

normally be prohibited from accepting a gift.

v) Approval of transactions involving self or family members. No employee shall be the approver of a University transaction in which that employee or a family member of that employee benefits financially or in any other respect, such as by the reduction of an academic requirement. Any transactions in which the employee or a family member could benefit financially or otherwise must be approved by a person with higher authority than the employee at issue.

b) Inappropriate use of students or support staff- Employees shall ensure that the activities of students and support staff are not exploited for the benefit of any non-University related activity of the faculty or staff member. Disclosure and approval is required prior to assigning any non-institutionally related task (which is more than incidental or de minimus in nature) to a student or member of support staff.

c) Inappropriate use of State owned resources- Employees may not make significant use of University owned facilities, equipment, materials or other resources, not otherwise available to the public, in the course of activities which are not related to the University, without prior disclosure and approval.

d) Failure to disclose intellectual property- Under UM Policy 1607, persons affiliated with the University have a duty to disclose inventions or copyrightable works which may reasonably be expected to have commercial value and which have jointly or solely been developed or created during their affiliation with the University of Memphis. For more information about what must be disclosed to the

University pursuant to this policy, please see **UM Policy 1607**.

e) **Nepotism-** **Under UM Policy 1381**, no employees of the University who are relatives shall be placed within the same direct line of supervision whereby one relative is responsible for supervising the job performance of another relative. For more information about the Nepotism Policy, please see UM 1381.

Disclosure Requirements

A. Conflict of Interest Disclosure

Persons to whom this policy applies who believe that a conflict of interest may exist either for themselves or with respect to another person covered by this policy shall make a written disclosure of the facts and circumstances surrounding the situation. The Conflict of Interest Disclosure Form can be found at Appendix B. Disclosures shall be submitted to the Office of Legal Counsel and then referred to the University's Conflicts Review Committee for evaluation.

B. Annual Financial Interest Disclosure

In addition to the general disclosures, certain University officials and employees are required to file financial disclosure forms within one month of their initial appointment and annually in January. The Financial Interest Disclosure shall be filed with the Office of Legal Counsel after being reviewed by all of the employee's supervisors. The following persons are subject to this provision:

- 1) Coaches and Assistant Coaches;
- 2). Employees of the Athletic Department who are exempt from the provisions of the Fair Labor Standards Act

Conflicts Review Committee A Conflicts Review Committee is an advisory committee and resides under the President's Office. The primary members shall be representatives from the Office of Legal Counsel, Internal Audit and Business and Finance. Other areas of the University (such as Human Resources, Academic Affair,

Student Affairs, etc.) may be brought in to assist the committee to provide additional insight and expertise depending on the nature of the disclosure submitted. The committee's role will be to review actual and potential conflict of interest situations and submit recommendations to the President's Office regarding management or elimination of conflict of interest situations.

Review of Disclosures

All disclosures of actual or potential conflicts shall be referred to the University's Conflicts Review Committee. The Committee shall review the disclosure and shall render a decision regarding the issue(s) presented. Persons who are the subject of the disclosure under consideration by the Committee shall be given an opportunity to appear before the Committee before a final determination is made. The employee shall have seven (7) days after receiving notice of the disclosure to determine whether he/she will personally appear before the Committee.

Any disclosure which indicates an actual violation of law shall be forwarded to the President along with the Committee's findings. The President in consultation with the Office of Legal Counsel will determine the appropriate action(s) to be taken.

For any conflict which is not a violation of federal or state law, the Committee is permitted to make a determination that the conflict is de minimus and is permitted to continue; restrictions should be placed on the individual to manage the conflict; or that the person must eliminate the conflict. The Committee shall provide the employee its decision in writing.

Failure to observe the restrictions imposed as a result of the Committee's review of a conflict disclosure or a knowing failure to disclose a conflict of interest may result in disciplinary proceedings under University policies, up to and including termination.

Appeals

Decisions made by the Conflict Review Committee may be appealed within five days to the President of the University. Decisions of the President shall be final and binding.

Related Forms

**Financial Interests
Disclosure Form**

<http://www.memphis.edu/legal/docs/financialinterestsdisclosureform.doc>

**Conflict of
Interest
Disclosure
Form**

<http://www.memphis.edu/legal/docs/generalconflictinterestdisclosureform.doc>

FAQs

What if I have a conflict that I have not disclosed?

You should disclose the actual or potential conflict as soon as possible. If the Committee determines that there exists a significant conflict then the employee's good faith effort to comply with this policy will be an important consideration.

What if I am not sure if I have a conflict?

If you are not sure whether a situation is a conflict, you should make a disclosure of the situation and allow the Committee to determine if a conflict exists. Remember, the mere appearance of a conflict of interest is enough to require disclosure.

Will the disclosures of conflicts be confidential?

Yes. Any disclosure will be kept strictly confidential unless otherwise required by law. However, should the Committee determine that a serious conflict exists, the Committee will require the conflict to be revealed to the extent necessary to resolve the conflict.

Am I required to disclose another employee's conflicts?

Yes. Non-disclosure of any known conflict would be a conflict of interest in itself in that University employees owe a duty to the University and must consider the University's best interest in all matters.

Whom do I contact with further questions?

You may contact the Office of Legal Counsel for The University of Memphis at (901) 678-2155, Administration 201, <http://www.memphis.edu/legal/>.

