



**ALABAMA STATE UNIVERSITY BOARD OF TRUSTEES
REGULAR BOARD MEETING**

**Dunn-Oliver Acadome Board Room
Friday, May 8, 2015
1:00 P.M.**

Minutes

I. Call to Order

The annual meeting of the Alabama State Board of Trustees was called to order by Chairman Locy L. Baker at 1:00 P.M.

II. Invocation

The invocation was given by Alabama State University President Dr. Gwendolyn E. Boyd.

III. Pledge of Allegiance

The Pledge of Allegiance was recited by all.

IV. Establishment of Quorum

Trustees Present: Chairman Locy L. Baker, Vice-Chair Alfreda Green, Robert Gilpin, Bobby Junkins, Angela McKenzie, Ralph Ruggs, Pamela Ware, Lonnie A. Washington, Joe Whitt and Herbert Young.

Trustees Absent: Trustee Taylor Hodge

V. Adoption of Agenda

After a motion to accept the agenda as presented, the motion was carried by a unanimous vote.

VI. Adoption of Minutes

After a motion to accept the minutes from February 5, 2015, the motion was carried by a unanimous vote.

VII. President's Report

President Boyd delivered an end of the year report to the board as a summary of the academic school year. (ATTACHMENT 1)

VIII. Faculty Senate

Mr. Charlie Hardy, Chairman of the Faculty Senate presented to the board on behalf of the Faculty Senate.

IX. Non-Instructional Staff

Mrs. Georgette Varner, Chair of the Non-Instructional Staff presented to the board on behalf of the Non-Instructional Staff.

X. SGA

Jeremy Crum, newly elected SGA President for the 2015-2016 school year, presented on behalf of the Student Government Association. Shatema Paige and Derrick Irwin presented a proposal for the creation of a new Religious Life Office on campus.

XI. Committee Reports:

- **DEVELOPMENT COMMITTEE**

- **RESOLUTION- I Love ASU 30 Day Campaign**

- *It was moved and properly seconded to accept the Resolution for the I Love ASU 30 Day Campaign for the purpose of rebuilding the operating reserve. The motion was carried by a majority vote, with Vice-Chair Alfreda Green opposing. (ATTACHMENT 2)*

- ✓ **Request:** Judge Murphy Resolution for Naming of Room, by Trustee Herbert Young.

- **ATHLETICS COMMITTEE**

- **Intercollegiate Athletics Strategic Plan 2015 and Beyond**

- *No action was taken.*

- ✓ **Request:** Athletic Department Plan of Action with target dates for established goals and objectives to communicate projected direction for upcoming year, by Chairman Locy L. Baker.

- ✓ **Request:** Malone Resolution for Naming of Room in Athletic Building, by Chairman Locy L. Baker.

- ✓ **Request:** Modification of the *Intercollegiate Athletics Strategic Plan 2015 and Beyond* to include specific dates as benchmarks for future evaluation, and confirmation of consistency with the University Strategic Plan, by Trustee Ralph Ruggs.

- **STUDENT AFFAIRS COMMITTEE**

- **No Report**

- **PROPERTY COMMITTEE**
 - **RESOLUTION - To sell 730 S. Jackson Street, Montgomery, AL 36104**
 - *It was moved and properly seconded to accept the Resolution to sell 730 S. Jackson Street. The motion was carried by unanimous vote. (ATTACHMENT 3)*

- **ACADEMIC AFFAIRS COMMITTEE**
 - **RESOLUTION – (Summer 2015 –Summer 2017) Academic Calendar**
 - *It was moved and properly seconded to accept the Resolution for the (Summer 2015 through Summer 2017) Academic Calendar. The motion was carried by unanimous vote. (ATTACHMENT 4)*

 - **RESOLUTION – Online Graduate Fees**
 - *It was moved and properly seconded to accept the Resolution for Online Graduate Fees. The motion was carried by unanimous vote. (ATTACHMENT 5)*

 - **RESOLUTION – Authorization of Promotion**
 - *It was moved and properly seconded to accept the Resolution for Promotion. The motion was carried by majority vote, with Vice-Chair Alfreda Green, Trustee Pamela Ware and Trustee Herbert Young abstaining. (ATTACHMENT 6)*

 - **RESOLUTION – Authorization of Tenure**
 - *It was moved and properly seconded to accept the Resolution for Tenure. The motion was carried by majority vote, with Trustees Pamela Ware and Herbert Young abstaining. (ATTACHMENT 7)*

- **FINANCE AND AUDIT COMMITTEE**
 - **Amended Agenda to add Audit Report and Presentation from Warren Averitt**
 - *It was moved and properly seconded to amend the agenda and add the Audit Report presentation from Warren Averitt. The motion was carried by unanimous vote. (ATTACHMENT 8)*

 - **RESOLUTION - Swap Agreement Amendment**
 - *It was moved and properly seconded to accept the Resolution for the Swap Agreement Amendment. The motion was carried by unanimous vote. (ATTACHMENT 9)*

XII. State Examiner's Report

- President Boyd presented the University's Official Response to the State Examiner's Report from October 2008 through September 2013. (ATTACHMENT 10)
- Alabama State University General Counsel Kenneth Thomas and TCU representative Mr. W. Ken Upchurch presented Official Response and Legal analysis from Capell and Howard Law Firm to the State Examiner's Report from October 2008 through September 2013. (ATTACHMENT 11)

XIII. Personnel Report

- *It was moved and properly seconded to accept the recommended personnel actions. The motion was carried by a majority vote with Vice-Chair Alfreda Green opposing and Trustee Herbert Young abstaining.*

XIV. Other Business

- No Other Business

XV. Adjournment

- *It was moved and properly seconded to adjourn the meeting. The motion was carried by unanimous vote. The meeting was adjourned at 3:57 P.M.*

WITNESSED on the 8th day of May 2015 by:



Lucy L. Baker, Chair
Alabama State University
Board of Trustees



Dr. Gwendolyn E. Boyd, President
Alabama State University
Secretary, Board of Trustees

ATTACHMENTS:

1. 2014 – 2015 End Of The Year Report
2. RESOLUTION – 30 Day Giving Campaign “I Love ASU”
3. RESOLUTION – Sell 730 South Jackson Street Montgomery, AL 36106
4. RESOLUTION – Academic Calendar (Summer 2015 – Summer 2017)
5. RESOLUTION – Online Graduate Fees
6. RESOLUTION – Authorization of Promotion
7. RESOLUTION – Authorization of Tenure
8. Warren Averitt Audit Report
9. RESOLUTION – Swap Agreement Amendment
10. Alabama State University Official Response to State Examiner's October 2008 – September 2013 Report
11. TCU's Response to ASU State Examiner's October 2008 – September 2013 Report.

ALABAMA STATE UNIVERSITY ANNUAL REPORT

2014-2015

The Messages

- Opportunity Is Here
- Student Success: Encouraging and Achieving Excellence
- New Opportunities: Broadening the Academic Spectrum
- Engaging the Community
- Points of Pride and Celebration
- Excellence On and Off the Field
- Demographics
- A Sound Financial Position
- Shaping our Future

Opportunity is Here

- Strategic Plan
 - Developed, presented and approved
- Campus Wide Enhancement of Technology
- Accreditation Visits and Reports
 - SACSCOC Fifth Year Affirmation Institution report is due March 15, 2016
 - Theater Department – September 2015
 - College of Education – September 2015

Student Success:

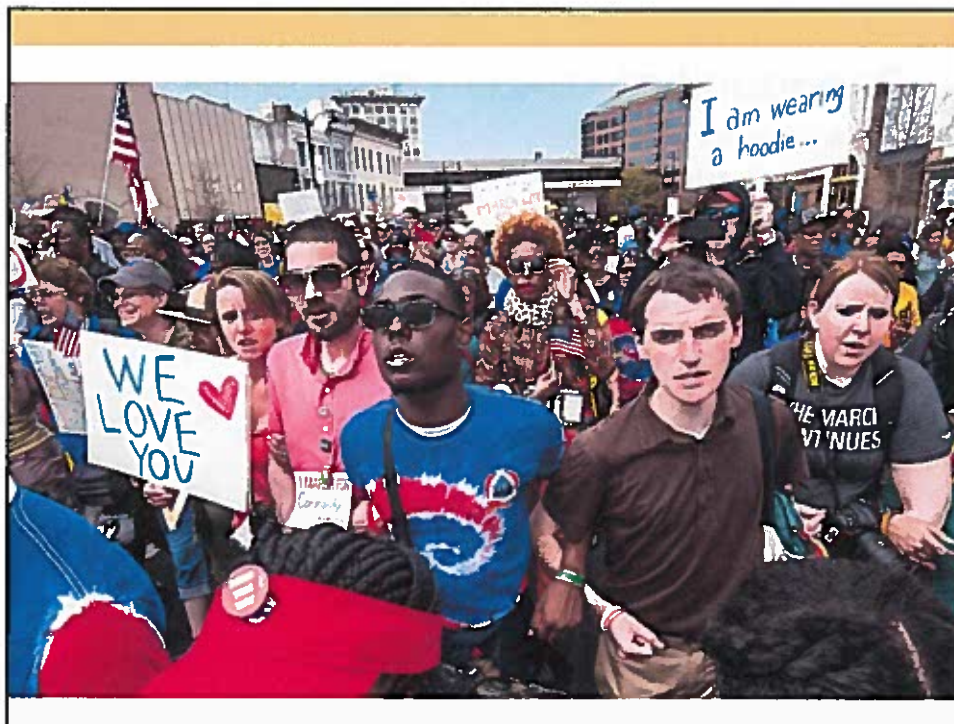
Encouraging and Achieving Excellence

- Amanda Price
 - Amanda has been accepted to Howard University School of Law
- Brandon Price-Crum
 - Brandon has been accepted to FAMU School of Law
- Gaston Gibson
 - Gaston has accepted teaching position in Tokyo, Japan
- Tabitha Lewis
 - Tabitha secured three offers for Dental School fully funded. She selected Tufts University in Boston, Massachusetts
- Zia Hymes-Green
 - Zia was hired into the Management Leadership Program at Region Bank World Headquarters in Birmingham, Alabama

Student Success:

Encouraging and Achieving Excellence

- **Barry Davis**
 - Barry was hired in the Finance Leadership Program at United Technologies Corporation in Hartford, Connecticut
- **Jakeira Matthews**
 - Jakeira was hired by Old National Bank Management Rotation Program in Indianapolis, Indiana
- **Bryan Womack**
 - Bryan received a one month assignment in China and then he will be interning at United Technologies Corporation in Hartford, Connecticut
- **Morgan Steele**
 - Accepted to attend University of Texas School of Law
- **Lamar Butler**
 - Lamar was one of one hundred and twenty six students selected the National Parks to participate in the Selma to Montgomery Commemoration walk



Student Success:

Encouraging and Achieving Excellence

- The Occupational Therapy Department announced a 100% pass rate for the December 2014 Graduates on the National Board Certification exam.
- Honors Day Convocation, April 10
 - 1374 students on Honor roll
 - 56 students with 4.0 GPA
- Honda HBCU Campus All-Star Challenge
 - Placed Third out of 48 teams

A mock White Coat Ceremony was held for six students who are the first to take part in a joint osteopathic medical program between Alabama State University and the Virginia College of Osteopathic Medicine (VCOM). The students will begin their formal preparatory studies for becoming physicians.



Top in State Lt. Col. Tangela Spencer and Cadet Wing Commander Jasmine Crenshaw hold the trophy awarded to ASU's Detachment 019 for being the top AFROTC unit in the state of Alabama. The award was given by the Air Force Association, chapter 102.



Opportunities: Outreach to New Aspirants

- 3,007 Students Admitted
- 2,872 ASU Students to Recruits Contacts
 - 1486 Direct Connections
 - 1100 Voice Mails
 - 286 (10%) Bad Numbers
 - 800 Have begun to follow us on Social Media
 - 86 Students participated in Michelle Obama's #ReachHigher Initiative
- Leveraged Local Alumni for recruitment support
- "Swarm and Sting" Coaches Caravan
- Connecticut ASU HBCU Engagement
 - 2 Visits – Total Population 900
 - HBCU Sunday at the Metropolitan Churches
 - Promoted Connecticut State Representative/Alum Brandon L. McGee, Jr. Connecticut STEM Scholarship
 - Engaged Hartford Mayor Pedro Segarra, State Representatives, and High School Community
 - Boston Red Sox – Inaugural HBCU Recruitment Initiative
 - 28 HBCUs

New Opportunities:

Leading the Way in Research Grants

- **The Alabama State University/UAB Comprehensive Cancer Center Partnership (NIH) \$1,543,616.00** Mishra Manoj, Karyn Scissun-Gunn, Shivani Soni, Sabita Saldanha, Kenley Obas
- **U.S. Department of Defense Grant awarded to the Prosthetics and Orthotics program in the College of Health Sciences—\$480,540**
- **Collaborating Research: AGEP-T: Tuskegee Alliance to Forge Pathways \$375,706.00 (NSF)** B.K. Robertson, Alain Waffo, Mamie Coats
- **Targeted Infusion Project (TIP): Infusing Data-Enabled Active Learning in Math and Statistics \$399,976.00 (NSF)** Carl Pettis
- **Science in Motion (ASIM) \$360,135.00 (AL-ED)** Kennedy Wekesa
- **U.S. Army. "An integrated gait and balance analysis system to define human locomotor control." \$480,540. PI: Childers**

New Opportunities:

Leading the Way in Research Grants

- **The Forensic Science Department** has received a \$200,000 research grant from the National Science Foundation to investigate what happens to cells after people die.
- **Summer Research Experience for Undergraduates (REU) program** is funded by a \$336,634 grant from the National Science Foundation.
- **Alabama State University's Department of Mathematics and Computer Science** has received a \$399,976 grant from the National Science Foundation (NSF) to establish a Big Data Analytics Lab to help extract meaningful value from big data, the first lab of its kind in the region.
- The National Science Foundation (NSF) awarded a four-year, \$778,329 grant to the Department of Biological Sciences. The grant's goal is to help increase the number of **STEM-related doctoral degrees awarded to minorities.**
- **ASU's Center for Nanobiotechnology Research** received a \$344,000 grant from the National Institutes of Health (NIH) for research to develop **new vaccines against Chlamydia trachomatis**, a common sexually transmitted disease for which there is currently no vaccine available.
- **Alabama State University scientists** have received a \$578,224 grant from The National Institutes of Health to conduct groundbreaking research to find ways to eliminate **health disparities of prostate and colorectal cancer in minorities**, especially among African Americans.

New Opportunities

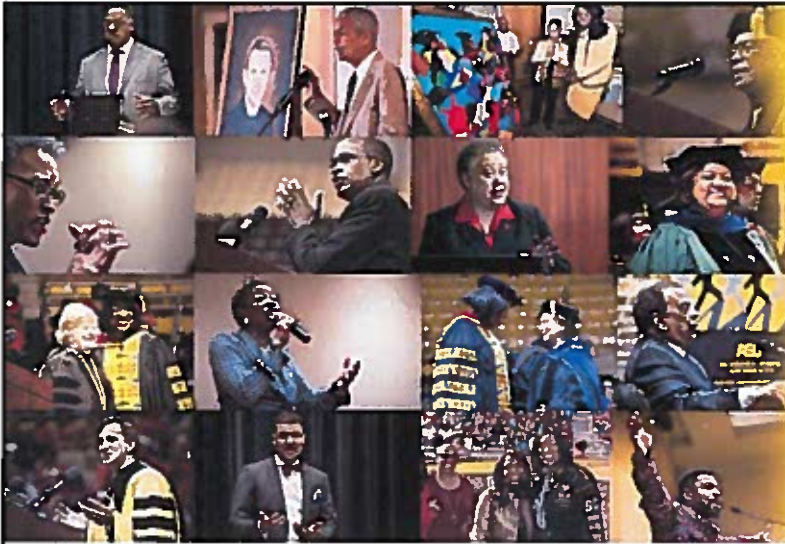
Leading the Way in Research Grants

- Thirty nine (39) proposals submitted for a total value of \$39.4 million
- Seventeen (17) proposals were awarded for total amount of \$1.94 million
 - 44% funding rate
- National Academies Education Fellows (Scissum Gunn, Saldanha, Jain)
- University Approved for a Fulbright Fellow
- Distinguished Lecturers
- Symposiums
- Innovation Day
- Center for Excellence in Technology and Innovation

Engaging the Community:

ASU Makes an Impact in Montgomery & Beyond

- Higher Education Day Rally State Capital
- Study Abroad-Peru (TPaIDA Program)
- MOU signed with Soongsil University
- Dr. Liao Ming, VP from South China Agricultural University
- Dual Enrollment with local Public School Systems
- Boys and Girls Club-KABOOM
- 50th Anniversary Voting Rights: Selma to Montgomery
- Kershaw YMCA Soccer Grand Opening Partner
- Speaking Engagements and Alumni Chapter Visits



**Campus Speakers and Special Guests
Engaging the Community:**

- Rev. Jesse Jackson
- Carla Harris
- Fred Gray, Esq.
- Dr. Dennis Kimbro
- Dr. Walter Kimbrough
- Hon. Andrew Young
- Rev. Dr. Bernice King
- Dr. Steve Perry
- Dr. Regina Benjamin
- Hon. Alexis Herman
- Dr. Judy Bonner
- U.S. Rep. Terri Sewell
- Julian Bond
- Phillip Agnew
- Dr. Belle Wheelen
- Dr. Johnetta Cole
- Synthia SAINT JAMES
- Pres. Ron Daniels

