



Financial Affairs Advisory Committee (FAAC)

Minutes of Meeting: 9/17/2025

Circulated: 10/2/25

Approved: 10/9/25

Present: Stefanie Russman Block, Emily Luxon, Sara Soderstrom, Julie Boland, Geoffrey Chatas (EVP and CFO), Becky Peterson (Chair), Jefferson Williams, Hsiao Sung, Bobby Hewlett, VP for Finance

Absent: Vance Jackson, Dale Thomson, Gillian White, Kentaro Toyama (SACUA)

Faculty Senate Office: Eric Vandenberghe

9:02am-9:05am: Call to Order, Approval of Agenda and Minutes, Announcements

The agenda was approved. Dialogue guidelines are shared. The minutes for the April FAAC meeting were approved.

9:05am-9:17am: CFO update

Summary: EVP Chatas updates the committee on recent financial developments at the University. The University has received a significant portion of funds from the NSF and NIH for awards currently ongoing. Representatives from Moody's were at UM in recent weeks. UM maintains its AAA rating.

There was a recently implemented policy change announced that university employees will be required to utilize a p-card at local businesses that had previously utilized shortcodes. This policy's implementation will be delayed until March, with more feedback from community members to be gathered to make sure of a smooth transition. The rationale for this switch is discussed. EVP Chatas indicates that he will bring policy changes to the FAAC for review, which is met with support from the committee members. Faculty members present offer potential issues that may come up due to this policy change. EVP Chatas and VP Hewlett thank the committee for this feedback.

Action: Update

9:17am-10:01am: Finance: Financial Operations, Treasurer's Office, EFPA, etc.

Summary: VP Hewlett presents to the committee an introduction to the UM Finance Office. The Office serves every corner of the University. VP Hewlett shares the names of the Finance lead team. There are seven finance departments: Enterprise and Strategic Risk Management, Financial Operations, Procurement Services, Real Estate Office, Sponsored Programs, Tax, and the Treasurer's Office.

Enterprise Strategic Risk Management gathers information from across the university and engages stakeholders on risks and actively communicates around them. Current shifts in priorities of the federal government are a key area of focus currently.



Duties of the Financial Operations division include payroll, billing and collections for student accounts and loans, external financial reports, cost reimbursement, among others. UM financial information from the prior fiscal year is shared. A question is raised by a committee member regarding the indirect cost rate model. This rate is negotiated with the US Federal Government once every four years. This leads to a conversation regarding the federal government's push for a lower indirect cost rate, and what the ramifications for research at UM would be. U-M is participating in national-level discussions regarding future models for indirect costs.

Discussion turns to the annual space survey that the Finance Office does. This is how building costs are assessed. A member suggests that communicating the purpose and importance of this survey with the faculty and units would be wise. Another member echoes this sentiment and indicates their belief that many faculty do not have a full understanding of UM's budget model and that it would be beneficial if they had a better understanding of it.

A question is asked on whether the recently enacted University policy that upper administration needs to sign off on purchases over a certain threshold is here to stay. It is indicated that this policy will be reviewed at certain intervals. It will be relaxed at a certain point. This will be followed up by the committee at a later date. A discussion on the current risks and challenges faced by the University currently are discussed. A member discusses the optimism of the financial standing at the central administration level does not always find its way to the lower levels of the University. Examples are shared and discussion ensues.

The presentation continues. Procurement Services is the subject of a future meeting and will be reviewed at that time. The Real Estate Office and Tax Office are discussed.

A question was submitted to the EVP prior to the meeting regarding the administration's response to a resolution passed by SACUA in 2021 concerning Work Connections. A committee was formed to consider the recommendations offered from this resolution. All recommendations have been reviewed. Per the slide presentation: "Only where there were industry standards or compliance concerns were recommendations not implemented. All other recommendations have been implemented or are in the process of being implemented." VP Hewlett encourages a future committee meeting be dedicated to this topic. Chair Peterson requests a written report on this subject that can be shared with the committee and SACUA.

Action: Presentation and discussion

10:01am: Adjournment

Respectfully submitted,

Eric Vandenberghe
Faculty Governance Coordinator
Faculty Senate Office