Links

**Faculty Authored
Educational Material UM
1669**

<http://policies.memphis.edu/UM1669.htm>

**Intellectual Property UM
1607**

<http://policies.memphis.edu/UM1607.htm>

**Ethics in Research and
Sponsored Programs UM
1451**

<http://policies.memphis.edu/UM1451.htm>

**Extra Compensation and
Outside Employment UM
1490**

<http://policies.memphis.edu/UM1490.htm>

**Equal Employment
Opportunity, Affirmative
Action, Discrimination and
Nepotism**

<http://policies.memphis.edu/UM1381.htm>

Revision Dates

UM1692 -- revised Aug 3, 2016
UM1692 -- revised Dec 18, 2009
UM1692 -- issued Mar 5, 2008 supercedes policy number
1:2A:11:05

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Research	Student Affairs
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Review of University Code of Ethics

Presentation

Presented by Angela Ross

POLICIES

Purpose

The University of Memphis is committed to maintaining the highest ethical standards in furtherance of the University's mission to provide quality education, support world class research and engage in beneficial service in our local and global communities. All employees of the University of Memphis are expected to conduct themselves in accordance with the ethical standards established in this Code of Ethics.

Policy

Respect for Others

People are the University's most important resource for accomplishing its vision, mission and goals. It is important that the learning and working environment at the UofM is one in which all employees and students are provided opportunities to excel. Further, the UofM values diversity and inclusion and expects all employees to be committed to fostering an environment in which faculty, staff and students feel valued and supported. Employees are expected to treat one another, students and the community at large in a respectful manner.

The University will not tolerate discrimination against or harassment of any employee, applicant for employment, student or individual attempting to access University benefits, programs or activities on the basis of race, color, ethnic or national origin, religion, creed, sex, sexual orientation, gender identity/expression, disability, age (as applicable), status as a covered veteran or genetic information or any other category protected by federal or state civil rights law.

GE2039- Sexual Harassment and Sexual/Gender-Misconduct
GE2030 - Non-Discrimination and Anti-Harassment

**Financial Responsibility
and Use of University
Resources**

University employees are expected to exercise sound business practices, prudent financial management and ethical stewardship in the use of University resources. University resources must not be utilized for personal gain. All University employees have a responsibility to help prevent fraud, waste, or abuse of University resources.

BF4001- University Travel
BF4023-Payment Card Industry Compliance
BF4035-Travel Cards
HR5065-Employee Debt to the University

Conflicts of Interest

The University of Memphis values collaboration and encourages partnerships both within and beyond the University. However, the University is committed to managing potential conflicts of interest and commitment. All University faculty, staff and representatives should avoid both actual and perceived conflicts of interest.

Individual employee conflicts of interest refer to situations in which an individual's or family member's financial, professional or other personal considerations may directly or indirectly affect, or have the appearance of affecting, an individual's professional judgment in performing any University duty or responsibility, including the conducting or reporting of research.

All members of the University are required to disclose if they believe that a conflict of interest may exist either for themselves or with respect to another person. All disclosures of actual or potential conflicts shall be referred to the University's Conflicts Review Committee. Certain University officials and employees (coaches, assistant coaches, Athletic department exempt employees) are required to file financial disclosure forms within one month of their initial appointment and annually in January.

Any University employee responsible for the design, conduct or reporting of a sponsored project at the University must disclose significant personal financial interests related to the Investigator's institutional responsibilities. When the University determines that such an interest might reasonably appear to be directly and significantly affected by the sponsored project, the University will take steps either to manage or to eliminate the conflict of interest.

HR5055 - Nepotism and Personal Relationships
GE2021- Conflict of Interest

Research

The University of Memphis is committed to compliance with applicable local, state and federal laws in the conducting of research as to ensure the integrity of research, protection of the rights of research subjects, faculty, staff and students and the protection and rights of the public. The University of Memphis strives to protect the health, safety and welfare of human and animal research subjects and to conduct research with scientific integrity. All employees who are engaged in any kind of research, whether unfunded or sponsored by the University or an external source, must do so with the highest ethical standards and in accordance with applicable University policy, local, state and federal laws.

RE7001 - Research Misconduct
RE7003 - Disclosure of Financial Interests Related to Sponsored Research
RE7007 - Human Subjects Protection

Confidentiality, Privacy and Information Security

The University of Memphis is committed to maintaining a balance between allowing free access to information and securing sensitive information. University policies and federal laws prohibit the unauthorized pursuit and disclosure of sensitive or protected information such as that contained in student and employee records. Therefore, all employees are required to protect and ensure the confidentiality of such sensitive information.

IT6000 - Data Access
IT6004 - Security and Protection of Information Technology Resources
IT6005 - Data Security

Compliance with State and Federal Laws and University Policy and Procedure

University of Memphis employees are expected to conduct University business with honesty and integrity, and in compliance with applicable laws, regulations and University policy and procedure.

Non-University and Discipline Specific Professional Standards:
Some professions and disciplines represented at the University are governed by standards and codes specific to their profession, including but not limited to attorneys, certified public accountants and medical doctors. Those professional

standards generally advance the quality of the profession and/or discipline by developing codes of ethics, conduct and professional responsibility and standards to guide their members. Those belonging to such organizations are expected to adhere to University policies and codes of conduct in addition to any professional standards.