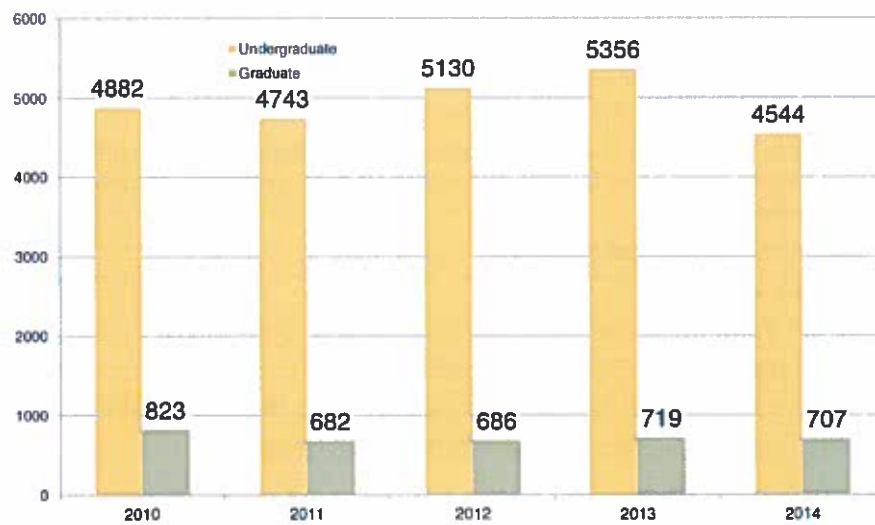
Engaging the Community: Points of Pride

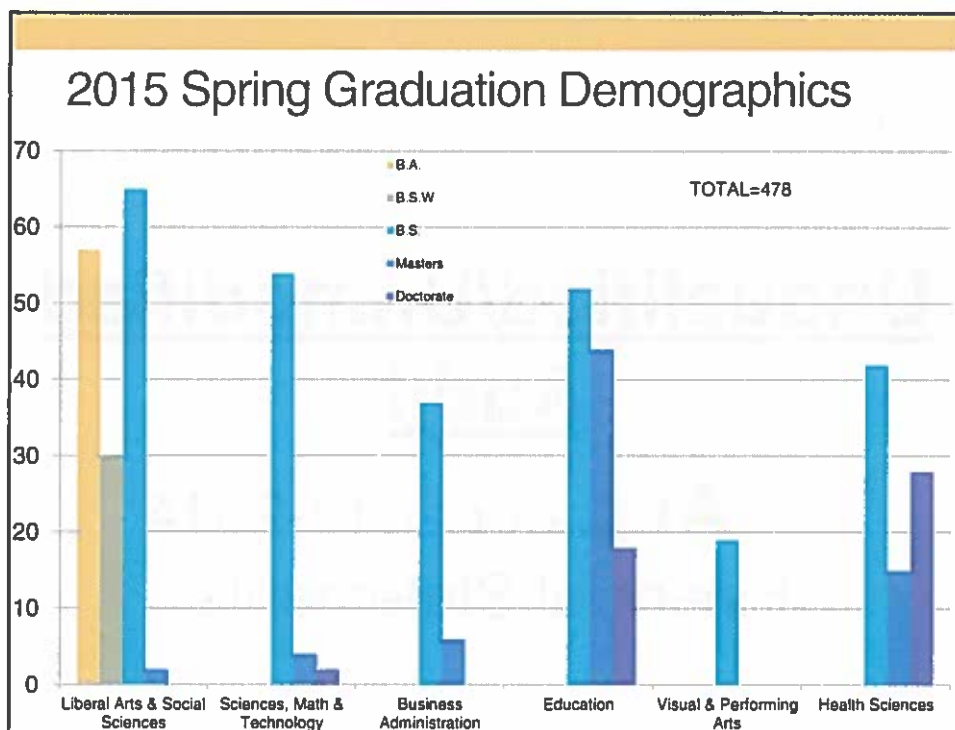
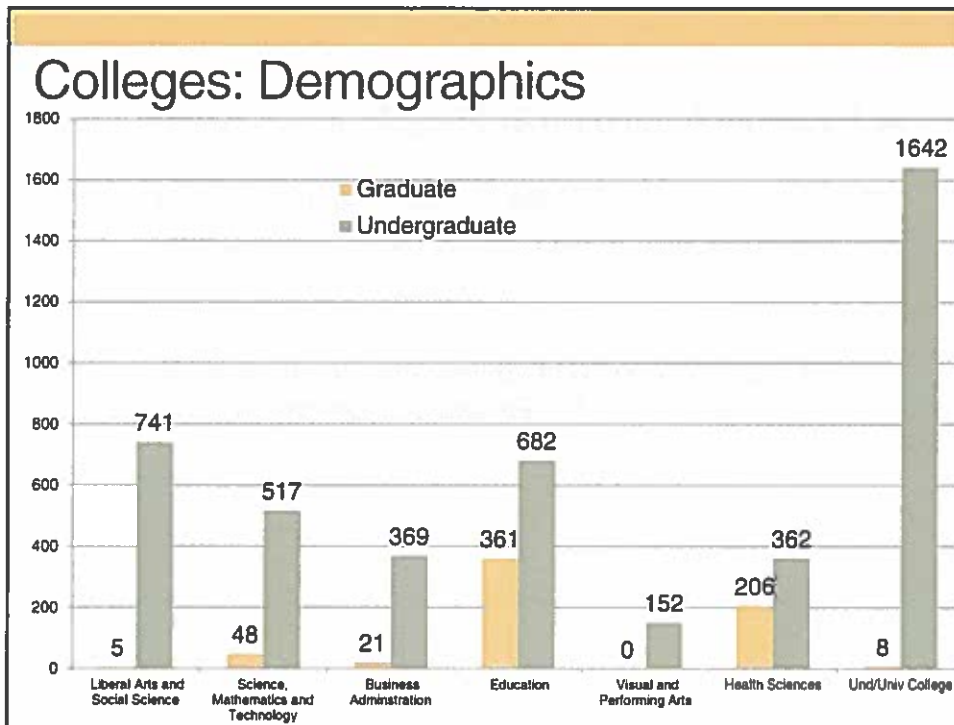
- Martin Luther King Convocation
 - **Walter Kimbrough**, President Dillard University
- Black History Month Convocation
 - **Carla Harris**, Vice Chair of Global Wealth Management, Managing Director and Senior Client Advisor for Financial Services, Morgan Stanley
- Founders Day Convocation
 - **Hon. Fred Gray**
- Dean Tommie Stewart, 2015 White House Champion of Change Award one of 11 honorees
- Kennedy Center American College Theatre Regional Festival
- Stingettes selected best in HBCU Dance awards
- **Bama State Style**

Accomplishments in Athletics: Excellence on and off the Field

- 2014-15 SWAC Champions
- 2014-15 Commissioners Cup
- 2014-15 Sadie Magee/ Barbara Jacket Award Women's Championship Cup
- 2014-15 C.D. Henry Award Men's Championship Cup
 - Women's Basketball Tournament
 - Volleyball
 - Men's Tennis
 - Men's Golf
 - Women's Golf
 - Women's Cross Country
 - Indoor/Outdoor Track
- Academic Honors

Enrollment Demographics





A Sound Financial Position

- The University has an effective leadership team that is providing stability as we transform and improve the environment
- The University received two years of Qualified Audits (2011-12) and (2012-13) Financial Statements

A Sound Financial Position

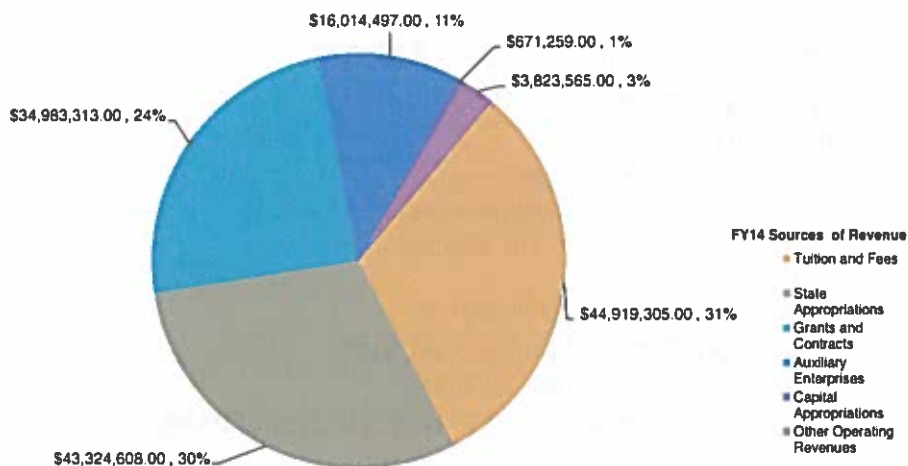
- This year we have received an

Unqualified/Unmodified Audit

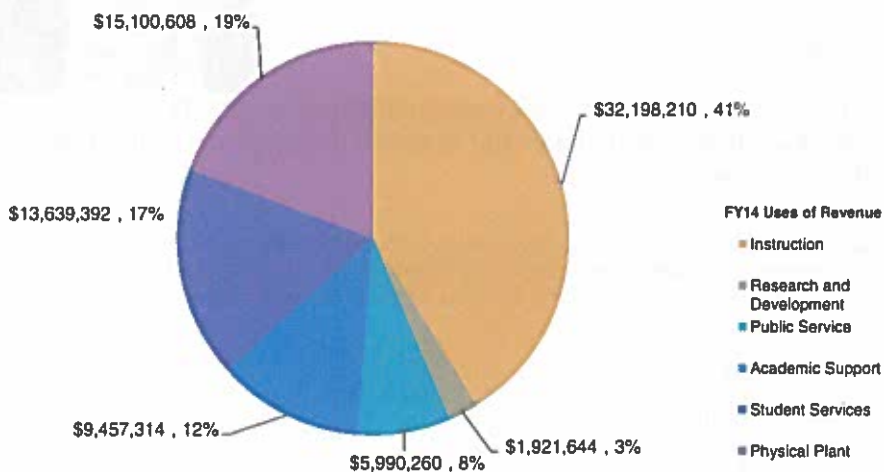
for **ALL** our 2013-2014
Financial Statements.

A Sound Financial Position

- The University has an effective leadership team that is providing stability as we transform and improve the environment



A Sound Financial Position



Accomplishments/External Funding

- **Total Funds**
 - 2013 - \$1,100,428
 - 2014 - \$1,107,105
- **Sanders Major Gift Finalized - \$50,000**
- **Toyota Sponsorship - \$12,500**
- **Sting-A-Thon**
 - Fall 2014 - \$150,000+ 395 Donors
 - Scholarships and Operating Reserves
 - Spring 2015 - \$101,000 157 Donors
 - Reserves
 - Includes Class of 1965 \$50,000 Gift
- **Gwendolyn Cooke Planned Gift (Art)**
 - Increased from \$218,000 - \$235,000
- **Tom Joyner Scholarship \$37,000. (15 Scholarships)**

Shaping Our Future

- **New Programs and Partnerships**
 - Internships
 - Study Abroad
 - Student Placement
- **On Tuesday, April 28, 2015, Congresswoman Alma Adams (D-NC) and Congressman Bradley Byrne (R-AL) launched the bipartisan House HBCU Caucus on Capitol Hill**
- **MGM Partners**
 - program is to build trust and hospitality between military and civic leaders by fostering mutual understanding of Maxwell-Gunter and the Defense Department's mission with the leaders of the local community
- **Cyber in Montgomery**
- **New/Revised Curriculum**
- **Residence Halls**
- **Online Programs**
- **Capital Campaign**



RESOLUTION

ALABAMA STATE UNIVERSITY

**30-DAY GIVING CAMPAIGN "I LOVE ASU" TO INCREASE
ALABAMA STATE UNIVERSITY'S OPERATING RESERVES**

Whereas, Alabama State University has had a decline in reserve;


Whereas, with the decrease in reserves, ASU must stay within budget to support the day to day operations of the University;

Whereas, the University's President recognizes the importance of replenishing the operating reserves; and


Whereas, accordingly, on February 14, 2015, the President commenced a 30-Day Giving Campaign "I Love ASU", wherein she and members of the Alabama State University Board of Trustees began soliciting \$1,000.00 from many entities and/or individuals to raise at least \$100,000.00 by March 15, 2015.

Now, Therefore, Be It Resolved, that the Board of Trustees of Alabama State University hereby ratifies the decision of the President to commence a 30-Day Giving Campaign wherein all proceeds generated will be applied to Alabama State University's operating reserves.

Done on this 8th day of May, 2015.



Honorable Lucy L. Baker
Chairman of the Alabama State University
Board of Trustees



Dr. Gwendolyn E. Boyd
President of Alabama State University
Secretary to the Board of Trustees

Parcel No: 10-04-18-1-031-015.000

Also Known As: 730 South Jackson Street
Montgomery, AL 36106

for the sum of FIVE THOUSAND and NO/100 DOLLARS (\$5,000.00) to **THEADORE MOORE**,
in accordance with the real estate purchase/sales contract executed by the aforesaid parties.

BE IT FURTHER RESOLVED, that **DR. GWENDOLYNE E. BOYD, PRESIDENT OF ALABAMA STATE UNIVERSITY OR HER SUCCESSOR** is further authorized, directed and empowered, for and on behalf of and in the name of the **Board of Trustees**, to execute any and all instruments, agreements and documents as may be required to consummate the subject transaction including the payment of all expenses, costs and fees incurred in connection with the subject transaction.

I hereby further certify that the following persons have been duly elected to the office set opposite their names, that they continue to hold this office at the present time, and that their signatures appearing hereon are the genuine, original signature of the undersigned.

**THE BOARD OF TRUSTEES OF
ALABAMA STATE UNIVERSITY**



Lucy Baker, Board of Trustee Chairman



*Dr. Gwendolyn E. Boyd, President of
Alabama State University*

I have hereunto affixed my name as secretary this 5th day of May, 2015.



*Dr. Gwendolyn E. Boyd
Secretary to the Board of Trustees*

Summer 2015

Full Term - May 26 - July 22
4 Week Session I - May 26-June 19
4 Week Session II - June 22-July 22

March 9	Summer 2015 Registration Opens Via Hornets Web (continuing students only)
Mar 9-13	Summer 2015 Advisement Week
May 22	Summer New Student Orientation
May 25	LAST DAY TO DROP CLASSES (NO CHARGES, NO GRADES)
May 25	Memorial Day (University Closed)
May 26	Classes Start (Full Term and 4 Week I) Withdrawal Period Begins - "W" Grades
May 26-27	Late Registration (late fee starts)
May 27	Last Day to Add/Drop Classes
May 27	60% of All Tuition and Fees Due or Classes are subject to cancellation (drop)
May 27	Last day to Withdraw and receive 80% adjustment of tuition and Fees
May 29	Last day to Withdraw and Receive 60% Adjustment of Tuition and Fees
May 29	Fall 2015 Registration Opens Via Hornets Web (continuing students only)
Apr 27 thru June 5	Filing Period for Summer 2015 Graduation Application
June 5	Last day to Withdraw and Receive 40% Adjustment of Tuition and Fees
June 10	Deadline for Application to Admission to Teacher Education
June 12	Last Day to Register for Graduate Comprehensive Examination
June 19	Classes End (4-week Session I)
June 22-26	Midterm Exams
June 22	Classes Start (4-Week Session II)
June 27	Graduate Comprehensive Examination
July 1	100% of All Tuition, Fees, and Charges are Due or classes are subject to cancellation (drop)
July 3	Independence Day Holiday (Observed)
July 4	Independence Day
July 10	Last Day for Thesis/Dissertation Submission to The Murphy Graduate School
July 13	Last day to Withdraw from a Course(s) and receive "W" Grade
July 17-August 31	Period to File Fall 2015 Graduation Application
July 22	Last day of Classes (Full Term and 4-Week II)
July 23-24	Final Exams
July 27	Grades Due by 5 p.m.
August 3	Degree Conferral Date (posted on transcript)

Add Classes - register for a class during open registration or by written approval

Drop classes - class will not show on schedule, no charges, cannot be graded

Withdrawn Classes - will receive "W" grade, will be charged and will count against progress toward degree

***Please not schedule is subject to change without notice**

Fall 2015

Full Term - August 19 - December 4
 8 Week Session I - August 19 - October 9
 8 Week Session II - October 12 - December 4

April 6	Fall 2015 Registration Opens Via Hornets Web (continuing students only)
March 16-20	Fall 2015 Advisement Week (continuing students only)
July 9-10	Session I - Fall New Freshman Orientation
July 16-17	Session II - Fall New Freshman Orientation
July 23-24	Session III - Fall New Freshman Orientation
July 31	Band Orientation
August 12	Fall Faculty Conference
August 13-14	Session IV - Fall New Freshman Orientation
August 16-21	Welcome Week
August 17	New Graduate Student Orientation
August 18	LAST DAY TO DROP CLASSES (NO CHARGES, NO GRADES)
August 19	Classes Start (Full Term and 8 Week-Session I) - Withdrawal Period Begins-"W" Grades
August 19-26	Late Registration (fee starts)
August 26	Last Day to Add/Drop Classes
August 26	80% of All Tuition and Fees Due
August 31	Deadline to file Fall 2015 Graduation Application
September 7	Labor Day Holiday (Campus closed)
September 15	Last Day to Withdraw and Receive 80% Refund of Tuition and Fees
September 17	University Wide Fall Convocation at 11:00 am (all students, staff, and faculty are required to attend)
September 22	Last Day to Withdraw and Receive 60% Refund of Tuition and Fees
September 29	Last Day to Withdraw and Receive 40% Refund of Tuition and Fees
October 1	100% of All Tuition, Fees, and Charges are Due or classes are subject to cancellation (drop)
October 5-9	Mid-Semester Examinations
October 9	Classes End (8 Week - Session I)
October 12	Spring 2016 Registration Opens Via Hornets Web (continuing students only)
October 12	Classes Start (8 week - Session II)
October 12-30	Student Course Evaluations
October 19	Last day to Withdraw from a Course(s) and receive 'W' Grade
October 23	Last Day to Register for Graduate Comprehensive Examination
November 7	Graduate Comprehensive Examination
November 12	University Wide Memorial Service at 11:00 am
November 13	Last Day for Thesis/Dissertation Submission to The Murphy Graduate School
November 15	Priority Deadline for Spring Application to The Murphy Graduate School
November 23	Period to File Spring 2016 Graduation Begins
November 23-24	Final Exams for Fall 2015 Candidate for Graduation
November 25-29	Thanksgiving Holiday and Homecoming (12 noon Students/Faculty)
November 30	Grades for Fall Graduates Due by 5 p.m.
November 30	Classes Resume at 8:00 am
December 4	Last Day of Classes (Full Term and 8 Week Session II)
December 4	Last day for Fall 2015 Graduation Clearance
December 5-10	Final Exams
December 11	Fall Commencement and Degree Conferral
December 14	All Grades due by 5 p.m.

Add Classes - register for a class during open registration or by written approval

Drop classes - class will not show on schedule, no charges, cannot be graded

Withdrawn Classes - will receive "W" grade, will be charged and will count against progress toward degree

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Spring 2016

Full Term - January 11 - April 29

8 Week Session I - January 11 - March 4

8 Week Session II - March 7 - April 29

October 12	Spring 2016 Registration Opens Via Hornets Web (continuing Students only)
October 12-16	Spring 2016 Advisement Week
January 6	Spring Faculty Conference
January 7	New Graduate Student Orientation
January 8	New Student Orientation
January 10	LAST DAY TO DROP CLASSES (NO CHARGES, NO GRADES)
January 11	Classes Start (Full Term and 8 Week - Session I) - Withdrawal Period Begins - "W" Grades
January 11-19	Late Registration (late fee starts)
January 18	Martin Luther King Holiday (Campus closed)
January 19	Last day to Add/Drop Classes
January 19	60% of All Tuition and Fees Due
January 22	Deadline to File Spring 2016 Graduation Application
January 25	Last day to Withdraw and Receive 80% Refund of Tuition and Fees
February 1	Last day to Withdraw and Receive 60% Refund of Tuition and Fees
February 5	Founder's Day Convocation
February 8	Last day to Withdraw and Receive 40% Refund of Tuition and Fees
February 22-26	Mid-Semester Exams
February 26	Last Day to Register for Graduate Comprehensive Examination
February 29	Summer 2016 Registration Opens Via Hornets Web (continuing Students only)
March 1	100% of All Tuition, Fees and Charges are Due or classes are subject to cancellation (drop)
March 2	Last day to Withdraw from a Course(s) and receive a 'W' Grade (W)
March 4	Classes End (8 Week - Session I)
March 7	Classes Start (8 Weeks - Session II)
March 12	Graduate Comprehensive Examination
March 14-April 1	Student Course Evaluatlons
March 15	Priority Deadline for Summer Application to The Murphy Graduate School
March 20-27	Spring Holiday (No classes)
March 27	Easter Holiday
March 28	Classes Resume at 8:00 a.m.
April 8	Honors Convocation
April 15	Last Day for Thesis/Dissertation Submission to The Murphy Graduate School
April 15	Priority Deadline for Fall Application to The Murphy Graduate School
April 21-23	Final Exams for Spring 2016 Candidates for Graduation
April 25	Grades for Spring Graduates Due
April 29	Last day for Spring 2016 Academic Clearance for Graduates
April 29	Last Day of Classes (Full Term and 8 Week - Session II)
May 2-5	Final Exams
May 7	Commencement and Degree Conferral

Add Classes - register for a class during open registration or by written approval

Drop classes - class will not show on schedule, no charges, cannot be graded

Withdrawn Classes - will receive "W" grade, will be charged and will count against progress toward degree

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Summer 2016

Full Term - May 31 - July 20
 4 Week Session I - May 31 - June 24
 4 Week Session II - June 27 - July 20

February 29	Summer 2016 Registration Opens Via Homets Web (continuing students only)
February 29-March 4	Summer 2016 Advisement Week
March 16	Fall 2016 Registration Opens Via Homets Web (continuing students only)
May 27	Summer New Student Orientation
May 30	Memorial Day (University Closed)
May 30	LAST DAY TO DROP CLASSES (NO CHARGES, NO GRADES)
May 31	Classes Start (Full Term and 4 Week I) Withdrawal Period Begins - "W" Grades
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July 8	Last Day for Thesis/Dissertation Submission to The Murphy Graduate School
July 22	Last day of Classes (Full Term and 4-Week II)
July 28-29	Final Exams
August 2	Grades Due by 5 p.m.
August 5	Degree Conferral Date (posted on transcript)

Add Classes - register for a class during open registration or by written approval

Drop classes - class will not show on schedule, no charges, cannot be graded

Withdrawn Classes - will receive "W" grade, will be charged and will count against progress toward degree

*Please not schedule is subject to change without notice

Fall 2016

Full Term - August 17 - December 2
 8 Week Session I - August 17 - October 15
 8 Week Session II - October 17 - December 2

March 14	Fall 2016 Registration Opens Via Hornets Web (continuing students only)
March 14-18	Fall 2016 Advisement Week (continuing students only)
July 9-10	Session I - Fall New Freshman Orientation
July 16-17	Session II - Fall New Freshman Orientation
July 23-24	Session III - Fall New Freshman Orientation
July 31	Band Orientation
August 10	Fall Faculty Conference
August 11-12	Session V - Fall New Freshman Orientation
August 14-20	Welcome Week
August 15	New Graduate Student Orientation
August 16	LAST DAY TO DROP CLASSES (NO CHARGES, NO GRADES)
August 17	Classes Start (Full Term and 8 Week-Session I) - Withdrawal Period Begins-"W" Grades
August 17-23	Late Registration (fee starts)
August 23	Last Day to Add/Drop Classes
August 23	60% of All Tuition and Fees Due
August 31	Deadline to File Fall 2016 Graduation Application
September 5	Labor Day Holiday (Campus closed)
September 12	Last Day to Withdraw and Receive 80% Refund of Tuition and Fees
September 15	University Wide Fall Convocation at 11:00 am (all students, staff, and faculty are required to attend)
September 19	Last Day to Withdraw and Receive 60% Refund of Tuition and Fees
September 26	Last Day to Withdraw and Receive 40% Refund of Tuition and Fees
September 29	100% of All Tuition, Fees, and Charges are Due or classes are subject to cancellation (drop)
October 10-15	Mid-Semester Examinations
October 15	Classes End (8 Week - Session I)
October 13	Spring 2016 Registration Opens Via Hornets Web (continuing students only)
October 17	Classes Start (8 week - Session II)
October 10-31	Student Course Evaluations
October 21	Last Day to Register for Graduate Comprehensive Examination
October 21	Last day to Withdraw from a Course(s) and receive 'W' Grade
November 5	Graduate Comprehensive Examination
November 10	University Wide Memorial Service at 11:00 am
November 11	Last Day for Thesis/Dissertation Submission to The Murphy Graduate School
November 15	Priority Deadline for Spring Application to The Murphy Graduate School
November 21	Period to File Spring 2017 Graduation Applications Begins
November 22-23	Final Exams for Fall 2015 Candidate for Graduation
November 23-27	Thanksgiving Holiday and Homecoming (12 noon Students/Faculty)
November 28	Grades for Fall Graduates Due by 5 p.m.
November 28	Classes Resume at 8:00 am
December 2	Last Day of Classes (Full Term and 8 Week Session II)
December 2	Last day for Fall '14 Graduation Clearance
December 3-8	Final Exams
December 9	Fall Commencement and Degree Conferral
December 12	All Grades due by 5 p.m.

