

LAKE MICHIGAN COLLEGE

BOARD OF TRUSTEES

Materials for Regular Meeting

January 24, 2012

Submitted to

Board of Trustees

by

Robert Harrison, President

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AGENDA
LAKE MICHIGAN COLLEGE
BOARD OF TRUSTEES REGULAR MEETING
Napier Avenue Campus
January 24, 2012
6:00 p.m.

- I. Call to Order**
- II. Roll Call**
- III. Setting of the Agenda**
- IV. Minutes of the November 22, 2011 Regular Board Meeting**
- V. Petitions and Communications from the Floor**
- VI. President's Reports**
 - A. President's Update..... Dr. Harrison**
Presentations:
Title III Annual Summative Evaluation Report **Dr. Eagan**
 - B. Instructional Services Report Dr. Dempsey**
 - C. Financial Services Ms. Hahn**
- VII. Old Business**
- VIII. New Business**
 - A. Radde Committee Appointment Ms. Truesdell**
 - B. Estimated Sources of Revenue for 2012-13..... Dr. Harrison**
 - C. Degree Audit Dr. Harrison**
 - D. New Programs Dr. Harrison**
- IX. Miscellaneous**
- X. Adjournment**



BOARD OF TRUSTEES
MINUTES OF THE REGULAR MEETING
M-TEC
November 22, 2011

I. CALL TO ORDER

Chair Truesdell called the Regular Meeting of the Lake Michigan College Board of Trustees to order at 6:01 p.m. The meeting opened with the Pledge of Allegiance.

II. ROLL CALL

Present: Truesdell, Dr. Maysick, Williams, Tomasini, Bergan, Dr. Lindley and Moody

III. SETTING OF THE AGENDA

The agenda stands as presented.

IV. APPROVAL OF MINUTES

The minutes of the October 25, 2011 Regular Meeting stand as presented.

V. PETITIONS AND COMMUNICATIONS FROM THE FLOOR

None

VI. PRESIDENT'S UPDATE

Dr. Harrison asked Leslie Kellogg to introduce Ken Flowers. Mr. Flowers provided an update of initiatives at M-TEC and introduced students Keith Myrick and Race Bennett with the Energy Program and Megan Doolen with the High School Energy/Manufacturing academy.

Dr. Harrison noted the International Fest, informing the Board that we have one hundred seventy-four International students currently.

INSTRUCTIONAL SERVICES REPORT

Ms. Dempsey reported on the Curriculum Summit and the Veterans Day event.

FINANCIAL SERVICES

Ms. Hahn provided the Financial Services report as of October 31, 2011.

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

Barter Transactions Policy

The main objective of all barter arrangements should be to provide the College with important financial, sales, or marketing benefits. It is against college policy to use barter arrangements for personal benefit.

In accordance with Internal Revenue Service regulations, the fair market value of the sale made as part of a barter transaction must be included in revenue. This “same-as-cash” standard also applies to the other side of the transaction – the fair market value of the goods/services provided is a deduction.

All barter transactions are also subject to Generally Accepted Accounting Principles (GAAP). Detailed procedures are in place for approving, recording, and monitoring of barter transactions.

BARTER TRANSACTIONS

Office of Origin: Financial Services

Date Adopted:

Last Date Modified & Approved:

Direct Barter is a method of exchange by which [goods](#) or [services](#) are directly exchanged for other goods or services without using a [medium of exchange](#), such as [money](#). Direct Barter occurs on a one-on-one basis between businesses, individuals, suppliers, customers, distributors, etc.

Barter Exchange uses an organization that serves as a third party to coordinate barter transactions between members of the organization and that acts as a bank to keep track of the value of barter transactions and the value of each member account. It is against college policy to enter into any barter arrangement that involves a Barter Exchange; only Direct Barter transactions are permissible.

The main objective of all barter arrangements should be to provide the College with important financial, sales, or marketing benefits. It is against college policy to use barter arrangements for personal benefit.

In accordance with Internal Revenue Service regulations, the fair market value of the sale made as part of a barter transaction must be included in revenue. This “same-as-cash” standard also applies to the other side of the transaction – the fair market value of the goods/services provided is a deduction.