Responsible Reporting of Violations of University Policy, State and Federal Law

University of Memphis employees are obligated to report in good faith all violations of University policy, state and federal law, or any concern that a compliance violation may have occurred. Reports of fraud, waste and abuse of University resources should be reported to the University's Office of Internal Audit and Consulting. All other reports of violations of University policies should be reported to the University's Chief Compliance Officer. Reports of state or federal crimes should be reported to University Police Services. Responsible reporting of actual and/or potential conflicts of interests should be reported to the Office of the President for review by the Conflicts Review Committee.

GE2000 - Occupational Health & Safety

GE2014 - Reporting Fraud, Waste or Abuse of University Resources

GE2015 - Preventing Fraud, Waste or Abuse of University Resources

GE2029 - Lost or Stolen University Property

False Claims Act

The University of Memphis requires all faculty and staff to report known or suspected violations of the Federal False Claims Act (FFCA) or the Tennessee False Claims Act, TCA § 4-18-101 et seq (collectively referred to as FCA). A person violates the FCA by knowingly submitting, or causing another to submit, false claims for payment of government funds; making or using a false record or statement to get a claim paid; or engaging in conduct in order to procure anything of value from the state or any political subdivision. In addition, a person is liable under the FCA if they are a beneficiary of an inadvertent submission of a false claim and, after discovering the claim's falsity, fails to disclose it within a reasonable time.

Violations of the FCA should be reported to the University's Office of Internal Audit and Consulting.

For more information about FAR protections and reporting procedures please see:

<https://www.memphis.edu/research/researchers/compliance/whistleblowers.php>.

Protections Against Retaliation

In Tennessee, employees who report an employer's acts of defrauding the government or who report occupational safety or health violations are protected from retaliation under TCA § 50-1-304 and TCA § 50-3-409.

Employees who report the following types of violations are also protected under the Federal Acquisition Regulation (FAR) Pilot Program:

- Gross mismanagement of a federal contract
- Gross waste of federal funds
- Abuse of authority relating to a federal contract ("abuse of authority" is defined as an "arbitrary and capricious exercise of authority that is inconsistent with the mission of the executive agency . . . or the successful performance of a[n agency] contract [or grant]")
- A substantial and special danger to public health or safety
- A violation of law, rule or regulation related to a federal contract (including the competition for or negotiation of a contract)

Links

GE2039 - Sexual Harassment and Sexual/Gender-Misconduct
GE2030 - Non-Discrimination and Anti-Harassment
BF4001 - University Travel
BF4023 - Payment Card Industry Compliance
BF4035 - Travel Cards Policy
HR5065 - Employee Debt to the University
HR5055 - Nepotism and Personal Relationships
GE2021 - Conflict of Interest
RE7001 - Research Misconduct
RE7003 - Disclosure of Financial Interests Related to Sponsored Research
RE7007 - Human Subjects Protection
IT6000 - Data Access
IT6000 - Data Access
IT6004 - Security and Protection of Information Technology Resources
IT6005 - Data Security
GE2000 - Occupational Health & Safety
GE2014 - Reporting Fraud, Waste or Abuse of University Resources
GE2015 - Preventing Fraud, Waste or Abuse of University Resources
GE2029 - Lost or Stolen University Property

Revision Dates

Issued - July 2021

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Research	Student Affairs
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8. Review of Finance & Audit Charter

Presentation

Presented by Angela Ross

The University of Memphis Board of Trustees

Presentation
For Information

Date: December 3, 2025

Committee: Finance and Audit Committee

Presentation: Review of Finance & Audit Committee Charter

Presented by: Angela Ross, Associate Vice President & Chief Audit Executive

Background:

The Finance and Audit Committee Charter charges the Committee with reviewing and assessing the adequacy of their Charter annually and requesting Board approval for proposed changes. The Charter was last revised in December 2023.

Finance and Audit Committee Charter

Purpose

The Finance and Audit Committee (“FAC” or “Committee”) is responsible for assuring that the University of Memphis’ (University) organizational culture, capabilities, systems and processes are appropriate to protect the financial health and the reputation of the University. The FAC also provides oversight for the University’s finance, business, administration, and facilities activities. The FAC advises the Board on the state of the University’s financial operations, budget, student fees, personnel policies, and facilities. The Committee serves to ensure the University operates within available resources, and in compliance with applicable federal and state laws and University policies in a manner supportive of the University’s strategic plan. In addition, the FAC will review the financial reporting processes, the system of internal controls, the audit activities (external and internal), management’s risk assessment, and the University’s process for monitoring and ensuring compliance with laws and regulations. The FAC will regularly update the full Board of Trustees (Board) about FAC activities and key issues presided over by the Committee.

Authority and Responsibilities

Finance

- Review University’s annual operating and capital budgets;
- Approve Student Tuition and fee rates;
- Review fiscal procedures and rules for maintaining bank accounts, draw vouchers and checks for expenditures through disbursing officers;
- Oversee Debt issuances;
- Approve Facilities Master Plan.
- Manage the leasing, purchasing and disposal of real estate;
- Respond to personnel policy matters requiring Board approval.

Financial Reporting

- Review audited financial statements with state auditors and determine whether the statements are complete and consistent with the information known to committee members.
- Review with the University’s general counsel any legal matters that could have a significant impact on the University’s financial statements.
- Review with management and state auditors any significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the University’s financial statements.