Add Classes - register for a class during open registration or by written approval

Drop classes - class will not show on schedule, no charges, cannot be graded

Withdrawn Classes - will receive "W" grade, will be charged and will count against progress toward degree

*Please note schedule is subject to change without notice

Spring 2017

Full Term - January 9 - May 5
 8 Week Session I - January 9 - March 3
 8 Week Session II - March 6 - May 5

October 13	Spring 2017 Registration Opens Via Hornets Web (continuing Students only)
October 9-13	Spring 2017 Advisement Week
January 4	Spring Faculty Conference
January 5	New Graduate Student Orientation
January 6	New Student Orientation
January 8	LAST DAY TO DROP CLASSES (NO CHARGES, NO GRADES)
January 9	Classes Start (Full Term and 8 Week - Session I) - Withdrawal Period Begins - "W" Grades
January 9-13	Late Registration (late fee starts)
January 16	Martin Luther King Holiday (Campus closed)
January 16	Last day to Add/Drop Classes
January 17	60% of All Tuition and Fees Due
January 19	Deadline to file Spring 2017 Graduation Application
January 24	Last day to Withdraw and Receive 80% Refund of Tuition and Fees
January 31	Last day to Withdraw and Receive 60% Refund of Tuition and Fees
February 3	Founder's Day Convocation
February 7	Last day to Withdraw and Receive 40% Refund of Tuition and Fees
February 20-24	Mid-Semester Exams
February 24	Last Day to Register for Graduate Comprehensive Examination
February 24	100% of All Tuition, Fees and Charges are Due or classes are subject to cancellation (drop)
March 1	Last day to Withdraw from a Course(s) and receive a 'W' Grade (W)
March 3	Classes End (8 Week - Session I)
March 6	Summer 2017 Registration Opens Via Hornets Web (continuing Students only)
March 6	Classes Start (8 Weeks - Session II)
March 11	Graduate Comprehensive Examination
March 15	Priority Deadline for Summer Application to The Murphy Graduate School
March 13-April 3	Student Course Evaluations
March 19-26	Spring Holiday (No classes)
March 27	Classes Resume at 8:00 a.m.
April 14-16	Easter Holiday
April 17	Classes Resume at 8:00 a.m.
April 17	Last Day for Thesis/Dissertation Submission to The Murphy Graduate School
April 21	Honors Convocation
April 15	Priority Deadline for Fall Application to The Murphy Graduate School
April 27-29	Final Exams for Spring 2017 Candidates for Graduation
May 1	Grades for Spring Graduates Due
May 1	Last day for Spring 2017 Academic Clearance for Graduates
May 5	Last Day of Classes (Full Term and 8 Week - Session II)
May 8-12	Final Exams
May 13	Commencement and Degree Conferral

Add Classes - register for a class during open registration or by written approval

Drop classes - class will not show on schedule, no charges, cannot be graded

Withdrawn Classes - will receive "W" grade, will be charged and will count against progress toward degree

*Please not schedule is subject to change without notice

Summer 2017

Full Term - May 31 - July 20

4 Week Session I - May 31 - June 24

4 Week Session II - June 27 - July 21

March 6	Summer 2017 Registration Opens Via Homets Web (continuing students only)
March 6-10	Summer 2016 Advisement Week
March 23	Fall 2017 Registration Opens Via Homets Web (continuing students only)
May 25	Summer New Student Orientation
May 29	Memorial Day (University Closed)
May 29	LAST DAY TO DROP CLASSES (NO CHARGES, NO GRADES)
May 30	Classes Start (Full Term and 4 Week I) Withdrawal Period Begins - "W" Grades
May 30-June 2	Late Registration (late fee starts)
June 2	Last Day to Add/Drop Classes
June 2	60% of All Tuition and Fees Due or Classers are subject to cancellation (drop)
June 7	Period to file Fall 2017 Graduation Application begins
June 9	Last day to Withdraw and receive 80% adjustment of tuition and Fees
June 9	Last Day to Register for Graduate Comprehensive Examination
June 15	Last day to Withdraw and Receive 60% Adjustment of Tuition and Fees
June 22	Last day to Withdraw and Receive 40% Adjustment of Tuition and Fees
June 19-24	Midterm Exams
June 24	Classes End (4-week Session I)
June 24	Graduate Comprehensive Examination
June 26	Classes Start (4-Week Session II)
June 27	100% of All Tuition, Fees, and Charges are Due or classes are subject to cancellation (drop)
July 4	Independence Day Holiday
July 5	Last day to Withdraw from a Course(s) and receive 'W' Grade
July 7	Last Day for Thesis/Dissertation Submission to The Murphy Graduate School
July 21	Last day of Classes (Full Term and 4-Week II)
July 27-28	Final Exams
August 1	Grades Due by 5 p.m.
August 4	Degree Conferral Date (posted on transcript)

Add Classes - register for a class during open registration or by written approval

Drop classes - class will not show on schedule, no charges, cannot be graded

Withdrawn Classes - will receive "W" grade, will be charged and will count against progress toward degree

*Please not schedule is subject to change without notice

ONLINE FEES PROPOSAL

The following on-line fees are recommended for Alabama State University:

- On-line fee \$ 50.00
- Graduation Fee \$100.00
- Technology Fee \$ 50.00
- Registration Fee \$ 25.00

Online Fees Proposal - Points

- With the advent of the Colloquy agreement, we are making a solid entry into the online education market.
- Our partnership with Colloquy is smart, makes sense for our technology infrastructure, will provide analytics for assessment, and will provide new online visibility for ASU and her academic culture.
- **We are on target for launching the first 2 approved degree programs through the Colloquy platform [M.Ed. in 1) early childhood education and 2) elementary education] in the fall 2015 term.**
 - Curriculum sequencing for the two (2) M.Ed. concentrations has been established;
 - The first 2 courses will be conducted fall 2015;
 - Course instructors have been identified in the College of Education;
 - Syllabi and instructional materials are under completion.

RESOLUTION

**AUTHORIZATION OF PROMOTION
For
CERTAIN FACULTY MEMBERS**

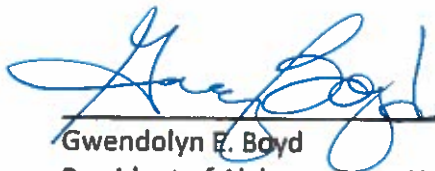
WHEREAS, the current *Alabama State University Faculty Handbook* and the faculty evaluation plan (*A System of Faculty Evaluation for the Improvement of Faculty Performance*) delineate the criteria, policies and procedures for the tenure and promotion of faculty members; and

WHEREAS, a number of faculty members have made applications for promotion in compliance with the established policies and procedures; and

WHEREAS, the applicants recommended herein have been appropriately evaluated against the established criteria, and the University has followed the prescribed procedures in doing so; now, therefore,

BE IT RESOLVED, that the faculty members named on the attached list be granted promotion as indicated, effective at the beginning of the 2015 Fall Semester.

Executed this 8th day of May 2015.



Gwendolyn E. Boyd Date
President of Alabama State University
Secretary to the Board of Trustees



Lucy L. Baker Date
Chair, Alabama State University
Board of Trustees

Office of the Provost and Vice President for Academic Affairs
Promotion Recommendations for the **A/Y 2015-2016**

COLLEGE/NAME	CURRENT RANK	RECOMMENDED RANK
Liberal Arts and Social Sciences		
Alagan, Ram	Assistant Professor	Associate Professor
Cornelson, Jesseca	Assistant Professor	Associate Professor
Dotremon, Delilah	Associate Professor	Professor
Markus, Michael	Assistant Professor	Associate Professor
Taylor, William	Assistant Professor	Associate Professor
Education		
Webb, Sonya	Assistant Professor	Associate Professor
Science, Mathematics & Technology		
Hou, Harvey	Associate Professor	Professor
Soni, Shivani	Assistant Professor	Associate Professor
Swamidurai, Rajendran	Assistant Professor	Associate Professor
Visual and Performing Arts		
Andrews, Charmagne	Assistant Professor	Associate Professor
Bristol, Caterina	Associate Professor	Professor
Jackson, Gregory	Assistant Professor	Associate Professor

**AUTHORIZATION OF TENURE
For
CERTAIN FACULTY MEMBERS**

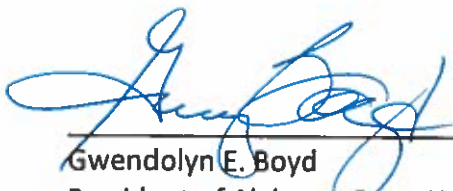
WHEREAS, the current *Alabama State University Faculty Handbook* and the faculty evaluation plan (*A System of Faculty Evaluation for the Improvement of Faculty Performance*) delineate the criteria, policies and procedures for the tenure and promotion of faculty members; and

WHEREAS, a number of faculty members have made applications for tenure in compliance with the established policies and procedures; and

WHEREAS, the applicants recommended herein have been appropriately evaluated against the established criteria, and the University has followed the prescribed procedures in doing so; now, therefore,

BE IT RESOLVED, that the faculty members named on the attached list be granted tenure status as indicated, effective at the beginning of the 2015 Fall Semester.

Executed this 8th day of May 2015.



Gwendolyn E. Boyd Date
President of Alabama State University
Secretary to the Board of Trustees



Lucy L. Baker Date
Chair, Alabama State University
Board of Trustees

Office of the Provost and Vice President for Academic Affairs
Tenure Recommendations for the A/Y 2015-2016

COLLEGE/NAME	CURRENT RANK
Liberal Arts and Social Sciences	
Alagan, Ram	Assistant Professor
Cornelson, Jesseca	Assistant Professor
Dotremon, Delilah	Associate Professor
Markus, Michael	Assistant Professor
Taylor, William	Assistant Professor
Education	
Webb, Sonya	Assistant Professor
Health Sciences	
Heitzman, Jill	Associate Professor
Science, Mathematics & Technology	
Bopda-Waffo, Alain	Associate Professor
Soni, Shivani	Assistant Professor
Swamidurai, Rajendran	Assistant Professor
Visual and Performing Arts	
Allen, Nathaniel	Assistant Professor
Jackson, Gregory	Assistant Professor

APPROVED
 BY [Signature]
 DATE 4/28/15

WARREN AVERETT

LET'S THRIVE TOGETHER



April 27, 2015

Alabama State University
Audit Committee



Our Firm at a Glance

FIRM FACTS



1

NUMBER 1
Pacesetter in Growth
among U.S. Top 100
CPA Firms

1

NUMBER 1
Among CPA firms
in Alabama

3

TOP 3
Among CPA firms
in the
Southeast/Gulf
Coast

30

TOP 30
Among CPA firms
in the U.S.

WELCOME TO OUR FIRM

1. Our Firm at a Glance
2. Your Client Service Team
3. Audit Scope
4. Required Communications
5. Our Responsibilities
6. Audit Opinion and Results
7. Single Audit
8. Trust for Educational Excellence
9. WVAS Radio Station
10. NCAA Agreed Upon Procedures



OUR FIRM AT A GLANCE

100%

DELIVERING VALUE

Integrity in all we do

Intense client focus

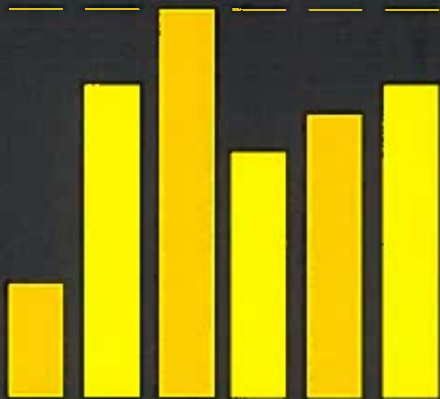
Passion to win

Team Mindset

Solid Relationships

Entrepreneurship

Sharing our success



PEER REVIEW *Audit Life*



HENDERSON HUTCHERSON & MCCULLOUGH

PLLC

Certified Public Accountants

THE FIRM WAS REVIEWED BY HENDERSON HUTCHERSON AND MCCULLOUGH, PLLC IN 2013. WE RECEIVED A PEER REVIEW RATING OF "PASS" FROM THEM AND THEY ISSUED THEIR REPORT ON DECEMBER 6, 2013. WARREN AVERETT, LLC HAS RECEIVED UNQUALIFIED OPINIONS IN EACH REVIEW FOR OVER 25 YEARS. THE FIRM'S PUBLIC FILES ARE AVAILABLE BY ACCESSING THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS WEBSITE AT WWW.AICPA.ORG - PEER REVIEW PUBLIC FILES.



HENDERSON HUTCHERSON
& MCCULLOUGH, PLLC

Certified Public Accountants

System Review Report

December 6, 2013

To The Partners
Warren Averett, LLC
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Warren Averett, LLC (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System review are described in the standards at www.aicpa.org/standards.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations (Service Organizations Control 1 engagements).

In our opinion, the system of quality control for the accounting and auditing practice of Warren Averett, LLC applicable to non-SEC issuers in effect for the year ended July 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency or fail*. Warren Averett, LLC has received a peer review rating of *pass*.

*Henderson Hutcherason
& McCullough, PLLC*

1200 MAPLE STREET | CHATTANOOGA, TN 37402 | T 423 758 7771 | F 423 265 8125 | WWW.HHMCPAS.COM

AN INDEPENDENT MEMBER OF THE BDO SEIDMAN ALLIANCE

Your Client Service Team



Engagement Team Leadership:

Carl Barranco, CPA - Relationship Member

Billy Daniels, CPA, CGFM - Engagement Member

Tay Knight, CPA - Engagement Member

Lee Parks, CPA - Engagement Member

Lisa Sawyer, CPA - Engagement Manager

Jeri Groce, CPA - Engagement Manager

Quality Control:

Carol Phillips, CPA, CFE - Concurring Member



Informational Technology:

Roger Hornberger, CPA, CITP, CISA

Information Technology Member



ALABAMA STATE UNIVERSITY

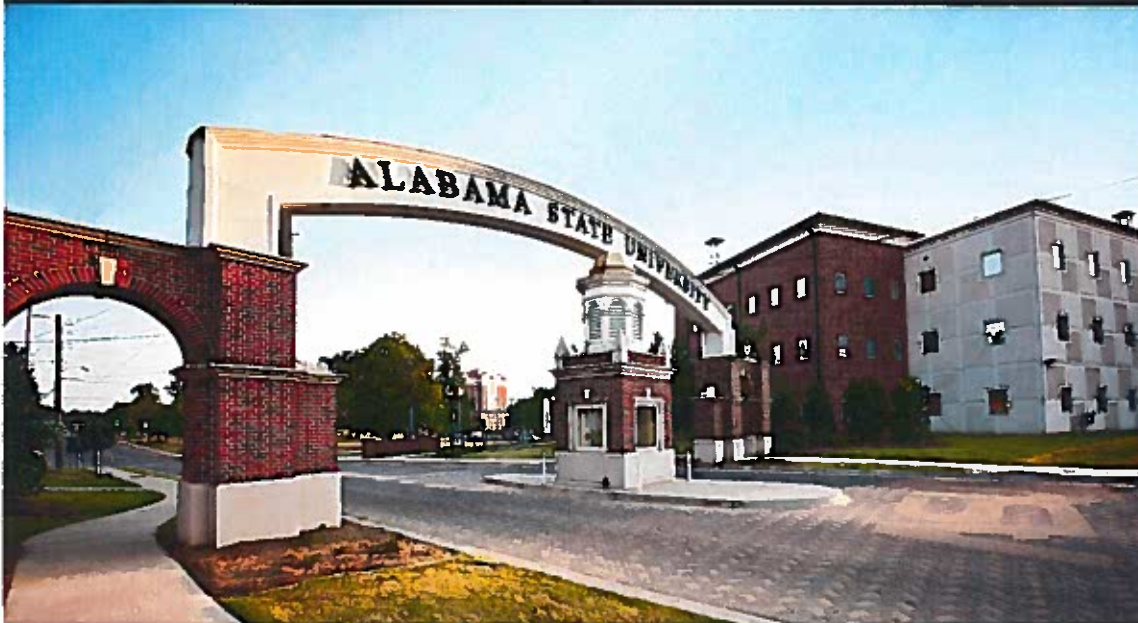
Scope of Services

2014



Scope of Services – Audit Report Recap

1. University Audit – Unmodified Opinion
2. University Single Audit – Unmodified Opinion – Compliance
3. WVAS Radio Station – Unmodified Opinion
4. Trust for Educational Excellence – Unmodified Opinion



Alabama State University Required Communications

Our Responsibilities

- Express opinion about whether financial statements are fairly presented (GAAP).
- In planning and performing our audit we consider internal control over financial reporting and compliance.

Planned Scope

- The scope and timing of our audit communicated previously with those charged with governance has not change.



Alabama State University Required Communications

Qualitative Aspects

- Significant accounting policies are illustrated in Note 1 to the financial statements.
- During 2014, the university adopted GASB No. 65 "Items Previously Reported as Assets and Liabilities"
- The application of existing policies was not changed during 2014. No transactions were noted that lacked authoritative guidance.
- Accounting estimates and disclosures appear reasonable and complete.



Alabama State University Required Communications

Qualitative Aspects (continued)

Most sensitive financial statement disclosures:

- *Note 6 - Hedging Derivative Instrument*
- *Note 16 Accounting Changes and Restatements Implementation of GASB 65 resulted in the write off of bond issuance costs - resulted in the reduction of beginning net position at 9/30/2013. by approximately \$6.9 million.*
- *Deferred charges on refunding, which totaled approximately \$3.8 million at 9/30/2013, were classified as deferred outflows of resources.*



Alabama State University Required Communications

Corrected and Uncorrected Misstatements

- No misstatements were detected as a result of our audit and corrected by management that were material, either individually or in the aggregate to the financial statements taken as whole.