All barter transactions are also subject to Generally Accepted Accounting Principles (GAAP).

To ensure compliance to these standards and regulations, no employee can enter into a barter transaction without approval of the area’s representative member of President’s Cabinet and Vice President of Financial Services.

Detailed procedures are in place for approving, recording, and monitoring of barter transactions.

Before entering into a barter transaction, the following should be considered:

1. Personnel involvement – Additional approvals and transactional controls are often necessary to protect the College’s assets during a barter transaction due to expiration dates, use and authorization, and contract monitoring.
2. Record management – The goods and services acquired in a barter transaction must be recorded, tracked, and expensed as they are used.
3. Lost cash – It may be necessary to forego additional cash sales in order to meet the barter obligation (ticket sales, rental space, etc.).
4. Uneven trade value – In some barter arrangements, one party may agree to exchange goods or services with a greater dollar value than the fair market value of the goods or services received. Such an agreement may effectively discount the remaining product/services, and could make it more difficult to make cash sales at standard prices.
5. Junk trades – Barter arrangements can result in acquiring goods for which the College has little or no use.
6. Budget consideration – Barter usage is an operating expense, and may reduce available budget for cash transactions.
7. Taxes – Depending upon local and federal tax laws, bartered goods or services could be subject to sales and income taxes, which are payable in cash.

Responsibility: Vice President, Financial Services

- Tax Equity and Fiscal Responsibility Act of 1982
- Statement of Financial Accounting Standard No. 63
- Accounting Principles Board Opinion No. 29, “Accounting for Nonmonetary Transactions”

ACTION

It was recommended that the Lake Michigan College Board of Trustees adopt the Barter Transactions Policy, as presented.

MOTION by Mr. Bergan, supported by Mr. Moody, to adopt the Barter Transactions Policy, as presented.

ROLL CALL VOTE: Yeas: Truesdell, Dr. Maysick, Williams, Tomasini, Bergan, Dr. Lindley and Moody

Neas: None

APPROVED

Protection of Human Subjects in Research

The following policy related to Protection of Human Subjects in Research was proposed for revision as follows. New proposed language appears in red.

PROTECTION OF HUMAN SUBJECTS IN RESEARCH

Office of Origin: ~~Arts and Sciences~~ Office of Institutional Research

Date Adopted: ~~November 28, 2006~~ November 22, 2011

Last Date Modified
& Approved:

Policy Statement:

It is the policy of Lake Michigan College to comply with all applicable federal regulations regarding the use of human subjects in research projects; respect the rights, well-being and personal privacy of individuals; assure a favorable climate for the conduct of academic-oriented inquiry; and protect the interests of Lake Michigan College. It is also the policy of Lake Michigan College to utilize an Institutional Review Board for the review of research best practices.

Responsibility: ~~Executive Dean, Arts and Sciences and Accreditation~~
Office of Institutional Research

References: Title 45 CFR 690: Federal Policy for the Protection of Human Subjects

- 45 CFR 46: Federal Regulations, basic federal regulations governing human subject research
- 21 CFR 56: Title 21 Federal Regulations, basic federal regulations governing institutional review boards (IRBs)
- emphasis to be placed on the Institutional Review Board (IRB): A Community College Planning Guide. American Psychological Association, Committee of Psychology Teachers at Community Colleges, 2009

ACTION

It was recommended that the Lake Michigan College Board of Trustees approve the policy change, as presented.

MOTION by Dr. Lindley, supported by Mr. Bergan, to approve the policy change, as presented.

ROLL CALL VOTE: Yeas: Dr. Maysick, Williams, Tomasini, Bergan, Dr. Lindley, Moody and Truesdell

Neas: None

APPROVED

IX. MISCELLANEOUS

X. ADJOURNMENT

MOTION by Mr. Bergan, supported by Dr. Maysick, to adjourn the Regular Meeting of the Lake Michigan College Board of Trustees at 6:31 p.m.

VOICE VOTE

APPROVED

/ksl