External Audit

- Meet, as needed, with external auditors to discuss any matters that the FAC or auditors deem appropriate.
- Ensure that any findings and recommendations made by the external auditors are received, discussed, and acted upon in an appropriate and timely manner.
- Review the results of the external auditors' examinations and any other matters related to the conduct of the audits, and report to the Board the auditors' findings and recommendations.

Internal Audit

- Review and approve the annual audit plan for the University, including management's request for unplanned audits.
- Review the result of the year's work with the Chief Audit Executive and receive and review any other work prepared by the Chief Audit Executive for the University.
- Receive and review reports, the results of internal audits performed, and any other work prepared by Internal Audit.
- Ensure that the University has the appropriate structure, staffing and capability to carry out its internal audit responsibilities.
- Ensure that the internal audit department has direct and unrestricted access to the chair and other committee members.
- Appoint, replace, or dismiss the Chief Audit Executive.
- Review, approve, and update the Internal Audit charter annually or more frequent if necessary.

Internal Controls, Risk, and Compliance

- Ensure that a system is in place, and being followed, to review and maintain compliance with the University's internal control structure.
- Ensure that a process exists for assessing, reporting, and investigating illegal, fraudulent, wasteful, or improper activity at the University, including a confidential reporting mechanism.
- Determine whether internal control recommendations made by internal and external auditors have been implemented by management.
- Review University policies and procedures regarding employee conduct to ensure that it:
 - is easy to access,
 - is widely communicated,
 - is easy to understand and implement,
 - includes a confidential mechanism for reporting code violations,
 - is enforced, and
 - includes conflict of interest policy and guidelines.
- Review the University's conflict of interest policy to ensure that the guidelines are comprehensive, that the term "conflict of interest" is clearly defined, and that it contains procedures for adequate resolution and documentation of potential conflicts.

- Review the University's process for monitoring compliance with laws and regulations.
- Review the University's risk assessment plan.
- Regularly obtain updates from management, General Counsel, and Internal Audit regarding significant changes in legal and compliance issues.
- Review and assess the adequacy of the FAC's charter annually, requesting Board approval for proposed changes.

Membership

A minimum of four trustees will serve on the FAC. The chair of the committee will be appointed by the Executive Committee. The chair of the committee may select one certified public accountant or other qualified citizen who is not a member of the Board to serve on the FAC. The external member must have extensive accounting, auditing, or financial management expertise, and may not serve as the chair. The term of appointment is three years and reappointment is allowed. The chair serves a two-year term and is eligible for reappointment, but may not serve more than two consecutive two-year terms as chair. All members of the FAC shall be generally knowledgeable of financial management and auditing matters. At all times, the FAC shall have at least one member with extensive accounting, financial, or management expertise.

The President and the Chief Financial Officer (or the President's designee for this position) shall be ex officio, non-voting members of the committee.

Each member of the FAC shall be free from relationships that would give the appearance of a conflict or that would interfere with his or her exercise of independent judgment.

Education

The University's senior management and internal audit department are responsible for providing the FAC with educational resources related to accounting principles, internal controls, applicable policies, and other information that may be requested by the FAC to maintain appropriate financial and compliance literacy.

Meetings

The FAC shall meet quarterly, in conjunction with regular meetings of the Board, or at any other time upon the call of the FAC chair. The FAC will invite members of management, business and finance, auditors, or others to attend and provide pertinent information. Meeting agendas will be provided to members in advance along with proper briefing materials. Minutes will be prepared. The FAC shall also meet at the request of the Comptroller of the Treasury.

A majority of the members of the FAC shall constitute a quorum for the transaction of business.

Revised December 12, 2023

9. Review and Approval of Internal Audit Strategic Plan

For Approval

Presented by Angela Ross

The University of Memphis Board of Trustees

Presentation

For Approval

Date: December 3, 2025

Committee: Finance and Audit Committee

Presentation: UofM Internal Audit Strategic Plan

Presented by: Angela Ross, Associate Vice President & Chief Audit Executive

Background:

The Global Internal Audit Standards requires the Chief Audit Executive to develop and implement a strategy for the internal audit function that supports strategic objectives and aligns with the expectation of the board, senior management, and other key stakeholders. The Office of Internal Audit and Consulting 5-year strategic plan has been developed, and the Finance and Audit Committee review and approval is requested.

Motion:

The Finance and Audit Committee recommends a motion to approve the Internal Audit Strategic Plan.

Vision

The University of Memphis Office of Internal Audit & Consulting’s vision is to meet the expectations of our stakeholders and adhere to The Institute of Internal Auditors Global Internal Audit Standards (Standards), which are internationally recognized guidelines that promote professionalism, integrity, and effectiveness in internal audit activities. Realizing our vision means internal audit will become a trusted advisor and collaborative business partner recognized as a driving force behind a culture of governance, accountability, compliance, and execution that helps the University achieve its objectives.

Mission

The University of Memphis (UofM) Office of Internal Audit & Consulting’s mission is to strengthen the University’s ability to create, protect, and sustain value by providing the Board of Trustees (Board), management, and others with independent, risk-based, and objective assurance, advisory, and investigation services. We will provide control expertise to minimize risks, improve process quality, and enhance operational effectiveness in furtherance of our business goals and the UofM ASCEND strategy.