Management

- No difficulties with management during our audit.
- Management provided certain representations dated March 30, 2015.
- The University consulted with Pearce, Bevill, Leesburg, Moore, P.C., located in Birmingham, Alabama. The purpose of this consultation with other accountants was to further understand the types of auditors' opinions that may be expressed on the University's financial statements.

Other

- We generally discuss issues related to accounting principles and auditing standards with management. These discussions occurred in the normal course of our professional relationship and were not a condition of retention.



Management's Responsibility

Responsibilities Include:


- Basic financial statements
- Schedule of Expenditures of Federal Awards
- Identifying federal award programs
- Understanding and complying with compliance requirements of OMB A-133
- Establishing and maintaining effective internal controls
- Selection of accounting principles
- Fair presentation of financial statements in conformity with *U.S. Generally Accepted Accounting Principles*
- Compliance with applicable laws and regulations and provisions of contracts and grant agreements
- Making all financial records available
- Ensuring that management and financial information is reliable and properly recorded
- Adjusting financial statements for material misstatements
- As required by OMB A-133, follow up and take corrective action on reported audit findings
- Provide management's views on current findings
- Summary schedule of prior audit findings



Auditors' Responsibility

- Plan and perform the audit to obtain sufficient appropriate audit evidence to reduce audit risk to a low level to provide an opinion that the financial statements are free of material misstatement (whether caused by error or fraud).
- Attainment of reasonable assurance.
 - Reasonable assurance = High level of assurance
 - Reasonable assurance \neq Absolute assurance
- The materiality principle is the magnitude of an omission or misstatement in an entity's financial statement that makes it probable that a reasonable person relying on those financial statements would have been influenced by the omitted information or made a different judgment if the correct information had been known.





EST. 1867

Alabama State University



OPPORTUNITY IS HERE

**Alabama State University
Audit Opinion and Results**



Unmodified

Opinion

In our opinion, based on our audit and the report of the other auditor, the financial statements for Alabama State University, in all material respects, the respective financial position of the University and its aggregate discretely presented component units, as of September 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

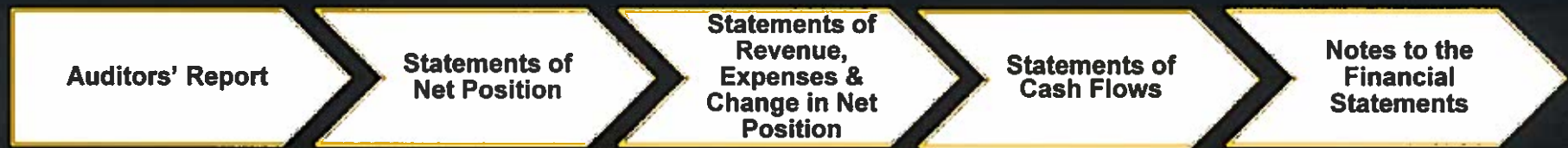


Audit Opinion and Results

Independent Auditors' Report

Revenues & Expenses – operating and nonoperating and change in net assets - (unrestricted, temporarily restricted and permanently restricted)

Integral and required component - adds detail and clarification to the basic financial statements



Reports total assets, liabilities and net assets

Illustrates how cash was provided and used in operating, investing and financing activities

Alabama State University Audit Opinion and Results

Statements of Net Position

2014

ASSETS AND DEFERRED OUTFLOWS

CURRENT ASSETS

Unrestricted Assets:

Cash and cash equivalents \$ 3,082,312

Stadium Fund:

Cash and cash equivalents 110

Endowments:

Cash and cash equivalents 331,750

Short-term investments 11,325,521

Accounts receivable (net of allowance of \$7,754,549) 16,066,244

Prepaid expense 383,242

Inventories 9,200

Total unrestricted assets \$ 31,198,379



Alabama State University Audit Opinion and Results

Statements of Net Position	<u>2014</u>
Restricted Assets:	
Grants and Contracts:	
Cash and cash equivalents	\$ 4,355,639
Grants receivable	5,193,369
Accounts receivable	7,300
Student Loans:	
Cash and cash equivalents	355,361
Endowments:	
Cash and cash equivalents	81,470
Short-term investments	1,888,447
Capital Projects and Debt Service:	
Cash and cash equivalents	7,217,403
Other receivable	221,164
Agency Funds:	
Cash and cash equivalents	1,414
Other receivable	46,135
Total restricted assets	19,367,702
Total current assets	\$ 50,566,081

Alabama State University Audit Opinion and Results

Statements of Net Position	<u>2014</u>
NONCURRENT ASSETS	
Student loans receivable	\$ 1,563,667
Capital assets, net	<u>308,171,361</u>
Total noncurrent assets	<u>309,735,028</u>
DEFERRED OUTFLOWS OF RESOURCES	
Hedging derivative	3,739,729
Deferred amount on debt refunding	<u>3,580,326</u>
Total deferred outflows of resources	<u>7,320,055</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 367,621,164</u>



Alabama State University Audit Opinion and Results

Statements of Net Position

2014

LIABILITIES

CURRENT LIABILITIES

Payable from Unrestricted Assets:

Accounts payable and accrued liabilities \$ 6,829,643

Student accounts payable 1,440,674

Unearned revenue 16,805,309

Current portion of compensated absences 851,261

Total payable from unrestricted assets 25,926,886

Payable from Restricted Assets:

Grants and contracts accounts payable 4,858,961

Unearned revenue 500,338

Current portion payable from restricted assets 6,600,115

Total payable from restricted assets 11,959,414

Total current liabilities \$ 37,886,300



Alabama State University Audit Opinion and Results

Statements of Net Position

2014

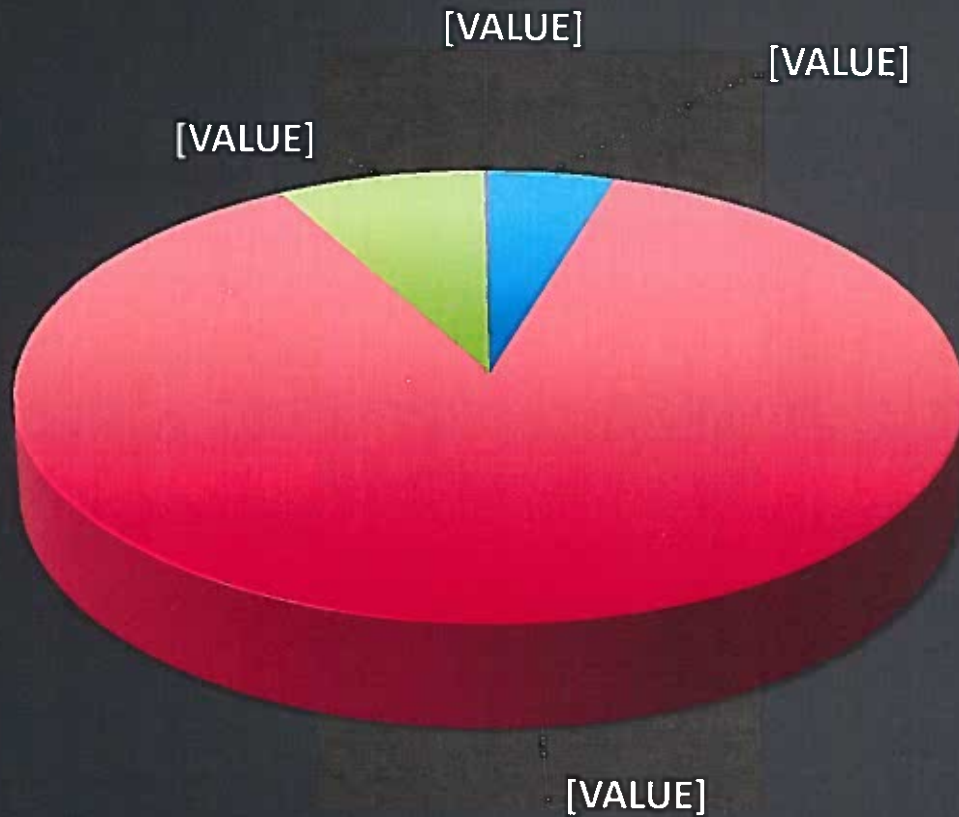
NONCURRENT LIABILITIES

Noncurrent portion of compensated absences	\$ 1,747,819
Hedging derivative liability	3,739,729
Long-term debt, net	219,847,811
Total noncurrent liabilities	<u>225,335,359</u>
Total liabilities	<u>263,221,659</u>

NET POSITION

Net investment in capital assets	91,036,409
Restricted	
Nonexpendable	
Scholarships	250,000
Expendable	
Scholarships	675,997
Other	7,510,657
Total restricted expendable	<u>8,186,654</u>
Total restricted	8,436,654
Unrestricted	4,926,442
Total net position	<u>\$ 104,399,505</u>

Analysis of Net Position



- Unrestricted
- Net Investment in Capital Assets
- Restricted Expendable
- Restricted Nonexpendable



Alabama State University Audit Opinion and Results

Statements of Revenues, Expenses and Change in Net Position

2014

OPERATING REVENUES

Student tuition and fees (net of scholarships of \$15,747,501)	\$ 44,919,305
Federal grants and contracts	27,833,536
State grants and contracts	4,870,993
Nongovernmental grants and contracts	2,278,784
Sales and services of auxiliary enterprises	13,680,036
Intercollegiate athletics	2,334,461
Other operating revenue	3,823,565
Total operating revenues	<u>\$ 99,740,680</u>



Alabama State University Audit Opinion and Results

Statements of Revenues, Expenses and Change in Net Position

2014

OPERATING EXPENSES

Educational and General:

Instruction	32,198,210
Research and development	1,921,644
Public service	5,990,260
Academic support	9,457,314
Student services	13,639,392
Operation and maintenance of plant	15,100,608
Institutional support	27,373,443
Depreciation	11,603,073
Student aid	20,806,712

Auxiliary Enterprises:

Residential life	7,866,391
Other auxiliary expenses	728,320
Total operating expenses	<u>146,685,367</u>
Operating loss	<u>(46,944,687)</u>

Alabama State University Audit Opinion and Results

Statements of Revenues, Expenses and Change in Net Position

2014

NONOPERATING REVENUES (EXPENSES)

State appropriations	\$ 43,324,608
Investment income, net	1,368,717
Interest expense	(11,296,979)
Amortization expense	(319,107)
Gift and donations	356,024
Federal subsidies for interest on Build America and Recovery Bonds	1,183,083
Net nonoperating revenues (expenses)	<u>34,616,346</u>
Loss before other changes in net position	<u>(12,328,341)</u>

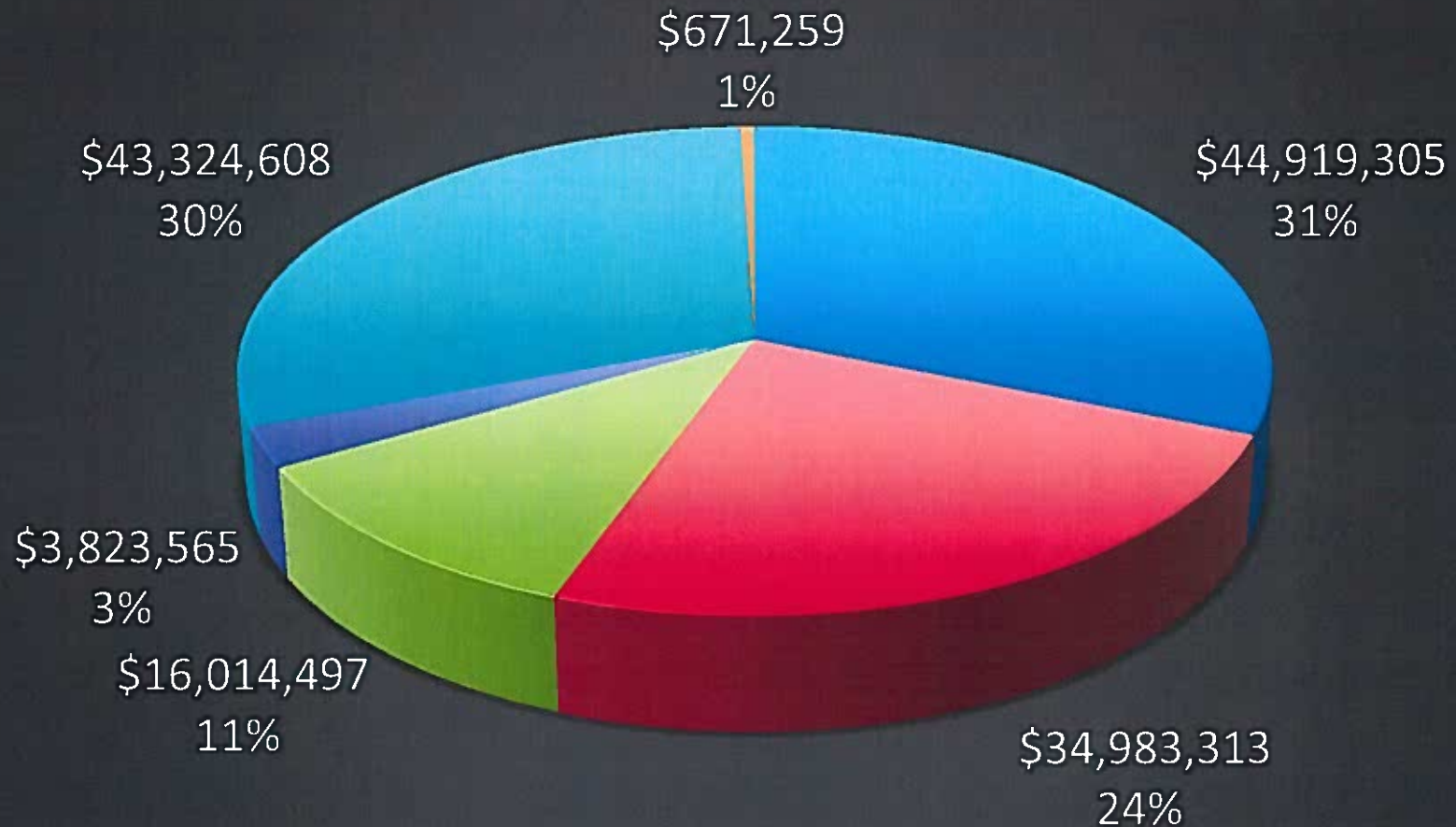
OTHER CHANGES IN NET POSITION

Capital appropriations	671,259
------------------------	---------

CHANGE IN NET POSITION

Decrease in net position	<u>(11,657,082)</u>
Net position at beginning of year	<u>116,056,587</u>
Net position at end of year	<u>\$ 104,399,505</u>

Analysis of Revenue



■ Tuition and Fees

■ Auxiliary Enterprises

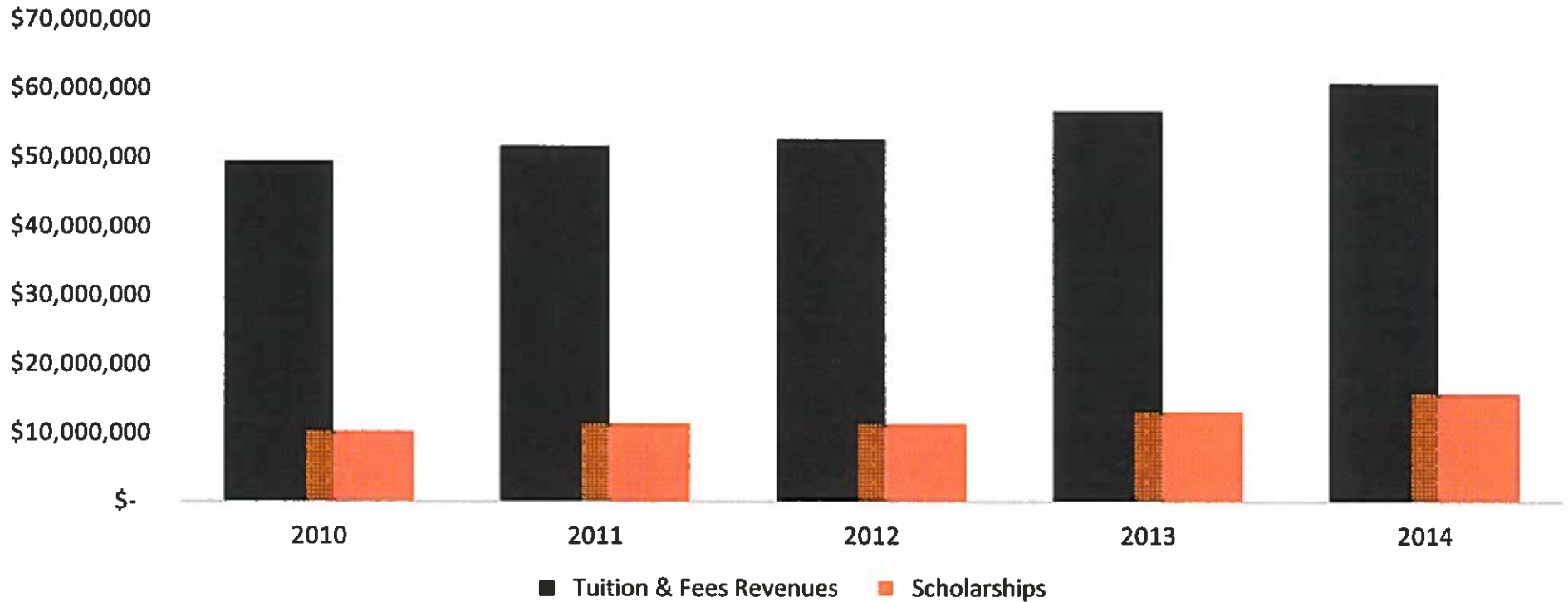
■ State Appropriations

■ Grants and Contracts

■ Other Operating Revenues

■ Capital Appropriations

Tuition & Fee Revenue vs. Scholarships Unaudited

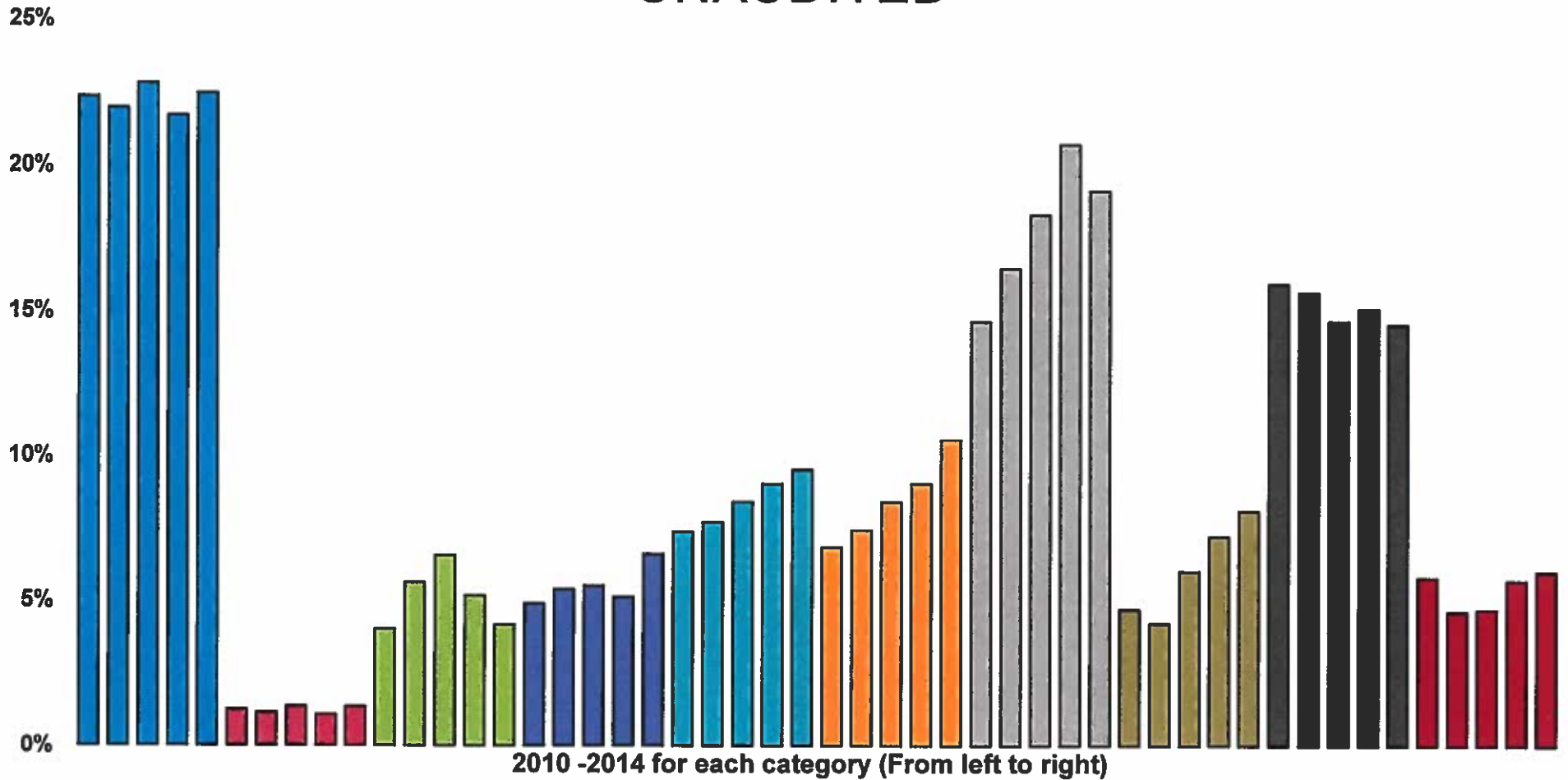


Discount Percentage

(Scholarships / Tuition & Fee Revenue)

