



CUAHSI
allied for water science

CUAHSI Board Meeting Minutes

March 6, 2024

Roll Call

8 members are present, 10 needed for quorum. “X” indicates present

Term expires 12/31/2024

Alejandro Flores, Boise State University X
G.H. Crystal Ng, Univ. of Minnesota
Steven Loheide, Univ. of Wisconsin - Madison X
Ashley Matheny, Univ. of Texas - Austin
Ashok Mishra, Clemson Univ.
Åsa Rennermalm, Rutgers Univ.

Terms expires 12/31/2025

JP Gannon, Virginia Tech
Drew Guswa, Smith College X
Hoori Ajami, Univ. of California - Riverside X
Anne Jefferson, Univ. of Vermont (Chair) X
Jay Zarnetske, Michigan State Univ. (Past Chair) X

Term expires 12/31/2026

Safeeq Khan, Univ. of California, Merced
Sarah Ledford, Georgia State Univ. (Chair Elect) X
Amy Burgin, Univ. of Kansas
Darren Ficklin, Indiana Univ. X

Officers: (terms expire January 31, 2027)

Adam Ward, Oregon State University (Secretary) X
Steve Architzel, UC Santa Cruz (Treasurer) X

CUAHSI Staff Present: (none)

Minutes prepared by Ward, Zarnetske

Wednesday, 6-March-2024

13:01 US Eastern Call to Order

Board Updates (Ledford)

1. Ledford reported that the 2019 Audit has been resubmitted to the NSF. Read is working with the NSF to secure approval of this audit.
2. Ledford reported that Mishra will remain a CUAHSI representative after his move of institutions, with plans to serve the remainder of his term.

Audit Committee (Guswa)

1. Guswa reported that the audit committee is proposed to proceed with the same membership as the prior committee. He will bring this for a vote in a future meeting.
2. Guswa summarized key recommendations to the Board from the 2019 audit committee. He reviewed the recommendations for the Board, and they are appended to these meeting minutes for completeness. Overall, the recommendations are designed to help the Board more thoroughly engage with the audit committee and matters associated with current and future audit affairs.
3. Discussion from the rest of the board in attendance was supportive of accepting the recommendations. Discussion with Guswa was centered on clarification of a few points in recommendations, and no issues were raised. Many recommendations have already been put into action by board and CUAHSI staff. A more transferable method of communicating between funding institutions and board (as they are part of the management of CUAHSI) may involve Secretary and Chair being included directly in funding institution audit communications, instead of relayed messages from CUAHSI staff. Hearing no concerns, acceptance of the Audit Committee recommendations will proceed for now and maybe be formalized via a vote at a future meeting.
4. The Executive committee will continue discussion of Audit Committee recommendations and future committee formation prior to the next full board meeting.

Fundraising (Ledford)

1. Ledford summarized fundraising committee work, including an outline from Guswa reviewing strategies and how they would change depending upon fiscal conditions of the organization. Read is working on different operation scenarios depending on fundraising outcomes over next year, including if goals are not achieved.
2. Discussion of course of action for next 1-3 months. Starting with a newsletter course of action and how to communicate with donors directly. Main concern of finding large donors (e.g., >\$1000) was raised. Getting donations from the newsletter may reflect low click engagement of readers according to recent newsletter user reporting.
3. Corporate sponsorship efforts will start to be developed. Flores will start as a point person to help with corporate sponsorship.

4. Examples of other funding/sponsorship models were discussed. For example from Water Institute of Florida ([Sponsorship Opportunities | UF Water Institute Symposium \(ufl.edu\)](#)).
5. Ledford, Jefferson, Zarnetske will finalize newsletter language and request prior to March newsletter deadline.

Adjournment

Jefferson opened the floor to other business. Hearing none, the meeting was adjourned.

14:04 US Eastern Adjourned

Appendix

Excerpted and annotated from 2019 Audit report, dated 24 October 2023

Recommendations:

We offer multiple recommendations to address the immediate issues raised in the 2019 Audit Report and more generally to provide assistance to the Board of Directors (Board) in fulfilling its fiduciary responsibilities relating to accounting and reporting practices, with particular emphasis on preventing recurrence of the present situation. In what follows, we use the term “management” to refer to CUAHSI staff, including the Executive Director and possibly others.

Current status of these recommendations is identified in blue text.

Recommendations regarding the Board of Directors and Audit Committee

- Improve and make routine the annual audit process. Appoint the CUAHSI Audit Committee in January of each year (the start of the fiscal year). Terms should be for at least one year, with staggered multi-year terms being preferred for continuity. Management should correspond regularly with the Audit Committee to ensure the timely submission of financial statements, contracting of the independent auditor, and review of the audit report. The Audit Committee (collectively) should have the appropriate expertise and knowledge to evaluate financial statements, federal audits, and accounting practices.

These ideas have been embraced by the Board. We are in the process of establishing the Audit Committee for 2024.