Critical Success Factor 1: Necessary and Impactful Stakeholders Communications

Initiative: Strengthen the reputation of internal audit activities through providing timely and impactful communications to key stakeholders.
Link to UofM Strategic Plan: [Goal 6, Exemplify Operational Excellence](#)
Objectives: Develop a relationship map for key stakeholders, with an accompanying communication plan for each. Standardize regular internal audit communications.
Key Tasks:

- Identify key stakeholders and understand their relationship to internal audit.
- Engage key stakeholders to ensure audit communications meet their needs.
- Update or develop communication plans for key stakeholders.
- Develop standardized communication templates.

Critical Success Factor 2: Focus on University’s Highest Risks

Initiative: Assist in maturing mechanism to identify and assess the University’s risks.
Link to UofM Strategic Plan: [Goal 6, Exemplify Operational Excellence](#) and [Goal 7, Generate and Steward Financial Resources](#)
Objectives: Work with University partners (other control and risk management functions) to enhance management’s risk assessment process to identify the highest risks to the University. Collaborate with partners to coordinate coverage of the risks. Prioritize internal audit work and adapt, with Board approval, the audit plan to assess emerging risk when applicable.
Key Tasks:

- Understand the scope of other control and risk management groups’ responsibilities and their approach for identifying risks.
- Develop a methodology that links the University’s strategy to auditable risks.

Critical Success Factor 3: Efficient and Effective Audit Services

Initiative: Support and educate the Board by providing information needed to perform their duties. Build trust with University management and add value by focusing on highest risk and management concerns.
Link to UofM Strategic Plan: [Goal 6, Exemplify Operational Excellence](#) and [Goal 7, Generate and Steward Financial Resources](#)
Objectives: Maintain compliance with the Standards. Increase audit efficiency by embracing technology and developing control self-assessments. Structure processes and adapt to emerging, changing risks and business priorities.
Key Tasks:

- Engage the Board and University management to further understand their needs.
- Raise the campus community’s awareness of internal audit services.
- Evaluate and implement audit software and leverage new tools for risk sensing and learning.
- Continue improving process efficiency.
- Manage audit scoping with a focus on significant key risk.
- Develop or revise existing control self-assessment tools.

Critical Success Factor 4: Skilled and Adequate Staff Levels

Initiative: Identify the critical skills, create development plans, and develop a sourcing strategy to deliver on the mission statement.
Link to UofM Strategic Plan: [Goal 5, Recruit, Retain, Reward and Recognize our People](#)
Objectives: Use the necessary skills to deliver on the mission statement for all areas within the audit universe. Develop strategies to ensure staffing levels are appropriate and formalized training and development program exist for all staff levels.
Key Tasks:

- Perform skills assessment with audit staff.
- Maintain a budget for professional staff training solutions (internal and external).
- Develop a continual learning and development program.
- Educate the Board and University management regarding appropriate audit staffing levels.