2010	2011	2012	2013	2014
20.93%	22.02%	21.55%	23.26%	25.96%

EXPENSE DEMAND UNAUDITED



- Instruction
- Public Service
- Student Services
- Institutional Support
- Student Aid
- Research
- Academic Support
- Operation & Maintenance
- Depreciation
- Auxiliary

Alabama State University Audit Opinion and Results

Statements of Cash Flows	<u>2014</u>
Cash Flows From Operating Activities	
Cash received from tuition and fees	\$41,261,585
Cash received from grants and contracts	33,599,909
Cash received from auxiliary enterprises	16,014,497
Cash received from other sources	3,940,758
Cash paid to suppliers for goods and services	(56,792,002)
Cash paid to employees for services	(57,658,604)
Cash paid for scholarships	(20,806,712)
Net cash used in operating activities	(40,440,569)



Alabama State University Audit Opinion and Results

Statements of Cash Flows	<u>2014</u>
Cash Flows From Noncapital Financing Activities	
State appropriations	43,324,608
Gift and donations	356,024
Gift and grants for other than capital purposes:	
FFEL lending receipts	47,577,379
FFEL lending disbursements	(47,577,379)
SEOG lending receipts	299,073
SEOG lending disbursements	(299,073)
Proceeds from short-term debt	79,673,821
Principal paid on short-term debt	(79,897,409)
Interest paid on short-term debt	(80,174)
Net cash provided by noncapital financing activities	<u>43,376,870</u>



Alabama State University Audit Opinion and Results

Statements of Cash Flows	<u>2014</u>
Cash Flows From Capital and Related Financing Activities	
Capital appropriations received	\$ 671,259
Purchase of capital assets	(4,843,808)
Principal paid on capital debt and leases	(6,828,840)
Interest paid on capital debt and leases	(11,245,600)
Federal subsidies for interest on Build America and Recovery Bonds	1,183,082
Net cash used in capital and related financing activities	(21,063,907)
Cash flows from Investing Activities	
Interest and dividends on investments	289,338
Proceeds from sale of investments	14,551,386
Purchase of investments	(12,582,036)
Net cash provided by investing activities	2,258,688
Net Decrease in Cash and Cash Equivalents	(15,868,918)
Cash and Cash Equivalents at Beginning of Year	31,294,377
Cash and Cash Equivalents at End of Year	\$ 15,425,459



Alabama State University Management Letter

University's internal control over financial reporting

We do not express an opinion on the effectiveness of the University's internal control over financial reporting

During our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration.

1) Comments Related to Information Technology

- The University has not had a formal information technology risk assessment performed in several years.



Alabama State University Management Letter

1) Comments Related to Information Technology (continued)

- The University frequently uses job scheduling utilities, but does not have formal job scheduling management policies in place that include change review and approval.
- The University has not had a security penetration test on its firewall in several years.
- The University does not utilize data encryption to electronically transport sensitive information, nor are laptop devices encrypted.



Alabama State University Management Letter

1) Comments Related to Information Technology (continued)

- While the University has a Purchasing Department Policy in place related to the financial aspects of vendor management, the University does not have policies related to the security, confidentiality, and availability of critical data and/or systems. In addition, the current IT vendor listing does not contain sufficient detail.



OFFICE OF MANAGEMENT AND BUDGET

SINGLE AUDIT

CIRCULAR 133

Alabama State University Single Audit

- 1) Internal Control over Financial Reporting and Compliance
- 2) Report on Compliance and Other Matters
- 3) Independent Auditors' Report

- Independent Auditors' Opinion:

- **UNMODIFIED**



In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014



Alabama State University Single Audit

- 4) Schedule of Expenditures of Federal Awards
- 5) Notes to Schedule of Expenditures of Federal Awards
- 6) Schedule of Findings and Questioned Cost
- 7) Summary Schedule of Prior Audit Findings
- 8) Corrective Action Plan



Alabama State University Single Audit

AUDIT REQUIREMENTS

Non-federal entities that expend \$500,000 in federal awards are required to have a single audit.

Generally, in accordance with OMB Circular A-133 Audits should be performed annually.

Unless prohibited by law, the cost of an audit in accordance with OMB Circular A-133 is an allowable expense.

AUDITEE RESPONSIBILITIES

Identify in accounts, all federal awards received and spent, including corresponding CFDA number.

Maintain internal controls over federal awards.

Comply with laws, regulations, provisions of contract and grant agreements related to each federal program.

Preparation of reporting package



Alabama State University Single Audit

AUDITEE RESPONSIBILITIES

Data collection form and reporting package should be submitted to Single Audit Clearing House within 30 days after receipt of report or 9 months after end of audit period.

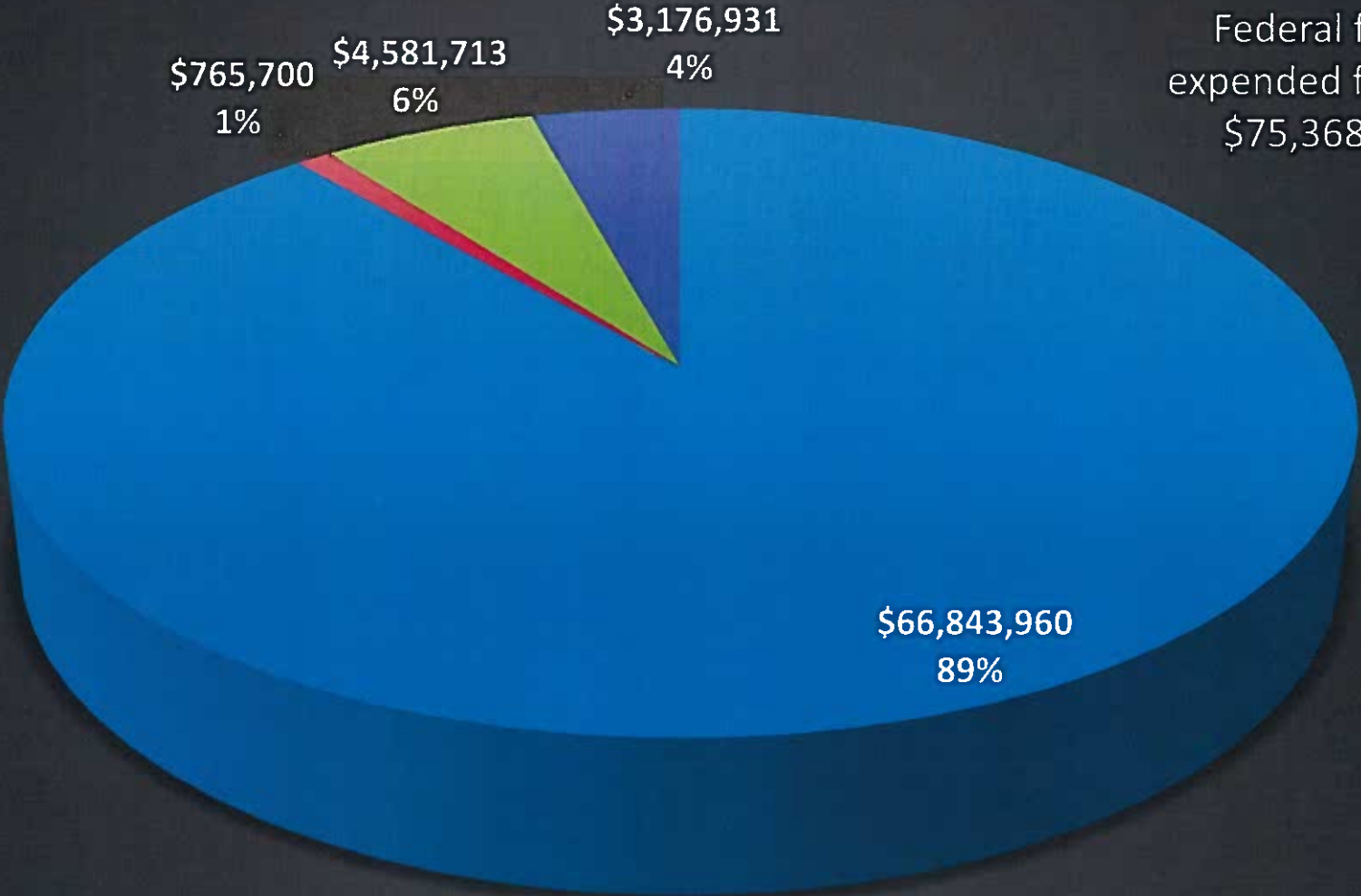
Reporting Package: Financial Statements, Sch. of Expend. of Fed. Awards, Summary Sch. - Prior Audit Findings, Corrective Action Plan, Auditor's Report, Schedule of Findings and Question Cost



Major Federal Funds Expended

For the Year Ended 9/30/14

Federal funds
expended for FY14
\$75,368,304



■ Student Financial Aid Cluster ■ TRIO Cluster ■ Title III ■ Other



ALABAMA STATE
UNIVERSITY

Trust For Educational Excellence





Independent Auditors' Report

Unmodified

Fiscal Year Ended July 31, 2014



In our opinion, the financial statements, in all material respects, the financial position of the Trust as of July 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

TRUST FOR EDUCATIONAL EXCELLENCE
at Alabama State University

Statements of Financial Position

2014

Assets

Cash and cash equivalents	\$ 1,711,352
Due from University	138,716
Accrued interest and dividends	39,425
Investments	71,089,975

Total Assets

\$ 72,979,468

Liabilities and Net Assets

Net Assets

Unrestricted	\$ -
Temporarily restricted	21,629,218
Permanently restricted	51,350,250

Total Net Asset

72,979,468

Total Liabilities and Net Assets

\$ 72,979,468

TRUST FOR EDUCATIONAL EXCELLENCE

at Alabama State University

Statements of Activities & Changes in Net Assets

For the Year Ended July 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions	\$ -	\$ -	\$ 65,593	\$ 65,593
Dividends, interest, and other income	-	965,402	288,649	1,254,051
Realized & unrealized gains on investments	-	4,521,585	1,507,195	6,028,780
Net assets released from restriction	1,127,010	(1,127,010)	-	-
Total Revenues	1,127,010	4,359,977	1,861,437	7,348,424
Expenses				
Scholarships	975,049	-	-	975,049
Lecture series	52,215	-	-	52,215
Trustee fees	99,746	-	-	99,746
Total Expenses	1,127,010	-	-	1,127,010
Changes in Net Assets	-	4,359,977	1,861,437	6,221,414
Net Assets at Beginning of Year	-	17,269,241	49,488,813	66,758,054
Net Assets at End of Year	\$ -	\$ 21,629,218	\$ 51,350,250	\$ 72,979,468

TRUST FOR EDUCATIONAL EXCELLENCE

at Alabama State University

Statements of Cash Flows

2014

Cash Flows From Operating Activities

Changes in net assets	\$ 6,221,414
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net realized and unrealized gains on investments	(6,028,780)
Contributions restricted for investment in endowment	(65,593)
Dividends, interest, and other income restricted for permanent investment	(288,649)
Changes in assets and liabilities:	
Pledges receivable	5,249
Due from ASU Foundation	14,112
Due from University	17,366
Accrued interest and dividends	17,392
Due to University	-
Net cash used in operating activities	<u>(107,489)</u>

TRUST FOR EDUCATIONAL EXCELLENCE
at Alabama State University

Statements of Cash Flows

2014

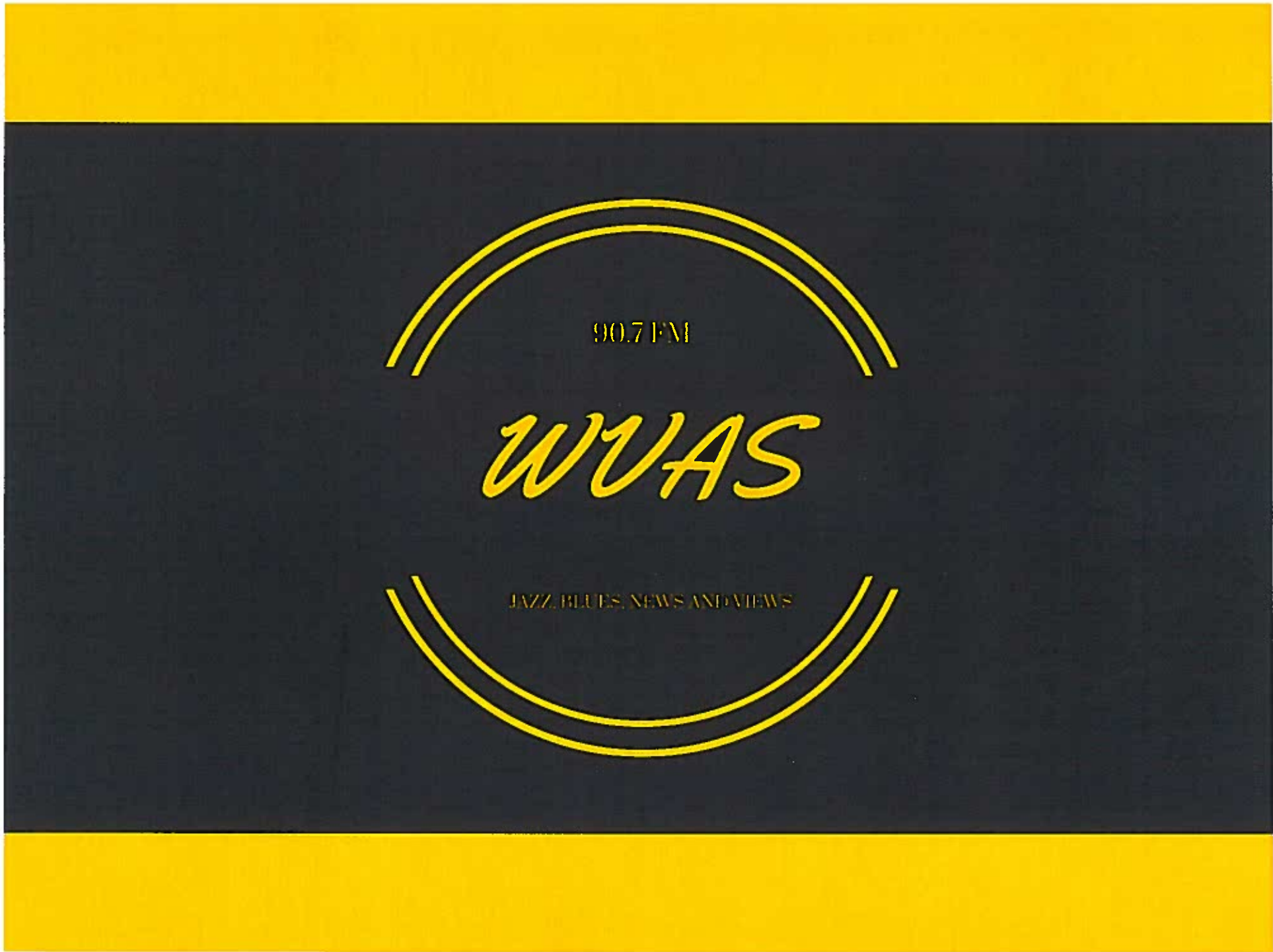
Cash Flows From Investing Activities

Proceeds from sale of investments	62,499,556
Purchases of investments	(61,284,197)
Net cash provided by (used in) investing activities	<u>1,215,359</u>

Cash Flows From Financing Activities

Contributions restricted for investment in endowment	65,593
Dividends, interest, and other income restricted for permanent reinvestment	<u>288,649</u>
Net cash provided by financing activities	<u>354,242</u>

Net Increase (Decrease) in Cash and Cash Equivalents	1,462,112
Cash and Cash Equivalents at Beginning of Year	<u>249,240</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,711,352</u>



Unmodified opinion



In our opinion, the financial statements for WVAS-FM Radio Station of Alabama State University, present fairly in all material respects, the respective financial position of the Station as of September 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Statements of Net Position

2014

Assets

Current Assets

Cash and Cash Equivalents

\$ 129,863

Noncurrent Assets

Capital assets, net

67,565

Total Assets

\$ 197,428

Liabilities

Current Liabilities

Accounts payable

\$ 6,029

Deferred Inflows of Resources

Deferred revenue

98,030

Net Position

Invested in capital assets

67,565

Restricted for:

Corporation for Public Broadcast grant activity

25,804

Total Net Position

\$ 93,369

ALABAMA STATE UNIVERSITY *WVAS Radio Station*

MONTGOMERY



Your Guide to Higher Education

Statements of Revenue, Expenses & Changes in Net Position

2014

Operating Revenues

Community Service Grant from the Corporation for Public Broadcasting	\$ 154,044
American Graduate Community Engagement Grant from the National Veterans Coming Home Grant from the Corporation for Public Broadcasting	11,250
Contributions	46,988
Contributed support – Alabama State University	755,280
Total operating revenues	<u>\$ 967,562</u>



ALABAMA STATE UNIVERSITY *WVAS Radio Station*

MONTGOMERY

Your Guide to Higher Education

Statements of Revenue, Expenses & Changes in Net Position

2014

Operating Expenses

Program Services:

Programming and production	32,442
Broadcasting, transmission and distribution	65,414
Program information and promotion	39,099

Supporting Services:

Underwriting and grant solicitation	5,400
Fundraising and membership development	9,527
Management and General	839,024
Total operating expenses	<u>990,906</u>
Total operating income (loss) before other changes in net position	<u>(23,344)</u>

Changes in Net Position

Increase (decrease) in net position	(23,344)
Net position, beginning of year	116,713
Net position, end of year	<u>\$ 93,369</u>

MONTGOMERY



Your Guide to Higher Education

Statements of Cash Flows

2014

Cash Flows From Operating Activities

Cash received from Corporation for Public Broadcasting Grants	\$ 174,086
Cash received from contributions	46,988
CPB-VETSHOME	11,250
Cash paid to suppliers and employees	(218,866)
Net cash provided (used) by operating activities	<u>13,458</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>13,458</u>
Cash and Cash Equivalents, Beginning of Year	<u>116,405</u>
Cash and Cash Equivalents, End of Year	<u>\$ 129,863</u>





Statements of Cash Flows

2014

Reconciliation of Operating Income (Loss) To


Net Cash Provided (Used) by Operating Activities

Operating income (loss)	\$ (23,344)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	12,020
Changes in accounts payable	4,740
Changes in deferred revenue	20,040
Net cash provided (used) by operating activities	<u>\$ 13,458</u>

Noncash Transactions

Contributed support – Alabama State University – donated materials, facilities and administrative support	\$ 755,280
Operating expenses	(755,280)





EST. 1906

National Collegiate Athletic Association



STUDENT ATHLETES

ALABAMA STATE UNIVERSITY *NCAA*

Agreed Upon Procedures

Conducted in accordance with attestation standards established by American Institute of Certified Public Accountants (AICPA)

Sufficiency of the procedures is solely the responsibility of the University

Agreed Upon Procedures do not constitute an examination and therefore no opinion is expressed on the compliance of certain schedules of the University

Purpose Agreed Upon Procedures

Agreed Upon Procedures are performed to assist with following:

NCAA - Evaluation whether the income and expenses were in compliance with National Collegiate Athletic Associations (NCAA) Bylaw 6.2.3



Questions & Answers



**RESOLUTION OF THE
BOARD OF TRUSTEES OF ALABAMA STATE UNIVERSITY**

WHEREAS, Alabama State University (the "University") and JPMorgan Chase Bank, N.A. (the "Bank") have heretofore entered into that certain 1992 ISDA Master Agreement dated as of August 20, 2004 (the "Master Agreement"), which Master Agreement includes the Schedule, Credit Support Annex and all confirmations exchanged between the parties thereto (together, as modified, supplemented and/or amended, the "Agreement");

WHEREAS, the University's payment obligations under the Agreement have been insured by National Public Financial Guaranty Corporation, as successor to Financial Guaranty Insurance Company (the "Swap Insurer");

WHEREAS, the Agreement currently provides that it shall be an "Additional Termination Event" (as defined in the Agreement) if the Swap Insurer fails to maintain credit ratings of at least "A-" in the case of S&P and at least "A3" in the case of Moody's;


WHEREAS, the Swap Insurer currently maintains a rating with S&P of "AA-" and a rating with Moody's of "A3";

WHEREAS, the University and the Bank agree that it is not in their mutual interests for an Additional Termination Event to occur if the Swap Insurer's credit rating with Moody's were to be reduced below "A3", as long as the Swap Insurer meets the required rating with S&P.