- Ensure the Board of Directors fully understands its fiduciary risks and responsibilities. The preamble, drafted to accompany this report, should accompany all audit reports to the Board of Directors and should be updated as appropriate. That preamble defines vocabulary and lays out in broad terms the financial and accounting expectations for CUAHSI, drawing from the Uniform Guidance for federal awards located at 2 CFR Part 200, and can serve as context and orientation for the Board of Directors. Such a preamble could also be used as a stand-alone document as part of the on-boarding of new Directors.

The preamble will be included with all future reports from the Audit Committee.

- Ensure the Board of Directors fully understands its fiduciary risks and responsibilities. In January of each year, management should inform the Board regarding CUAHSI’s arrangements and policies on insurance and risk management for Board members and officers of the Consortium.

The CUAHSI Board of Directors was informed by the Secretary of the insurance carried by CUAHSI on behalf of the BoD at the January Board meeting.

- Ensure the Board of Directors fully understands their processes and procedures, including those related to the Board’s fiduciary responsibilities. Develop a robust set of materials (e.g., Board Book) that includes policies, procedures, and ways of conducting business that are not necessarily documented in the bylaws. Such materials are to be readily available to all Directors (e.g., on a shared Google drive) and can be used as part of the on-boarding of new Directors.

This idea has been embraced in spirit and is (slowly) moving to operationalization. On-boarding of new Directors in January was more comprehensive and detailed than in the past. Efforts should continue to gather and document processes and make them easily findable.

- Consider changes to the bylaws of the Consortium pertaining to the Internal Audit Committee (Article VII, Section 5) to clarify the role of the committee and improve committee function. See Appendix A for specific suggestions.

Changes to by-laws will be considered by an ad hoc governance committee; however, the formation and action of that committee is lower priority this spring than other tasks.

- Consider changes to the charter for the Internal Audit Committee to align with the bylaws, clarify the role of the committee, and improve committee function. See Appendix B for specific suggestions.

Changes to the charter will be considered by an ad hoc governance committee; however, the formation and action of that committee is lower priority this spring than other tasks.

Recommendations regarding communications from the Executive Director to the Board of Directors on financial matters

- As soon as possible, Executive Director Read provides a detailed report to the entire CUAHSI Board of Directors on financial and accounting actions taken since May 2023 that includes names, roles, dates of hires, trainings taken or planned, etc., and plans for future actions with associated timelines and milestones. This should include a description of the financial and accounting systems that have recently been put into place. The progress updates to the NSF could form the basis of this report. At the January Board meeting (or sooner), Executive Director Read provides an opportunity for Q&A from the Board regarding that detailed report.

Jordan introduced/reviewed the new financial and accounting hires: Maureen Ako, Controller; Laura Davis, Accountant; Lindsay Platt, data scientist. Maureen was instrumental in preparing the 2019 SEFA and doing the associated forensic work. Jordan continues to share the 6-week updates on finances that he sends to the NSF. Jordan also provided a detailed overview of CUAHSI's financial situation at January Board meeting

- Management copies all members of the Board of Directors on the progress updates to the NSF (currently being submitted every six weeks). On a quarterly basis (or more frequently), management provides an update, followed by Q&A, to the Board, as part of their regular Board meetings, on financial and accounting actions taken, updates or changes, and milestones achieved. These quarterly conversations should commence in January 2024 and continue until such time as the annual audit process becomes a routine activity, CUAHSI receives an unqualified audit opinion on its finances and federal awards, and CUAHSI is considered a low-risk auditee.

Jordan provided a financial update in January 2024. He also continues to copy the BoD on progress updates to the NSF. We did not decide if we should have quarterly updates on finances and accounting actions. Drew plans to work with our Treasurer, Steve Architzel, and Audit Committee members to determine the appropriate frequency, medium, and nature of financial updates.

- Should management receive a notice from the NSF, or any other sponsor or funder, that indicates a concern or weakness related to financial management, that notice is to be shared immediately with the Board and should be discussed by management and the Board no later than at the next Board meeting. It also seems like a best practice that such notices of financial concern or weakness be communicated directly from the sponsor to more than one individual at CUAHSI; we recommend that CUAHSI inquire if the Chair of the Board, in addition to management, could receive such notices directly from the NSF and other sponsors.

I think the notion that Jordan should immediately share notices of financial concern was embraced by the Board. We have not yet inquired whether the Chair of the BoD (or other CUAHSI representatives) can also receive communications regarding concerns from funders.

Recommendations regarding finance, accounting, and administration

- discontinue the relationship with the external finance and accounting firm, Charles River CFO, which seems to lack the skills, knowledge, and experience needed to administer large federal grants. We suggest that CUAHSI continue to hire and invest in staff internally.

Done. Financial and accounting staff are now CUAHSI employees.

- proceed with the corrective actions as outlined by Executive Director Read in the 9 August 2023 status memo to the National Science Foundation related to progress made in addressing concerns raised by NSF. This includes completion and submission of delinquent single audit reports to the Federal Audit Clearinghouse and submission of federally negotiated indirect cost rate proposals.

Active and on-going

- management to review and update existing policies and create new policies as needed to establish internal controls and properly manage and expend federal funds (e.g., travel, purchasing/procurement, reimbursement, subaward management, unallowable costs, time and effort, program income).

Active and on-going