10. 2025-2026 Revised Budget Approval

For Approval

Presented by Rene Bustamante

FY2026 Revised Operating Budget Update

Finance & Audit Committee

Rene Bustamante

Executive Vice-President, Chief Operating & Financial Officer

December 3, 2025

Maxine A. Smith University Center



THE UNIVERSITY OF
MEMPHIS

December 2025 Finance & Audit Committee

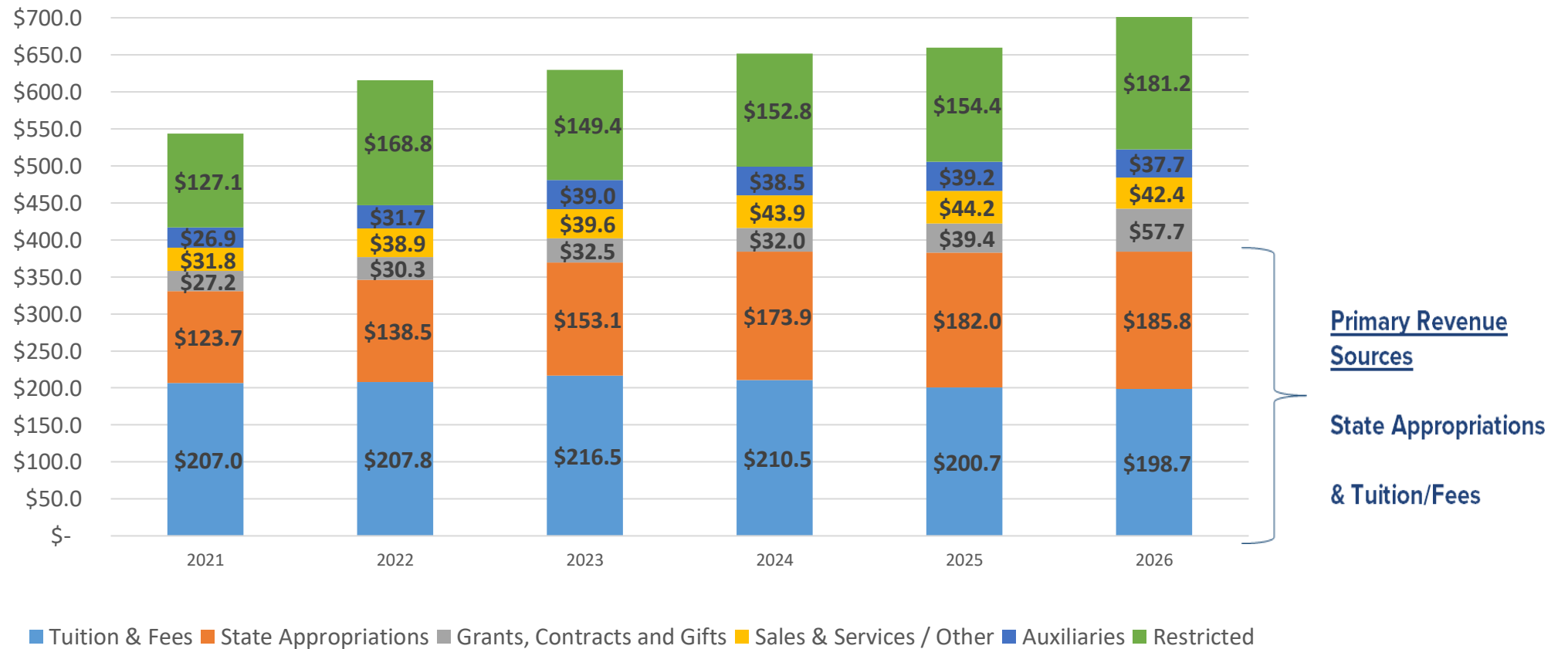
Board of Trustees

10. 2025-2026 Revised Budget Approval

DEC. 2025 Page 50 of 68

University Revenue Growth

Total University Revenues by Type (In Millions)



Total Revenues by Fund



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Revenues	Estimated FY2025	% of Total	Proposed FY2026	% of Total	Revised FY2026	% of Total	Variance
Educational & General							
Tuition & Fees	\$ 199,861,100	29.7%	\$ 195,238,000	30.2%	\$ 198,736,200	28.3%	\$ 3,498,200
State Appropriations	181,961,300	27.1%	185,837,600	28.8%	185,763,000	26.4%	(74,600)
Grants, Contracts and Gifts	40,038,500	6.0%	35,100,600	5.4%	57,669,500	8.2%	22,568,900
Sales & Services	39,577,800	5.9%	34,564,500	5.3%	37,304,400	5.3%	2,739,900
Other Revenues	9,157,000	1.4%	5,100,000	0.8%	5,100,000	0.7%	-
Total Educational & General	\$ 470,595,700		\$ 455,840,700		\$ 484,573,100		\$ 28,732,400
Auxiliary	38,617,000	5.7%	37,924,200	5.9%	37,724,200	5.4%	(200,000)
Restricted	162,626,600	24.2%	152,472,200	23.6%	181,161,400	25.8%	28,689,200
Total Revenues	\$ 671,839,300		\$ 646,237,100		\$ 703,458,700		\$ 57,221,600

- Revised Budget includes:
 - Approved tuition & fees increases from June 2025 Board meeting
 - Fall 2025 enrollment adjustment
 - Non-recurring revenue budgets
 - These include UMF gift revenues

Expenditures by Function



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	Estimated FY2025	Proposed FY2026	Revised FY2026	Variance
Educational & General				
Instruction	\$ 156,969,900	\$ 151,707,500	\$ 171,520,000	\$ 19,812,500
Research	84,846,500	57,296,300	81,691,000	24,394,700
Public Service	7,326,300	4,238,400	6,307,600	2,069,200
Academic Support	53,473,800	46,334,800	57,038,400	10,703,600
Student Services	88,710,300	67,776,700	102,756,300	34,979,600
Institutional Support	42,108,800	38,068,500	42,207,800	4,139,300
Operation & Maintenance	47,153,300	44,663,700	48,273,500	3,609,800
Scholarships and Fellowships	33,080,500	31,089,200	31,985,400	896,200
Transfers	2,675,100	14,665,600	19,261,700	4,596,100
Total Educational & General	\$ 516,344,500	\$ 455,840,700	\$ 561,041,700	\$ 105,201,000
Auxiliary	38,578,300	37,924,200	37,724,200	(200,000)
Restricted	162,626,600	152,472,200	181,161,400	28,689,200
Total Expenditures and Transfers	\$ 717,549,400	\$ 646,237,100	\$ 779,927,300	\$ 133,690,200

- Revised Budget includes:
 - Non-recurring expenditure budgets
 - Resources available from prior year operations

Expenditures by Function

	Proposed FY2026	Revised FY2026	Variance
Revenues	\$ 455,840,700	\$ 484,573,100	\$ 28,732,400
Expenses	441,175,100	541,780,000	100,604,900
Transfers	14,665,600	19,261,700	4,596,100
Total Educational & General	\$455,840,700	\$561,041,700	\$105,201,000
Revenue Changes		\$ 28,732,400	
Carryforward Funds - Departmental		60,271,900	
Carryforward Funds - Central		16,196,700	
Transfers in to Operating Budget		698,000	
Transfers out to R&R and Plant Funds		(5,294,100)	
Total Expenses		\$ 100,604,900	
Transfers in to Operating Budget		\$ (698,000)	
Transfers out to R&R and Plant Funds		5,294,100	
Total Transfers		\$ 4,596,100	
Total Educational & General		\$105,201,000	

Expenditure Budget Variances consist of the following:

- Revenue changes
- Carryforward funds at the department and central
- Variances due to transfers in/out of reserve and plant funds

FY26 Revised Revenue & Expenditure Budget



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Revenues

Educational & General	
Tuition and Fees	\$ 198,736,200
State Appropriations	185,763,000
Unrestricted Grants, Contracts, & Gifts	57,669,500
Sales and Services	37,304,400
Other	5,100,000
Total Educational & General	\$ 484,573,100
Auxiliary	37,724,200
Restricted	181,161,400
Total Revenues	\$ 703,458,700

Expenditures

Educational & General	
Instruction	\$ 171,520,000
Research	81,691,000
Public Services	6,307,600
Academic Support	57,038,400
Student Services	102,756,300
Institutional Support	42,207,800
Operation & Maintenance	48,273,500
Scholarships & Fellowships	31,985,400
Transfers	19,261,700
Total Educational & General	\$ 561,041,700
Auxiliary	37,724,200
Restricted	181,161,400
Total Expenditures and Transfers	\$ 779,927,300

The FY26 Revised Budget is within available resources, complies with applicable policies and guidelines and is therefore recommended for approval.

Questions?

The University of Memphis Board of Trustees

Recommendation

For Approval

Date: December 3, 2025

Committee: Finance and Audit Committee

Recommendation: Approval of FY2026 Revised Budget

Presented by: Rene Bustamante, Executive Vice-President, Chief Operating & Financial Officer

Background:

The University of Memphis revises the Proposed (Initial) Budget each fall to update revenue and expenditure projections. The FY2026 Revised Budget takes into consideration fall enrollment changes, tuition increases, the effect of any prior year's activities carried forward into the current year, and adjustments in state appropriations occurring since the FY2026 Proposed Budget was prepared and approved in June 2025.

The FY2026 Educational and General (E&G), Auxiliary Enterprises and Restricted revised budgets are within available resources. The Revised Budget complies with all applicable policies and guidelines.

Motion to be Made:

The Finance and Audit Committee recommends approval of the FY2026 Revised Budget.

FY25-26 Revised Budget Summary

Total University Revenues

The FY 2026 **Revised Budget** reflects anticipated revenue projections as of October 2025. The University's Proposed Budget was developed before the end of the previous fiscal year and the Revised Budget provides the opportunity to adjust for changes, such as the following, which occurred after the adoption of the Proposed Budget in June:

- Tuition & Fee increases/decreases approved at June 2025 Board meeting.
- Tuition and Fees adjusted based on actual Fall 2025 enrollment.
- Changes to state appropriations that are typically made by the state in August or September
- Incorporates non-recurring expenditure budgets including one-time activities (such as Conference and Institute events & Internships) as well as resources available from prior year operations.
- Other adjustments as needed for changes to operating plans, organizational structure, revenue projections, or fixed costs made after the submission of the Proposed Budget

The University of Memphis revenues in the FY2026 Revised Budget total \$703.5 million. This total reflects revenue increases of \$57.3 million from the FY2026 Proposed Budget of \$646.2 million.

FY2026 Total Revenues

Revenues	Proposed FY2026	Revised FY2026	Change
Educational & General			
Tuition & Fees	\$ 195,238,000	\$ 198,736,200	\$ 3,498,200 1.8%
State Appropriations	185,837,600	185,763,000	(74,600) 0.0%
Grants, Contracts and Gifts	35,100,600	57,669,500	22,568,900 64.3%
Sales & Services	34,564,500	37,304,400	2,739,900 7.9%
Other Revenues	5,100,000	5,100,000	- 0.0%
Total Educational & General	\$ 455,840,700	\$ 484,573,100	\$28,732,400 6.3%
Auxiliary	37,924,200	37,724,200	(200,000) -0.5%
Restricted	152,472,200	181,161,400	28,689,200 18.8%
Total Revenues	\$ 646,237,100	\$ 703,458,700	\$57,221,600 8.9%

Change in Revenues

Tuition & Fees	\$ 3,498,200	Decrease is net of approved FY26 tuition and fees increase and enrollment declines across various levels
State Appropriations	(74,600)	Includes adjustments for Insurance Benefits and Risk Management property insurance and Law Scholarships
Grants, Contracts and Gifts	22,568,900	Increase is due to increased GIK revenues, Campus Schools revenues and establishing UM Foundation gift funding for Athletics and Academic Support areas (one time activity)
Sales & Services	2,739,900	Increase is due to Athletics increased revenues
Other Revenues	-	
Auxiliary	(200,000)	Decrease in food services
Restricted	28,689,200	Increase is based on FY26 estimated increase in grants/restricted activity
Total Revenue Change	\$ 57,221,600	

FY2026 Total Expenditures and Transfers

	Proposed FY2026	Revised FY2026	Change
Educational & General			
Instruction	\$ 151,707,500	\$ 171,520,000	\$ 19,812,500 13.1%
Research	57,296,300	81,691,000	24,394,700 42.6%
Public Service	4,238,400	6,307,600	2,069,200 48.8%
Academic Support	46,334,800	57,038,400	10,703,600 23.1%
Student Services	67,776,700	102,756,300	34,979,600 51.6%
Institutional Support	38,068,500	42,207,800	4,139,300 10.9%
Operation & Maintenance	44,663,700	48,273,500	3,609,800 8.1%
Scholarships and Fellowships	31,089,200	31,985,400	896,200 2.9%
Transfers	14,665,600	19,261,700	4,596,100 31.3%
Total Educational & General	\$ 455,840,700	\$ 561,041,700	\$ 105,201,000 23.1%
Auxiliary	37,924,200	37,724,200	(200,000) -0.5%
Restricted	152,472,200	181,161,400	28,689,200 18.8%
Total Expenditures and Transfers	\$ 646,237,100	\$ 779,927,300	\$ 133,690,200 20.7%