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ALABAMA STATE UNIVERSITY, as follows:

I. The Board hereby approves, authorizes, ratifies and confirms that certain Amendment to Agreement which has been presented to the Board, the effect of which is to change the word "and" to the word "or" so as to provide that it shall not be an Additional Termination Event so long as the Swap Insurer maintains a credit rating from either S&P or Moody's of the required threshold set forth in the Agreement.

ADOPTED this 8th day of May, 2015



Locy L. Baker, Chair
Alabama State University
Board of Trustees



Dr. Gwendolyn E. Boyd, President
Alabama State University
Secretary, Board of Trustees

FIRST AMENDMENT AGREEMENT

This **FIRST AMENDMENT AGREEMENT**, dated as of March 31, 2015 (the "Amendment"), between **JPMORGAN CHASE BANK, N.A.** ("Party A") and **ALABAMA STATE UNIVERSITY** ("Party B").

WHEREAS, Party A and Party B are parties to a 1992 ISDA Master Agreement dated as of August 20, 2004 (the "Master Agreement"), which Master Agreement includes the Schedule, Credit Support Annex (the "CSA") and all Confirmations exchanged between the parties thereto confirming the Transactions (together, as otherwise modified, supplemented, and/or amended prior to the date hereof, the "Agreement"); and

WHEREAS, Party A and Party B desire to amend the Agreement as hereinafter set forth;

ACCORDINGLY, in consideration of the mutual agreements herein contained, Party A and Party B hereby agree as below. For ease of reference the modified portion has been underlined with two lines.

1. **Amendment to the Schedule**

(a) **Additional Termination Events.** Part 6(ii)(b) of the Schedule to the Master Agreement shall be replaced its in entirety with the paragraph below. For ease of reference, the modified portion has been underlined with two lines.

"(i) the Swap Insurer fails to maintain a claims-paying ability rating of at least "A-" in the case of S&P or at least "A3" in the case of Moody's and (ii) additionally (1) an Event of Default has occurred or is continuing with respect to Party B as the Defaulting Party, (2) a Termination Event has occurred or is continuing with respect to Party B as the Affected Party, or (3) Party B fails to maintain a Credit Rating of at least "BBB+" in the case of S&P and at least "A3" in the case of Moody's.

Provided, however, that an Additional Termination Event resulting from the occurrence of an event described in clause (3) above shall not constitute an Additional Termination Event if Party B elects to perform all obligations required to be performed by it as a Pledgor under the Credit Support Annex."

(b) **Swap Insurer.** Each reference in the Agreement to "Financial Guaranty Insurance Company" shall be replaced with "National Public Finance Guarantee Corporation".

2. **Representations.** Each of the parties hereto hereby makes all of the representations set forth in Section 3(a) of the Agreement as of the date of this First Amendment Agreement.

3. **Successors and Assigns.** This First Amendment Agreement shall be binding upon each of the parties hereto and its successors and permitted assigns and shall inure to the benefit of each of the parties hereto and its respective successors and permitted assigns.

4. **Counterparts.** This First Amendment Agreement may be executed in counterparts by the parties hereto, each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument.

5. Definitions. All capitalized terms used herein which are not defined herein shall have the meanings set forth therefor in the Agreement. All references in the Agreement to the "Agreement" shall refer to the Agreement as defined therein, as amended by this First Amendment Agreement.

6. Full Force and Effect. Except as specifically amended hereby, the Agreement shall continue in full force and effect and nothing contained herein shall be construed as a waiver or modification of existing rights under the Agreement, except as such rights are expressly modified hereby.

7. Governing Law. This First Amendment Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Accepted and agreed:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

ALABAMA STATE UNIVERSITY

By: REGAN ROWAN
Name: REGAN ROWAN
Title: EXECUTIVE DIRECTOR

By: _____
Name: _____
Title: _____

Acknowledged and consented to

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: _____
Name: _____
Title: _____

5. Definitions. All capitalized terms used herein which are not defined herein shall have the meanings set forth therefor in the Agreement. All references in the Agreement to the "Agreement" shall refer to the Agreement as defined therein, as amended by this Second Amendment Agreement.

6. Full Force and Effect. Except as specifically amended hereby, the Agreement shall continue in full force and effect and nothing contained herein shall be construed as a waiver or modification of existing rights under the Agreement, except as such rights are expressly modified hereby.

7. Governing Law. This Second Amendment Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

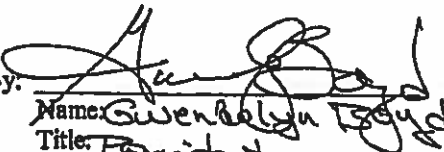
IN WITNESS WHEREOF, the parties hereto have caused this First Amendment Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Accepted and agreed:

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

ALABAMA STATE UNIVERSITY

By: _____
Name:
Title:

By: 
Name: Gwenbelyn Boyd
Title: President

Acknowledged and consented to

NATIONAL PUBLIC FINANCIAL GUARANTY CORPORATION

By: _____
Name:
Title:

5. Definitions. All capitalized terms used herein which are not defined herein shall have the meanings set forth therefor in the Agreement. All references in the Agreement to the "Agreement" shall refer to the Agreement as defined therein, as amended by this First Amendment Agreement.

6. Full Force and Effect. Except as specifically amended hereby, the Agreement shall continue in full force and effect and nothing contained herein shall be construed as a waiver or modification of existing rights under the Agreement, except as such rights are expressly modified hereby.

7. Governing Law. This First Amendment Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Accepted and agreed:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

ALABAMA STATE UNIVERSITY

By: _____
Name:
Title:

By: _____
Name:
Title:

Acknowledged and consented to

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION

By: Barbara Flickinger
Name: Barbara Flickinger
Title: Managing Director

Alabama State University Response to the Department of Examiners of Public Accounts Audit Report

**Board of Trustees Meeting
May 8, 2015**

Finding & Response

- **Finding 2013-001-** The University procedures did not ensure that Trustees and employee travel expenses are paid in accordance with the applicable sections of the *Code of Alabama 1975*, Section 36-7-20
- **Response:** The opinion of the Alabama Attorney General regarding the payment of travel expenses for the Trustees of Alabama A&M University was released on December 15, 2014. On January 8, 2015, ASU's Office of General Counsel issued a legal opinion concluding that the Attorney General's opinion also applied to the Trustees of Alabama State University based upon the wording of the enabling statutes of the two Universities. Effective immediately thereafter, a new procedure for BOT Travel Expenses was established, and is monitored by the Board Liaison. Procedure requirements include certification by the University President and Chairman of the Board, and are in accordance with applicable statute requirements of the Code of Alabama 1975, including Section 36-7-20.

Finding & Response

- **Finding 2013-002:** The University may not have complied with the *Code of Alabama 1975*, Section 39-2-2, *Code of Alabama 1975*, Section 41-16-21 and an opinion of the Attorney General relating to Change Orders in the administration of the construction contract on the football stadium project.
- **Response:** The Examiners' Report cites a 1979 opinion of the Alabama Attorney General and the guidelines from the Alabama Building Commission as the basis for its holding that ASU *may not have* complied with the Alabama Public Works Law. The Report fails to cite the 1988 opinion of the Alabama Attorney General which holds that colleges and universities which are governed by their own board "are not subject to the Building Commission's jurisdiction" as it relates to the administration of Public Works contracts. There was no finding that the key components of the Alabama Public Works Law were not complied with by ASU.

Finding & Response

- **Finding 2013-003:** The University may not have complied with the *Code of Alabama 1975*, Section 39-2-6(b) by negotiating \$1,470,584.00 in changes to a Public Works contract when there was more than one responsive bidder.
- **Response:** ASU awarded the contract to the lowest responsive bidder. ASU negotiated with that low bidder to bring the contract within the available funds for the project. This is a process not addressed by the Public Works Law, but it is one that has been recognized for some time in Alabama as a good faith action consistent with public policy.

Finding & Response

- **Finding 2013-004:** The University may not have complied with the *Code of Alabama 1975*, Section 39-2-2, and an opinion of the Attorney General relating to Change Orders in the administration of the construction contract on the project entitled weight room addition to the football complex.
- **Response:** The Examiners' Report cites a 1979 opinion of the Alabama Attorney General and the guidelines from the Alabama Building Commission as the basis for its holding that ASU *may not have* complied with the Alabama Public Works Law. The Report fails to cite the 1988 opinion of the Alabama Attorney General which holds that colleges and universities which are governed by their own board "are not subject to the Building Commission's jurisdiction" as it relates to the administration of Public Works contracts. There was no finding that the key components of the Alabama Public Works Law were not complied with by ASU.

Finding & Response

- **Finding 2013-005:** The University may not have complied with the *Code of Alabama 1975*, Section 39-2-2, *Code of Alabama 1975*, Section 41-16-21 and an opinion of the Attorney General relating to Change Orders in the administration of the construction contract on the football complex.
- **Response:** The Examiners' Report cites a 1979 opinion of the Alabama Attorney General and the guidelines from the Alabama Building Commission as the basis for its holding that ASU *may not have* complied with the Alabama Public Works Law. The Report fails to cite the 1988 opinion of the Alabama Attorney General which holds that colleges and universities which are governed by their own board "are not subject to the Building Commission's jurisdiction" as it relates to the administration of Public Works contracts. There was no finding that the key components of the Alabama Public Works Law were not complied with by ASU.

Finding & Response

- **Finding 2013-006:** The University may not have complied with the *Code of Alabama 1975*, Section 36-25-A-7 (b) relating to convening executive sessions.
- **Response:** A new Executive Session Procedure in accordance with the Alabama Open Meetings Act was created by the Board Liaison to ensure compliance. Procedure requirements include:
 - 1.) A motion stating which of the 9 statutory allowances are applicable
 - 2.) Presentation of written or oral declaration if necessary,
 - 3.) A recorded vote of each member present to be documented in the minutes, detailing a majority consent, and
 - 4.) A statement from the chair of estimated session duration and intent to reconvene.

Finding & Response

- **Finding 2013-007:** The University's controls did not ensure that reimbursements were requested for utility costs in accordance with an agreement with a State agency.
- **Response:** The University is reviewing all bills to determine the State's share of incurred costs. Once that determination is complete, an invoice will be presented for payment.

Finding & Response

- **Finding 2013-008:** The University did not ensure that payments to utility companies were made in a timely manner resulting in late payment penalties.
- **Response:** The University has contacted the utility company to receive a refund of the late fees paid. We will develop a procedure to prevent recurrence in the future.

May 1, 2015

Mr. Kenneth L. Thomas
 General Counsel
 Alabama State University
 P.O. Box 271
 Montgomery, Alabama 36101-0271

Re: Alabama State University
 Department of Examiners of Public Accounts
 Report on the Alabama State University
 Filed March 27, 2015

Dear Mr. Thomas:

As per your request, we have reviewed the Alabama Department of Examiners of Public Accounts Report on the Alabama State University Filed March 27, 2015 for the period of October 1, 2008 through September 30, 2013. Specifically we reviewed the findings related to Alabama State University's capital building projects and the Alabama Public Works law, which include Reference Nos. 2013-002, 2013-003, 2013-004 and 2013-005.

Our review of the projects specifically noted in the Report indicated that each project was properly advertised for sealed competitive bids, multiple sealed bids were received, were publicly opened and announced and were awarded to the lowest responsive and responsible bidder within the available funds, all as required by Title 39, which governs the University's contracting for public work projects.

We were unsure of the applicability of sections of the Alabama Code and the Attorney General Opinion cited in the report so we requested a review of these items by the law firm of Capell Howard. Capell Howard is recognized by the Alabama Building Commission, the Attorney General's office and most construction associations in the State as a preeminent authority on Alabama's public works laws, particularly with their involvement in re-writing those laws in 1997. We have attached a copy of their letter to us for your information.

Capell Howard's review finds that the June 15, 1979 Opinion of the Alabama Attorney General (AG Opinion 79-313), upon which the Report primarily relies, is not applicable because a January 4, 1988 Opinion of the Alabama Attorney General (AG Opinion 88-

100) clarified that Universities with a Board of Trustees are NOT subject to the Building Commission's contract administrative procedures and forms (e.g., change order forms/procedures), and have the independent authority to follow their own procedures and forms.

Additionally, the Building Commission's Manual of Procedures provides that its requirements and procedures do NOT apply to Higher Education projects that are not administered by the Building Commission. The Alabama State University's public works projects cited in the Report were not administered by the Building Commission.

The Report recommends that the University develop controls to ensure compliance with the Code of Alabama and Attorney General Opinion 79-313. Given the attached legal analysis, this recommendation appears to be misplaced. Nevertheless, we understand the University has already implemented the policy that all public works contracts, change orders and modifications be submitted to the University's legal counsel for review and approval prior to the execution of the document. Given that most of the issues raised in the Report are subject to proper legal interpretation and guidance, we believe this policy is a good one.

If you need additional information, please let me know.

Sincerely,



TCU Consulting Services, LLC
W. Ken Upchurch, III

CAPELL & HOWARD^{PC}
ATTORNEYS AT LAW
MONTGOMERY • OPELIKA • AUBURN

RECEIVED
APR 30 2015

BY: TCU Lister Hubbard

(334) 241-8035 Direct
(334) 241-8235 Fax
jlh@chlaw.com

April 30, 2015

TCU Consulting Services, LLC
2895 Eastern Blvd., Suite 150
Montgomery, AL 36116

Re: **March 17, 2015 Report of Department of Examiners of Public Accounts**

Gentlemen:

Per your request, we have reviewed the Report's legal foundation for its findings concerning the University's contracting for public works under Title 39, specifically the football stadium (Phase III), the weight room addition and the football complex projects. Our analysis raises serious concerns as to the Report's usefulness.

At the outset, it's important to note that the Report finds no fault with the University's compliance with the essential requirements of Title 39. *i.e.*, for each contract in question (1) it was properly advertised for sealed, competitive bids, (2) sealed bids were publicly opened and announced and (3) the contract was awarded to the lowest responsive and responsible bidder within the available funds. Unfortunately, with regard to primarily contract administrative procedures, which Title 39 does NOT address or restrict, the Report is misled by a fundamental misunderstanding of Alabama's attorney general opinions, their place in the law and their applicability to Universities in particular.

The Report's findings that the University "may not have complied" with the public works law are based largely on a June 15, 1979 Opinion of the Alabama Attorney General (AG Opinion 79-313) and forms/procedures developed in response to that opinion. It's important to note that the Alabama Supreme Court has been clear that such opinions are NOT law, but merely provide legal guidance for the party requesting them. And yet, the Report extensively quotes and cites a 1979 opinion written to the Alabama Building Commission, as if it defined the University's legal obligations in this matter.

The Report's almost complete reliance on the 1979 AG Opinion is even more perplexing, as the Attorney General has since clarified that Universities with a Board of Trustees are NOT subject to these contract administrative procedures and forms, e.g., change order procedures, but have independent authority to follow their own. In fact, Alabama's major universities have been doing this for some time without question, based upon the Attorney General's Opinion of January 4, 1988 (AG Opinion 88-100). This opinion was addressed to the University of Alabama System, finding that such universities with Boards of Trustees have the independent authority to follow their own construction contract forms and procedures – NOT procedures/forms adopted by the Building Commission in response to AG Opinion 79-313. Specifically, the 1988 Opinion advised:

Owner/architect agreements, construction contracts, general conditions, and other legal forms and documents prepared by the board's [UA Board of Trustees] legal advisors, and questions involving the interpretation of such agreements, contracts, and change orders and other matters of construction contract execution and administration are not subject to the Building Commission's jurisdiction

AG Opinion 88-100, page 3. Moreover, the Building Commission's own Manual of Procedures provides that its requirements and procedures (specifically Chapter 7 dealing with contract administration, change order justification forms and procedures, e.g., Form B-11) do NOT apply to Higher Education projects that are not administered by the Commission. ASU's football stadium, weight room addition and football complex projects were not administered by the Commission.

Interestingly, even though it's not applicable to ASU's public works projects, AG Opinion 79-313 recognizes that it only provides "guidelines" to the Building Commission for change orders and budget negotiations - "each factual situation must be decided on the facts and merits of each case." Moreover, the Attorney General acknowledges the only true legal standard for the administration of public works contracts, e.g., change orders, is that public officials exercise their discretion on such matters in good faith and in the public interest, citing *White v McDonald Tractor Co., Inc.*, 287 Ala. 77, 248 So.2d 121 (1971). However, the Report makes no attempt to apply this truly applicable legal standard to the University's actions. Moreover, the Report applies somewhat arbitrary restrictions on the use of change orders that misunderstand accepted construction industry practice and have no basis in the law, e.g., limiting the use of change orders to adjust allowance amounts. Such practices are common place and consistent with a good faith administration of a contract to achieve a complete and functioning project.

Finally, with regard to Phase III of the stadium project, the Report assumes the University attempted a negotiation feature of Title 39 to re-let that contract outside the competitive bid requirements of Title 39. Where only one or no bids are received after proper advertisement, ALABAMA CODE §39-2-6(b) allows an awarding authority to scrap the process and go back into

the marketplace by seeking informal bids with which to negotiate as it sees fit. In fact, the University never rejected all the competitive bids it received through advertisement, but awarded this contract to the low bidder, Rabren Construction. Its negotiation with that low bidder to bring the contract within available funds is not a procedure addressed by Title 39 (one way or the other), but one that has been recognized for some time in Alabama as a good faith action consistent with public policy.

We'd be glad to meet with you to discuss our observations, or to address any questions you have.

Sincerely yours,



J. Lister Hubbard

JLH/gn

OFFICE OF THE
ATTORNEY GENERAL

DON SEIBELMAN
ATTORNEY GENERAL
MONTGOMERY, ALABAMA 36130
(205) 261-7400



STATE OF ALABAMA

JAN 4 1988

88-00700

Honorable Thomas A. Bartlett, Ph.D.
Chancellor, University of
Alabama System
P. O. Box BT
Tuscaloosa, AL 35487-1998

Colleges and Universities -
Building Commission - Alabama
Public School and College
Authority - Condemnation

University of Alabama System
Board of Trustees has general
authority in acquiring of
land, planning of buildings,
designating of sites of
buildings, and the awarding of
contracts for construction
which in its judgment are
necessary for the mission of
the university system.

Dear Dr. Bartlett:

You have requested of this office an opinion regarding
several questions which may be paraphrased as follows:

1. Are the statutory powers and duties of the State Building Commission set forth in Section 41-9-141, Code of Alabama 1975, as last amended, exclusive to the Building Commission?
2. When projects are funded from sources other than the Alabama Public School and College Authority bond funds, or other funds over which the Building Commission has been given specific statutory authority does the Board of Trustees of the University of Alabama System independent of the Building Commission have the authority to:

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- a. Acquire land by purchase, condemnation or otherwise;
- b. Plan buildings and designate the sites of the same on the campuses under the jurisdiction of the board;
- c. Award construction contracts, supervise construction, repair, equip, remodel, enlarge, renovate, furnish, refurnish, improve, and locate buildings, structures, and facilities on the campuses under its control which, in the board's judgment, are necessary for carrying out the mission of the University of Alabama System.

3. When projects do not involve APSCA bond funds or other funds over which the Building Commission has been given specific statutory authority:

- a. Must owner/architect agreements, construction contracts, general conditions, and other legal forms and documents which are prepared by the board's legal advisors be approved for use by the Building Commission; and

- b. Do questions involving the interpretation of owner/architect agreements, construction contracts, change orders, and other matters of construction contract execution and administration rest solely with the board's administrators and legal advisors?

4. In construction projects undertaken by the board which are funded wholly or in part by APSCA bond funds, is the authority of the Building Commission with respect to the supervision of those construction

Honorable Thomas A. Bartlett
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projects limited to the approval of plans and specifications for those projects for safety code compliance and the approval of the expenditure of APSCA funds?

In an opinion addressed to the Honorable James Sasser dated October 29, 1979, No. 80-00045, this office held that the powers and duties set out in Section 41-9-141, Code of Alabama 1975, as last amended, are not exclusive to the Building Commission as a body. As there has been no amendment to the statutes creating and governing the Building Commission since that opinion was issued, there does not appear to be any reason why that opinion should be changed. Accordingly, the answers to your questions 1, 2, and 3 set forth above are as follows:

1. The statutory powers and duties granted to the State Building Commission pursuant to Section 41-9-141 are not exclusive to the Building Commission as a body.

2. The board of trustees, independent of the Building Commission, has the authority to acquire land by purchase, condemnation or otherwise, and to plan buildings and designate the sites of the same erected on lands under its control, and to award contracts for construction, repair, remodeling, enlargement, renovation, or improvement of buildings, structures, and facilities on its campuses and to equip, furnish or refurnish, and supervise the construction of the same when the projects are funded from sources other than the Alabama Public School and College Authority, or other funds over which the Building Commission has been given specific statutory authority.

3. Owner/architect agreements, construction contracts, general conditions, and other legal forms and documents prepared by the board's legal advisors, and questions involving the interpretation of such agreements, contracts, and change orders and other matters of construction contract execution and administration are not subject to the Building Commission's jurisdiction when the project does not involve bond funds from the APSCA or other funds over which the Building Commission has been given specific statutory authority.

The Alabama Public School and College Authority is established under the provisions of Sections 16-16-1 through 13, Code of Alabama 1975, as last amended. Section 16-16-10

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addresses the disposition of the proceeds of bonds issued by the APSCA. In subsection (2) of subsection (c) of that section we find the following:

"The preparation of all plans and specifications for any building constructed wholly or in part with any of the money realized from this issue and all work done hereunder in regard to the construction, reconstruction, alteration, and improvement of buildings shall be supervised by the Alabama Building Commission, or any agency which may be designated by the legislature as its successor, and the authority shall reimburse the Building Commission for its reasonable direct costs in having plans, specifications, and contract documents prepared and in supervising and inspecting the work."

In view of this, the fourth question set forth above is answered that the Building Commission has the authority to oversee the preparation of plans and specifications and the work done thereunder in regard to construction, reconstruction, alteration and improvement of buildings, the construction of which is funded wholly or in part by APSCA funds.

The Board of Trustees of the University of Alabama, in addition to being granted the "management and control" of the state university by Article XIV, Section 264, of the Constitution of Alabama of 1901, as amended by Amendment No. 399 (ratified March 17, 1982) is vested with "all the rights, powers, and franchises necessary to or promotive of the end of its creation." Section 16-47-2, Code of Alabama 1975, as last amended. These powers include the right to acquire property and construct whatever buildings that promote the functioning of the campuses of the University of Alabama System; and accordingly, the authority of the Building Commission over the board of trustees can be distinguished from its authority over state agencies and institutions which are not governed by their own board of trustees or other governing body, or which have no independent authority to construct buildings. However, we note that the technical staff of the Building Commission does have the authority to review plans and specifications "to insure that

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such plans and specifications comply with the requirements concerning the handicapped, fire, safety and civil defense." In Section 41-9-165, Code, the legislature provided "...Other agencies and instrumentalities of the state government are directed hereby to cooperate, as requested by the commission, in the enforcement of the building code..." Accordingly, the board of trustees should take steps to cooperate with the Building Commission in that regard. However, any reduction in the board's control over the affairs of the University System would require constitutional amendment. Opinion of the Justices, 417 So.2d 946 (1982).

As this office has previously noted, in the opinion cited above, the purpose of creating the Building Commission was to provide general supervision and authority over state construction projects. With respect to the University of Alabama System, the board of trustees has the authority to engage in construction projects and to equip buildings located on its campuses. This authority is independent of, and concurrent with the statutory authority granted to the Building Commission. The technical staff of the Building Commission, however, does have the authority to review plans and specifications to insure that such plans and specifications comply with health, safety and building codes.

I trust that the foregoing answers your questions. If this office can be of further service to you, please let us know.

Yours very truly,

DON SIEGELMAN
Attorney General
By:



PHILIP C. DAVIS
Assistant Attorney General

DS/PCD/dn



STATE OF ALABAMA BUILDING COMMISSION

PROJECT APPENDIX A - 5

HIGHER EDUCATION INSTITUTIONS SUMMARY OF STANDARD DOCUMENTS AND PROCEDURES FOR BUILDING CONSTRUCTION & IMPROVEMENT PROJECTS

- FORM
- COMMISSION MEMBERS
- TECHNICAL STAFF
- STATE BUILDING CODE
- PLAN SUBMITTAL REQUIREMENTS
- STANDARD CONTRACTS AND DOCUMENTS
- REQUIREMENTS FOR PROJECT TYPES
- ADMINISTRATIVE RULES
- MANUAL
- REQUEST FOR A/E PROPOSALS
- MANUAL OF PROCEDURES
- Building Commission Bulletins
- FORMS
- HOME INSPECTION

- THESE PROJECTS REQUIRE FULL PLAN AND SPECIFICATION REVIEW IN ACCORDANCE WITH CHAPTER 3. USE ABC Form B-1: TRANSMITTAL OF PLANS AND/OR SPECIFICATIONS, WHEN SUBMITTING DESIGN DOCUMENTS FOR REVIEW.
- THESE PROJECTS ARE NOT ADMINISTERED BY THE ABC; THEREFORE, THE REQUIREMENTS AND PROCEDURES OF CHAPTERS 4, 5, 6, AND 7 DO NOT APPLY UNLESS ADOPTED BY THE INSTITUTION.
- THE ABC MAY PROVIDE INSPECTIONS. THE ABC'S ROLE IN THE PROJECT SHOULD BE VERIFIED WITH THE INSTITUTION. IF SO INSTRUCTED BY THE INSTITUTION, USE ABC Form B-10, STATEMENT OF FIELD OBSERVATIONS, AND FOLLOW THE REQUIREMENTS AND PROCEDURES OF CHAPTER 8.
- UNIFORM DOCUMENTS AND STANDARD FORMS: EXCEPT AS STATED ABOVE, USE UNIFORM DOCUMENTS AND STANDARD FORMS AS DEEMED APPROPRIATE BY THE INSTITUTION FOR DESIGN PROFESSIONAL SERVICES, PROJECT MANUAL, AND CONSTRUCTION CONTRACT. OCCASIONALLY, INSTITUTIONS ELECT TO UTILIZE ABC STANDARD FORMS; HOWEVER, WHEN UTILIZING ABC STANDARD FORMS INSTITUTIONS MUST MODIFY REFERENCES TO "DIRECTOR" (TECHNICAL STAFF, OF THE STATE BUILDING COMMISSION) CONTAINED IN SUCH STANDARD FORMS AS CONTRACTS, GENERAL CONDITIONS, BONDS, ETC., UNLESS THE DIRECTOR HAS AGREED TO SERVE IN THE ROLE DEFINED BY SUCH REFERENCES.
- THE BC PROJECT NUMBER MUST BE USED WHEN MAKING INQUIRIES OR DOCUMENT SUBMITTALS IN ORDER TO PROPERLY IDENTIFY THE PROJECT.
- WITH THE EXCEPTION OF PLANS AND SPECIFICATIONS, THE FOLLOWING IS REQUIRED OF DOCUMENTS SUBMITTED TO THE ABC:
 1. Submit original documents - no carbon copies.
 2. Do not highlight text. Highlighted text does not produce a good scanned image.

3. Preferably, submit only letter size (8 1/2 X 11) documents.

4. Preferably, send only one-sided documents.

TYPICAL ROUTING OF DESIGN DOCUMENTS DURING PLAN REVIEW

All submissions of design documents must be transmitted using

ABC Form B-1, TRANSMITTAL of PLANS and/or SPECIFICATIONS.

1. DESIGN PROFESSIONAL

a. PREPARES DESIGN DOCUMENTS (SCHEMATIC) (PRELIMINARY) (FINAL)

b. REVIEWS EACH LEVEL OF DESIGN WITH INSTITUTION FOR APPROVAL

c. SUBMITS EACH LEVEL OF DESIGN TO ABC FOR REVIEW AND APPROVAL

d. SUBMITS "FINAL" DESIGN TO OTHER REVIEWING AGENCIES (DEPT. OF PUBLIC HEALTH, etc.) CONCURRENTLY WITH SUBMISSION TO ABC

2. ALABAMA BUILDING COMMISSION

a. REVIEWS EACH LEVEL OF DESIGN FOR COMPLIANCE WITH BUILDING CODES AND ABC REQUIREMENTS

b. CONFIRMS APPROVAL OR REJECTION WITH A "PROJECT COMMENT LETTER" TO THE DESIGN PROFESSIONAL AND INSTITUTION

c. RETAINS SCHEMATIC & PRELIMINARY SUBMISSIONS UNTIL FINAL SUBMISSION IS APPROVED; RETAINS APPROVED FINAL SUBMISSION AS A PART OF THE PROJECT RECORD

3. DESIGN PROFESSIONAL

a. ADDRESSES REVIEW COMMENTS BY ABC, ADVANCING TO THE NEXT LEVEL OF DESIGN UNTIL APPROVAL OF FINAL SUBMISSION IS OBTAINED

b. UPON OBTAINING APPROVAL OF FINAL SUBMISSION FOLLOWS INSTITUTION'S PROCEDURES FOR ADVERTISING AND RECEIVING BIDS.



- HOME
- COMMISSION MEMBERS
- TECHNICAL STAFF
- STATE BUILDING CODE
- PLAN SUBMITTAL REQUIREMENTS
- STANDARD CONTRACTS AND DOCUMENTS
- REQUIREMENTS FOR PROJECT TYPES
- ADMINISTRATIVE RULES
- MANUAL
- REQUEST FOR A/E PROPOSALS
- MANUAL OF PROCEDURES
- Building Commission Budgets
- FORMS
- HOME INSPECTION

STATE OF ALABAMA BUILDING COMMISSION

CHAPTER 7

CONSTRUCTION CONTRACT ADMINISTRATION FOR PROJECTS OF STATE AGENCIES & DEPARTMENTS, POSTSECONDARY EDUCATION, PSCA, AND SIMILAR AUTHORITIES

A. APPLICABILITY of CHAPTER

This chapter sets forth requirements and procedures for administering construction contracts of projects supervised and administered by the Technical Staff. The types of projects to which this chapter applies includes projects of:

- State Agencies & Departments
- Postsecondary Education
- Public School & College Authority (PSCA)
- Alabama Building Renovation Finance Authority (ABRFA)
- Alabama Corrections Institution Finance Authority (ACIFA).
- Alabama Mental Health Finance Authority (AMHFA)
- Other "authorities" established by legislative acts to fund specific construction or improvement programs and which are assigned by the legislative act to the ABC for administration and supervision.

B. INTRODUCTION

The Contract Administration Division of the Technical Staff supervises the administration of construction contracts through the ABC's uniform documents and standard forms. All documents submitted for a project are checked for completeness, accuracy, and the presence of any prerequisite documentation prior to receiving approval of the Technical Staff. Payments by State Agencies, Departments, the PSCA and other "authorities" to contractors, suppliers, and consultants must be approved by the Technical Staff and are subject to disapproval in the absence of compliance with prerequisite procedures and requirements.

BEFORE PROCEEDING WITH THE REQUIREMENTS OF THIS CHAPTER, it is recommended that the reader first refer to the "Summary of ABC Requirements by Project Type" in the Introduction to this Manual and then to the project appendix indicated in the "Summary" to obtain a general understanding of the ABC's authority, requirements, and procedures applicable to the proposed project.

This Manual only addresses requirements and procedures of the ABC, before proceeding with preparation of bid documents or submittals to the ABC the design professional should determine whether sources of project funding (such as federal funding) or regulations peculiar to the Awarding Authority may require modification or supplementation of the ABC requirements and procedures. If it is determined that such modification or supplementation will be necessary, contact the Technical Staff for guidance as to the appropriate method.

C. DOCUMENT REQUIREMENTS

1. USE OF ABC UNIFORM DOCUMENTS AND STANDARD FORMS

ABC uniform documents and standard forms contained in Appendix B and Appendix C are to be utilized for all phases of construction contracting and administration. Appendix B contains standard forms to be utilized by the design professional in performing his or her administrative services. Appendix C contains uniform documents and standard forms which are to be bound into the project manual establishing the project's advertisement, bidding instructions, contractual documents, and administrative forms. Chapter 5 discusses the acceptable methods of reproducing, altering, and modifying these documents.

2. USE OF BC PROJECT NUMBER

In the ABC's document management system all documents relative to a "project" are stored under a seven-digit Building Commission Project Number [Example: BC#2001567]. All new projects are assigned a BC Project Number and the design professional is advised of the number. All **project related correspondence and documents subsequently submitted to the ABC must clearly display the BC Project Number.** A space is provided for this number on all uniform documents and standard forms.

The scope of a "project" is the scope of the Work covered by the O/A Agreement. Therefore, the BC Project Number assigned to the O/A Agreement will also cover all resulting bid packages and construction contracts. Frequently, an O/A Agreement will involve improvements to be made at several different schools within a school system, in such cases each bid package and construction

contract performed will be recorded and tracked under the BC Project Number assigned to the O/A Agreement. If the scope of an O/A Agreement is expanded by Amendment resulting in additional bid packages and construction contracts, the additional bid packages and contracts will be recorded and tracked under the BC Project Number of the original O/A Agreement.

3. QUALITY OF DOCUMENTS SUBMITTED TO THE ABC

The ABC utilizes a document management system which is capable of scanning, storing, retrieving, and faxing documents. To produce an acceptable quality in documents retrieved from this system, the following is required of documents submitted to the ABC:

- a. Submit original documents - no carbon copies.
- b. Do not highlight text. Highlighted text does not produce a good scanned image.
- c. Preferably, submit only letter size (8½ X 11) documents.
- d. Preferably, send only one-sided documents.

4. QUANTITY OF DOCUMENTS TO BE SUBMITTED

- a. **Plans and Specifications**: Only one (1) set of plans and specifications is to be submitted for plan review under Chapter 3.
- b. **Contractual Documents**: Six (6) complete sets of contractual documents bearing originals of all signatures, notarizations, and attachments are to be submitted to the ABC. "Contractual Documents" include: O/A Agreements and Amendments, Construction Contracts with Bonds, Change Orders and Modifications to Construction Contracts, and any other agreements or documents that require the signature of the Governor as an approving or contracting party.
- c. **Other Documents**: In general, six (6) copies of all other documents requiring the approval of the ABC are to be submitted to the ABC. Such documents include Statements for Services, Applications for Payment, invoices, etc. Exceptions to this rule are noted elsewhere in this Chapter.
- d. **Contractor's Submittal Data and Shop Drawings**: Copies of the contractor's submittal data and shop drawings ARE NOT TO BE SUBMITTED TO THE ABC.

D. PREPARATION and EXECUTION of the CONSTRUCTION CONTRACT

The bidder to whom a Construction Contract is awarded must execute and return the contract, with (1) performance and payment bonds, executed by a surety company duly authorized and qualified to make such bonds in Alabama, and (2) evidence of insurance as required by the bid documents within the period specified or, if no period is specified, within 15 days after the contract and bond forms are presented to the bidder. Under extenuating circumstances the Awarding Authority may extend this period up to five days. (§39-2-8, Public Works Law) A longer period than 15 days for the return of the executed contract, bonds, and evidence of insurance may be provided for in the Bid Documents.

It is the responsibility of the design professional to prepare the Construction Contract and deliver it, with bond forms, to the contractor for acceptance and execution. The following ABC standard contract and bond forms are to be utilized:

ABC Form C - 5: Construction Contract

ABC Form C - 6: Performance Bond

ABC Form C - 7: Payment Bond

These forms are contained in Appendix C and are available through the internet from the ABC's Web site [can be completed "on line". Six (6) copies of the contract and bonds, bearing original signatures of the contractor, Awarding Authority, and surety, are to be submitted to the Technical Staff for approval, processing, and distribution.

1. CHECKLIST - PREPARATION and APPROVAL of

CONSTRUCTION CONTRACTS and BONDS, ABC Form B-7

ABC Form B-7, "Checklist for Preparation/Approval of Contract and Bonds", is contained in Appendix B. The design professional should use this Checklist when preparing the contract for acceptance and signature by the contractor. When the contractor returns the signed contract with bonds, the design professional should use the Checklist in reviewing and approving the documents for forwarding to the Awarding Authority. A copy of the Certified Bid Tabulation must also accompany the executed contract and bonds. It is of the utmost importance that figures shown on the bid tabulation correspond with those shown on the Construction Contract as this is part of the verification of the competitive bid process.

2. EXECUTION AND PROCESSING OF THE CONTRACT

Appendixes A-1, A-2, and A-3 describe required signatures and typical routing and processing of Construction Contracts for PSCA, State Agency, and Postsecondary Education projects. Processing of Construction Contracts for special construction

projects or programs are to be developed consistent with the Legislature's authorizations of such projects or programs. The Technical Staff will make final distribution of the fully executed and approved contract and bonds to the contractor, Awarding Authority, design professional, and any other required party.

3. PROJECT DATA FORM, ABC Form B-9

After the Construction Contract has been executed, the design professional shall complete and submit ABC Form B - 9, Project Data Form, to the ABC's Contract Administrator. This form is contained in Appendix B and is available through the internet from the ABC's Web site [can be completed "on line".

4. BIDDER'S FAILURE TO EXECUTE CONTRACT AND BONDS

If the bidder to whom the contract is awarded fails or refuses to sign the contract, to furnish the required bonds, or to provide evidence of required insurance within the specified period of time, the Awarding Authority may award the contract to the second lowest responsible and responsive bidder. If the second lowest responsible and responsive bidder also fails or refuses to contract, to furnish the required bonds, or to provide evidence of required insurance within the specified time, the Awarding Authority may award the contract to the third lowest responsible and responsive bidder. Failure or refusal to return the executed contract and bonds within the specified time is grounds for forfeiting all or part of the proposal guaranty. (§§ 39-2-6 & 11, Public Works Law)

5. AWARDING AUTHORITY'S FAILURE TO COMPLETE EXECUTION OF CONTRACT

The Awarding Authority is to approve the bonds and evidence of insurance and complete execution of the contract within 20 days of receipt of the documents, unless the contractor agrees in writing to a longer period of time. A Notice To Proceed is to be issued (by the Technical Staff) within fifteen days after final execution of the contract, and execution by the Governor if his or her signature on the contract is required by law, unless the contractor agrees in writing to a longer period of time. Failure by the Awarding Authority to complete execution of the contract or issue a Notice To Proceed within these time periods, or agreed extended periods, shall be just cause for the withdrawal of the contractor's bid and contract without forfeiture of bid security. (§§ 39-2-9, 10, & 11, Public Works Law)

E. NOTICE TO PROCEED

The Notice to Proceed (NTP) with the work will be issued to the contractor by the Technical Staff. Final distribution of the fully executed and approved contract and bonds is made with the

NTP. The NTP will be issued after verification that the project's plans and specifications received final approval of the review staff. If it is found that the plans and specifications do not have final approval status due to the absence of response to review comments or untimely submittal, the issuance of an NTP and distribution of the contract will be held in abeyance pending resolution of design issues by the design professional.