Change in Expenditures and Transfers

Instruction	\$ 19,812,500	Increase is net of prior year carryforward funds, central budget allocations to include Faculty Promotions, establishment of Internships & Professorships usually only budgeted yearly, shifts from Instruction to Research/Public Service for Faculty Salary Splits, GA stipends/waivers, travel, operating, as well as benefit shifts due to staffing levels
Research	\$ 24,394,700	Increase in Research is due to prior year carryforward funds, Faculty start up funds, establishment of Internships and budget shifts from Instruction to Research for faculty salary splits, operating expenses, travel, and Graduate Assistant stipends & waivers, as well as benefit shifts due to staffing levels
Public Service	\$ 2,069,200	Increase is due to prior year carryforward funds, establishing revenue supported activities such as Internships and Conference & Institute events which are usually one time activities, and benefit shifts due to staffing levels
Academic Support	\$ 10,703,600	Increase is due to prior year carryforward funds, central budget allocations including technology investments and benefit shifts due to staffing levels
Student Services	\$ 34,979,600	Increase is due to prior year carryforward funds, Athletics one time support, operating increases due to Athletic revenue increases, various central budget allocations and benefit shifts due to staffing levels
Institutional Support	\$ 4,139,300	Increase is due to prior year carryforward funds, various central budget allocations and benefit shifts due to staffing levels
Operation & Maintenance	\$ 3,609,800	Increase is net of central budget allocations and benefit shifts due to staffing levels
Scholarships and Fellowships	\$ 896,200	Scholarship increases due to Law increase and Athletics increase
Transfers	\$ 4,596,100	Central funds set aside in plant funds and reserve funds for future year strategic investments
Auxiliary	(200,000)	Decrease in food services
Restricted	28,689,200	Increase is based on FY26 estimated increase in grants/restricted activity
Total Expense Change	\$ 133,690,200	

Approval of the Revised Budget

The FY2026 Revised Budget is within available resources and complies with all applicable policies and guidelines. Full spending authority has been budgeted but is not expected to be utilized in the current year. This budget includes all resources available including current year revenues as well as one-time activities and resources available from prior year operations.

The increased expenditure budget results primarily from non-recurring funds including resources available from prior year operations. Non-recurring funds were allocated in accordance with campus budgeting policy and guidelines to numerous projects and programs such as facility improvements, faculty start-up packages, annual athletic support, bridge funding for research activities, student recruiting & retention, program improvements, and technology infrastructure and investments.

University of Memphis FY26 Revised Revenue & Expenditure Budget

Revenues

Educational & General	
Tuition and Fees	\$ 198,736,200
State Appropriations	185,763,000
Unrestricted Grants, Contracts, & Gifts	57,669,500
Sales and Services	37,304,400
Other	5,100,000
Total Educational & General	\$ 484,573,100
Auxiliary	37,724,200
Restricted	181,161,400
Total Revenues	\$ 703,458,700

Expenditures

Educational & General	
Instruction	\$ 171,520,000
Research	81,691,000
Public Services	6,307,600
Academic Support	57,038,400
Student Services	102,756,300
Institutional Support	42,207,800
Operation & Maintenance	48,273,500
Scholarships & Fellowships	31,985,400
Transfers	19,261,700
Total Educational & General	\$ 561,041,700
Auxiliary	37,724,200
Restricted	181,161,400
Total Expenditures and Transfers	\$ 779,927,300

11. Annual Information Security Update

Presentation

Presented by Jeff Delaney

Annual Information Security Program Update

Finance & Audit Committee

Dr. Jeff Delaney
Chief Information Officer

December 3rd, 2025
Maxine A. Smith University Center



THE UNIVERSITY OF
MEMPHIS

Board of Trustees

December 2025 Finance & Audit Committee

11. Annual Information Security Update

DEC. 2025 Page 63 of 68



Recent Accomplishments

- Payment Card Industry (PCI) assessment
 - Completed all recommendation
 - Carried out a TTX simulating a PCI exposure
- Updated Acceptable Use policy limiting use of personally licensed software
- Annual IT Sec training in October (92% completion)
- Continuing simulated phishing emails for all account holders
 - Additional training recommended for 3+ failures
 - Real phishing on the rise



Looking Ahead

- Provost and CIO co-sponsoring AI task forces
- Passkey implementation for SSO authentication (Fall 2026)
- SOAR – ERP migration



Thank you!

The University of Memphis Board of Trustees

Information Item

Date: December 3rd, 2025

Committee: Finance & Audit Committee

Presentation: Annual Information Security Program Update

Presented by: Dr. Jeff Delaney, Chief Information Officer

Background:

This presentation consists of the annual update on the Information Security Program.

12. Additional Business

Presented by David McKinney

13. Adjournment

Presented by David McKinney