The NTP will state both the date upon which the Work may commence and the date upon which the Work is to be completed. With the NTP the Technical Staff will also provide the contractor with appropriate standard forms and a "Contractor's Checklist" identifying submittal items required by the ABC.

F. INITIAL DOCUMENTS REQUIRED from CONTRACTOR

Upon receipt of the contract and Notice to Proceed, the contractor will be required to submit the following documents to the Technical Staff through the design professional.

1. SCHEDULE OF VALUES

The General Conditions require the submission of the contractor's proposed Schedule of Values within 10 days after receipt of the Notice to Proceed. The Schedule of Values is to be a breakdown of the contract price which will be the basis for approving the contractor's monthly progress payments. The detail and format of the Schedule of Values is to be determined by the Awarding Authority and design professional, the criteria dictated by the ABC is that it be on 8½ × 11 inch paper so that it is compatible with our electronic filing system.

The Schedule of Values submitted by the contractor may be rejected if it is apparent that overhead, profit, and costs have been disproportionately assigned to the earlier, "front-end" elements of work or if it does not otherwise reflect a reasonable breakdown of values. The contractor's home-office overhead and profit are to be proportionately distributed throughout the various elements of the Schedule of Values. The contractor's on-site supervision and other on-site and direct overhead costs may be included in a "General Requirements" category. If a "General Requirements" category is utilized, an understanding should be reached among the contractor, design professional, and Awarding Authority as to what costs are included and on what basis they are to be paid. The contractor's "up-front" costs for bond and insurance premiums (other than payroll insurance) and mobilization may be paid in the first pay estimate, but typically should not exceed 2 to 3% of the contract amount. Other costs, such as supervision, temporary facilities, layout and engineering, and quality control testing, are costs that are incurred throughout

the life of the project and should be paid as earned on a monthly basis.

The ABC recommends establishing line items in the Schedule of Values for such requirements as "as-built" drawings, instruction of maintenance personnel, and Operating & Maintenance Manuals. Such line items emphasize these requirements and improve the likelihood of timely accomplishment of these typically belated administrative obligations. Reasonable values for such items may be predetermined by the design professional and Awarding Authority and stipulated in the bid/contract documents.

2. PROGRESS SCHEDULE - ABC Form C - 11

On all projects exceeding 60 days duration, the contractor shall prepare and submit for approval by the design professional a reasonable schedule showing the order in which the contractor proposes to carry out the work; refer to "Progress Schedule" in the General Conditions. ABC Form C-11, Progress Schedule and Report, or a similar format, is to be utilized for this purpose on all projects and is to be updated monthly and submitted to the Technical Staff with each pay request. ABC Form C-11 provides the minimum bar chart information needed by the Technical Staff for monitoring purposes, but more scheduling detail is acceptable. On larger, more complex projects, CPM or other more detailed scheduling methods should be specified, but only ABC Form C-11, or a similar format, is to be updated and submitted to the Technical Staff monthly.

3. LIST OF SUBCONTRACTORS

The General Conditions require the names of subcontractors to be submitted concurrently with the execution of the contract. This list should be inclusive of any additional subcontractors that were not required to be named in the bid process.

G. PAYMENTS to CONTRACTORS

1. MONTHLY PROGRESS PAYMENTS

The contractor is to be paid on a monthly basis commensurate with the progress of the work. ABC Form C-10, Application and Certificate for Payment (with the Contractor's updated Schedule of Values attached), is to be used for requesting payments. In preparing estimates for progress payments, materials suitably stored on site, materials suitably stored and insured off-site, and preparatory work may be taken into consideration. If materials stored off site are to be considered in progress payments, General Conditions Article 29, Progress Payments, provides prerequisites for such payments.

Any amount to be paid to a contractor must be approved by the design professional and Awarding Authority. If the design

professional or Awarding Authority approves an amount that is less than the amount requested by the contractor, the contractor is to be notified in writing of the amount approved and the reason for not approving the amount requested.

Appendixes A-1, A-2, and A-3 describe typical approvals, routing, and processing of applications for payment for PSCA, State Agency, and Postsecondary Education projects. Processing of applications for payment for special construction projects or programs are to be developed consistent with the Legislature's authorizations of such projects or programs.

2. RETAINAGE

"Retainage" is defined as the money earned and, therefore, belonging to the contractor which has been retained by the Awarding Authority conditioned on final completion and acceptance of all work required by the contract. Retainage shall not be relied upon to cover or off-set the cost of uncompleted or uncorrected Work.

In making monthly progress payments to the contractor, the Awarding Authority is to retain 5% of the estimated value of the completed work, materials stored on site, and materials stored and insured off-site and after 50% completion is accomplished no further retainage is to be withheld. Retainage must be withheld until final completion and acceptance of the work covered by the contract.

3. PAYMENTS WITHHELD

In addition to retainage, the General Conditions to the Contract provide that an Awarding Authority may withhold payments from a contractor to the extent necessary to protect the Awarding Authority from loss due to causes listed in General Conditions Article 31, Payments Withheld.

4. FINAL PAYMENT

Approval of an Application for Final Payment by the design professional and Awarding Authority represents that all requirements in the field, such as completion of "punch list" items, have been completed to their satisfaction. Such approval should not be withheld for items that are covered by warranties. Upon verification that all prerequisite requirements and procedures have been completed, the ABC will approve the Application for Final Payment and forward it for issuance of payment.

ABC Form B-13, FINAL PAYMENT CHECKLIST & TRANSMITTAL, contained in Appendix B, is to be completed by the design professional and used to transmit the contractor's Application for Final Payment. This form is intended as a tool by which the design professional, Awarding Authority, and ABC can

quickly verify that all administrative requirements have been accomplished for approval of Final Payment.

H. CHANGE ORDERS

Actions arising from provisions of the General Conditions of the Contract can necessitate modification of the Construction Contract by Contract Change Orders. Five articles which specifically pertain to Change Order action are:

Article 18, DEDUCTIONS FOR UNCORRECTED WORK: Provides that, at the Awarding Authority's discretion, work at variance with the contract requirements may remain in place and uncorrected if an equitable deduction from the contract is offered by the contractor and approved by the Awarding Authority.

Article 19, CHANGES IN THE WORK: Addresses changes that may be requested by the Awarding Authority. It establishes that the Awarding Authority may make changes within the general scope of the work, establishes change order procedures, and provides three methods from which the Awarding Authority may choose to determine the monetary value to be added to, or deducted from, the contract amount for changes.

Article 20, CLAIMS FOR EXTRA COST OR EXTRA WORK: Establishes conditions under which a contractor's claim(s) for extra cost or extra work can be considered under Article 19 or pursued under Article 24, Resolution of Claims and Disputes.

Article 21, DIFFERING SITE CONDITIONS: Defines "Differing Site Conditions", establishes that the contract can be adjusted for Differing Site Conditions under Article 19, and establishes procedures to be followed if Differing Site Conditions are encountered.

Article 23, DELAYS: Provides for extending the Contract Time for certain conditions beyond the contractor's control, such as strikes, fires, unusually adverse weather, etc.

When it is necessary to modify the Contract, the provisions of the above articles regarding notifications and detailed cost proposals are to be enforced and the following procedures followed:

1. CHANGE ORDER JUSTIFICATION, ABC Form B-11

Changes In The Work stipulates that the Awarding Authority may make changes "within the general scope" of the Contract, which limits the types of changes that can be made. More importantly, the requirements of the state's Competitive Bid Laws may limit the extent to which work may be awarded through change order action as opposed to award through the competitive bid process. In that the Competitive Bid Laws do not specifically address construction contract change orders, there are not clear-

cut rules by which to measure their limitations. Additionally, court rulings and opinions issued by the Office of the Attorney General have maintained that public officials should be allowed discretion in administering the Competitive Bid Laws as long as they are acting in good faith and in the public interest. Therefore, when considering making changes to the contract, the design professional and the Awarding Authority should be cognizant of the potential of conflict with the Competitive Bid Laws. **Determination of legality of change orders rests with the Awarding Authority and its legal advisor.** In an opinion of June 15, 1979, the Office of the Attorney General offered guidelines for making such determinations.

ABC Form B-11, Change Order Justification, is contained in Appendix B and provides a means through which the Awarding Authority and design professional consider the AG's guidelines and the intent of the Competitive Bid Laws. A Change Order Justification is to be submitted with each proposed Change Order, except for Change Orders which only address extensions of time. The form is to be prepared by the design professional and signed by the design professional and the Awarding Authority. It is **highly recommended that the Awarding Authority's legal advisor review each proposed Change Order and confirm justification of change order action by signing the respective Change Order Justifications.**

2. CONTRACT CHANGE ORDER, ABC Form C-12

CHANGE ORDER CHECKLIST, ABC Form B-12

ABC Form C-12, Contract Change Order, contained in Appendix C, must be utilized in making changes to the Construction Contract. The form is to be prepared by the design professional. The form is self-explanatory and must be completed in its entirety. Typically required signatures for PSCA, State Agency, and Postsecondary Education projects are shown in Appendixes A-1, A-2, and A-3 respectively. **CONSENT OF SURETY, with current Power of Attorney for the individual signing for the surety, IS REQUIRED FOR ALL CHANGE ORDERS, except Change Orders addressing only extensions of time.** ABC Form B-12, Change Order Checklist, is provided in Appendix B as a simple reference to be followed to assure that all required aspects of change order documents are provided.

3. CHANGE ORDER PROCESSING

Appendixes A-1, A-2, and A-3 describe typical routing and processing of Contract Change Orders for PSCA, State Agency, and Postsecondary Education projects. Processing of Contract Change Orders for special construction projects or programs are to be developed consistent with the Legislature's authorizations of such projects or programs.

4. ABC APPROVAL OF CONTRACT CHANGE ORDERS

The ABC's approval of a Contract Change Order will be based upon the following reviews:

a. Code Review: Each Contract Change Order will be reviewed by the Plan Review Division giving consideration to changes in the work which may affect code compliance of the originally approved plans and specifications. Clarification from the design professional may be requested for changes suspected of affecting the building's code compliance and for which inadequate information is provided in the change order documents.

b. Technical and Procedural Review: Each Contract Change Order will be reviewed by the Contract Administration Division checking for completeness, accuracy, and compliance with contractual and procedural requirements. Conspicuous or apparent pricing errors or variances from contract provisions will be questioned.

I. CLAIMS and DISPUTES

The General Conditions of the Contract provide for the Director's final, binding, and conclusive resolution of claims and disputes that may arise between the contractor and Awarding Authority in state-funded contracts. (Final resolution of locally-funded contracts is not specifically defined unless Modified General Conditions or Special Conditions address this matter.)

In the event that an issue does arise between the contractor and the Awarding Authority, every effort should be made to resolve the issue between them with the objective assistance of the design professional. The General Conditions encourage, but do not require, mediation as a means of settling disputes. Only when an impasse to agreement or compromise is reached should an issue be submitted to the Director for settlement. An issue may be submitted to the Director upon written agreement by the contracting parties to do so. The form of this agreement and the procedures to be followed for the resolution of claims and disputes shall be prescribed by the Director.

J. SUBCONTRACTORS' and SUPPLIERS' CLAIMS of NONPAYMENT

Should a subcontractor or material supplier have a valid claim of nonpayment by a contractor for work performed or materials supplied on any public works project in Alabama, the claimant's source of remedy is the contractor's surety through the Payment Bond.

Frequently, the subcontractor or supplier will serve notice to the Awarding Authority or ABC of its claim of nonpayment. In such cases, sub-section 39-1-1(b) of the Public Works Law requires

the entity receiving the notice to promptly furnish the claimant with a certified copy of the Payment Bond and construction contract. It is suggested that the claimant also be furnished with a copy of section 39-1-1.

Additionally, the following two articles of the General Conditions of the Contract address actions that the Awarding Authority may take in response or relative to claims of nonpayment:

PAYMENTS WITHHELD: Addresses the Awarding Authority's right to withhold amounts from payments to the contractor to cover the amount(s) of claimed nonpayment(s).

FINAL PAYMENT: Addresses the Awarding Authority's right to require the contractor to furnish releases of claims and/or other instruments evidencing settlement of claims prior to Final Payment.

K. LIQUIDATED DAMAGES

Under Liquidated Damages, the General Conditions of the Contract provides that "...unless otherwise provided in the Contract Documents, a time charge of 6 percent interest per annum on the total Contract Sum may be made against the Contractor for the entire period after expiration of the Contract Time that the Contractor fails to achieve Substantial Completion of the Work,... If part of the Work is substantially completed within the Contract Time and part is not, the stated charge for liquidated damages shall be prorated to that portion of the Work that the Contractor fails to substantially complete within the Contract Time." The rate or amount of liquidated damages should be a reasonable, supportable forecast of actual damages that the Awarding Authority is likely to incur due to late completion of the project. If 6 percent interest is excessive or inadequate, a supportable daily amount or percentage rate should be stipulated in Modifications to the General Conditions. If liquidated damages are not justifiable for a particular project they should be deleted by Modifications to the General Conditions.

The time for completion of the work should be stated in the Construction Contract and the date by which the work is to be completed will be stated in the Notice to Proceed. The date by which the work is to be completed may be extended by change order. Unless otherwise provided in Modifications to the General Conditions or Special Conditions, the Certificate of Substantial Completion (discussed in Chapter 8) will establish the date upon which the work is deemed "complete" relative to assessment of liquidated damages.

The amount of liquidated damages is to be deducted from the Final Payment to the contractor. A change order, even if unilateral, must be issued to the contract to account for this deduction. If a severe time over-run is being experienced, a

sufficient amount should be withheld from the contractor's payment to cover the potential amount of liquidated damages.

L. PROJECT CLOSEOUT

The closeout of a Construction Contract, or "Project Closeout", is achieved upon the Awarding Authority's issuance of Final Payment to the contractor. However, upon completion of the work in the field, certain administrative requirements must be accomplished by the contractor and the design professional must verify that other contractual matters are finalized before Final Payment can be approved. This section sets forth the minimum requirements that must be accomplished before the Technical Staff can approve Final Payment. The design professional should ascertain what additional requirements may be imposed by the project funding source(s) or Awarding Authority.

1. CERTIFICATE OF SUBSTANTIAL COMPLETION

The Certificate(s) of Substantial Completion, accounting for the completion of all areas and/or phases of the Work, must be fully executed and forwarded to the Technical Staff. See Chapter B for further information.

2. ADVERTISEMENT OF COMPLETION

Under Final Payments, the General Conditions of the Contract provide that the contractor must advertise completion of the project for four successive weeks as a prerequisite to Final Payment. The article stipulates how the advertisement must be published, or posted, and what evidence of publication must be provided. This article is consistent with the provisions of Public Works Law, Subsection 39-1-1(f) applying to projects of \$50,000 or more in value. Final payment cannot be made until thirty (30) days after this advertisement requirement is completed.

For projects of less than \$50,000 in value, advertisement of completion, or posting of notice of completion, for one week is required of the Awarding Authority. Final payment can be made at any time after this requirement is completed. If the Construction Contract is for less than \$50,000 and the ABC's General Conditions are used, the Applications for Partial and Final Payments article should be amended to be consistent with this provision of the Public Works Law.

ABC Form C-14, Form of Advertisement of Completion, is contained in Appendix C. A copy of the actual advertisement and the publisher's affidavit of publication is to be attached to each copy of the contractor's Application for Final Payment. If any part of retainage is to be released to the contractor prior to Final Payment, the advertisement and affidavit are to be submitted with

the Application for Payment applicable to such release of retainage.

3. RELEASE OF CLAIMS

A release of claims or other instruments as described in the General Conditions to the Contract may be required of the contractor prior to Final Payment. If notices of claims have been given by subcontractors or suppliers during the course of the project, the contractor must furnish releases of claims from the claimants or other instruments acceptable to the Awarding Authority.

A copy of each release of claims is to be attached to each copy of the contractor's Application for Final Payment. If any part of retainage is to be released to the contractor prior to Final Payment, releases of claims are to be submitted with the Application for Payment applicable to such release of retainage.

4. WARRANTIES

All specified warranties must be furnished to the Awarding Authority by the contractor, with copies or evidence of same provided to the Technical Staff as stated below. Regardless of when the warranties are furnished to the Awarding Authority, these requirements should be addressed to the Technical Staff at the time of submission of the contractor's Application for Final Payment.

a. CONTRACTOR'S ONE-YEAR WARRANTY: Under Guarantee of the Work, the General Conditions of the Contract provide that the contractor guarantees the work for one year after completion. The date upon which this warranty begins is established in the Certificate of Substantial Completion. Unless provided otherwise in Modifications to the General Conditions, the contractor is not required to furnish this warranty in writing; however, it is recommended that the contractor provide a letter which reconfirms this warranty and the dates thereof. A copy of such letter should be forwarded to the Technical Staff.

b. GENERAL CONTRACTOR'S 5-YEAR ROOF WARRANTY: ABC Form C-9, General Contractor's Roofing Guarantee, is contained in Appendix C and is required to be included in the specifications of all projects administered by the ABC and which involve roofing work. THIS GUARANTEE IS BY THE GENERAL CONTRACTOR, not a subcontractor. Any other roof warranties to be provided by the roofing manufacturer, subcontractor, or general contractor are in addition to this guarantee. This guarantee, bearing original signature of the general contractor, is to be furnished to the Awarding Authority AND the Technical Staff with the Certificate of Substantial Completion.

c. OTHER ROOFING WARRANTIES: If the contract specifies any other roofing warranties to be provided by the roofing manufacturer, subcontractor, or general contractor in addition to the 5-year roof warranty, such warranties shall also be furnished to the Awarding Authority AND Technical Staff with the Certificate of Substantial Completion.

d. OTHER WARRANTIES: The Technical Staff need not be furnished copies of other warranties specified in the contract; however, the design professional is to notify the Technical Staff that this requirement has been fulfilled.

5. AS-BUILT DRAWINGS

Verification must be given to the Technical Staff that (contractor prepared) "as-built" drawings and specifications have been provided to the Awarding Authority in accordance with contract requirements.

6. OPERATING AND MAINTENANCE MANUALS

Verification must be given to the Technical Staff that contractor prepared maintenance instructions and Operating & Maintenance Manuals have been furnished to the Awarding Authority in accordance with contract requirements.

7. RECONCILIATION OF CONTRACT TIME

If the date of substantial completion stated in the Certificate(s) of Substantial Completion is later than the contract date of completion stated in the Notice To Proceed, or as extended by change orders, a time over-run exists which must be reconciled. This can be done by: (1) executing a change order extending the contract time to the date of substantial completion, (2) providing the Technical Staff with a statement from the design professional and Awarding Authority explaining that the over-run was justifiable or acceptable, or (3) assessing liquidated damages commensurate with the over-run. If liquidated damages are assessed, a change order (unilateral, if necessary) must account for the amount of liquidated damages deducted from the contractor's final payment.

M. OWNER'S OCCUPANCY and ASSUMED RESPONSIBILITIES

When the Awarding Authority (owner) takes possession of, or occupies, the completed project, the owner must assume many responsibilities previously performed by the contractor. Building security, maintenance, utility services, and insurance become the owner's responsibility and the owner must be prepared to assume these responsibilities on the date of substantial completion, unless some other date is agreed upon with the contractor. This transfer of responsibilities occurs on the date of substantial

completion (or other agreed date) regardless of whether the owner actually moves into the building. If it is agreed by the contractor that any of these responsibilities will transfer to the owner on a date subsequent to the date of substantial completion, this agreement must be recorded in an attachment to the Certificate of Substantial Completion.

Owners frequently occupy portions of a building or move furnishings and equipment into a building prior to the date of substantial completion. In such cases it is of extreme importance that the owner consults with its insurance advisor to coordinate the owner's insurance coverage with that of the contractor.