

#SAVESAU

RESOLUTION OF

SELECT SAINT AUGUSTINE'S UNIVERSITY-SANCTIONED ORGANIZATIONS AND UNIVERSITY SUPPORT ORGANIZATIONS

to protect the future of Saint Augustine's University in the absence of current sound, integrous board governance (which caused the University's current crisis) by instituting actions that lead (1) to greater support of students, faculty, and staff, (2) to more transparency over the fiscal stewardship of the University's assets and (3) to the implementation of trusted and effective stabilization strategies

WHEREAS, Saint Augustine's University, founded by the Episcopal Church, has a storied 157-year history as an HBCU of sustaining a learning community in which students prepare academically, socially and spiritually for leadership in a complex, diverse and rapidly changing world;

WHEREAS, the board of the Southern Association of Colleges and Schools (SACSCOC), the body for the accreditation of degree-granting higher education institutions in the Southern states, voted on December 5, 2023 to remove SAU from membership due to "noncompliance" in the following areas: (1) a governing board that exercises fiduciary oversight of the institution; (2) sound financial resources and a demonstrated, stable financial base to support the mission of the institution and the scope of its programs and services; (3) provision of financial documents including an institutional audit for the most recent fiscal year, a statement of financial position of unrestricted net assets, and an annual budget preceded by sound planning, procedures, and approval; (4) management of financial resources in a responsible manner; (5) appropriate control over financial resources; and (6) program responsibilities under Title IV of Higher Education Act and financial aid program audits;

WHEREAS, the loss of accreditation will prohibit SAU from receiving federal and state funding and aid including all federal and state student aid (i.e. Pell grants, NC need-based scholarships, etc.). Currently, approximately 78% of SAU students receive federal Pell grants;

WHEREAS, SAU administration spent over two years preparing for the FY21 audit because banking transaction information and supporting documentation could not be found in the Business Office. The administration had to recreate records in order to produce an audit;

WHEREAS, in FY21, supporting documentation and general ledger entries for over \$10 million in cash disbursements (i.e. checks and wire transfers) were missing and there were frequent violations of the cash disbursement approval process due to a lack of internal controls;

WHEREAS, the SAU Board of Trustees (BOT) has not initiated any formal investigations as to why supporting financial documentation was missing for FY21;

WHEREAS, SAU is currently experiencing critical cashflow issues due to an inability to access or restrictions on accessing federal funds because of a history of improper financial practices;

WHEREAS, overall fundraising for SAU is severely impacted by the lack of confidence and trust in the BOT and donor/funder concerns about financial stewardship;

WHEREAS, current SAU students are suffering academically, physically, and emotionally from SAU'S current financial and accreditation crisis;

WHEREAS, the FY21 audit states that "*there are no formal internal controls related to the student account process... This resulted in a number of balances within student accounts receivable subledger that could not be supported or explained.*" Inaccurate student account statements are a result of "*insufficient internal controls and lack of administrative oversight with respect to the student account activity process.*" At the start of the SPR24 semester, SAU acknowledged providing incorrect student balance information after parent and student complaints. In the midst of the current crisis, students with balances are not able to receive their official transcripts if they choose to transfer to another institution to pursue their dream of earning a college degree and achieve economic mobility;

WHEREAS, faculty and staff are negatively impacted financially due to SAU'S repeated inability to cover the cost of payroll. Paychecks have been significantly delayed. Some faculty have cancelled classes due to SAU'S failure to provide compensation;

WHEREAS, the BOT has made six changes in presidential leadership in five years (2019 – 2024);

WHEREAS, there are documented patterns of financial and procurement improprieties, false conflict of interest disclosures, bullying, and board overreach by several BOT members which have resulted in the financial crisis at SAU, overall distrust by key constituents, and votes of no confidence;

WHEREAS, the National Alumni Association (NAA) approved a no confidence vote against the BOT in September 2020;

WHEREAS, the SAU Faculty Assembly delivered unanimous votes of no confidence in the BOT, the acting president (Dr. Leslie Rodriguez-McClellon), and the vice president for finance and administration (Gwen Kea) in December 2023;

WHEREAS, a December 20, 2023 change.org petition to *Demand the Immediate Resignation of the Saint Augustine's University Board of Trustees* garnered 1,570 signatures;

WHEREAS, on February 13, 2024, interim president, Marcus Burgess, sent an email to faculty and staff informing them that there will be further delays to SAU'S February 9th payroll. He went on to say "We are pursuing several opportunities around SAU'S greatest asset, the land;"

NOW, THEREFORE, BE IT RESOLVED, on behalf of their members, that the undersigned organizations and groups:

1. demand the immediate resignation of all current BOT members with the exception of the current BOT member representing the Episcopal Church and the student trustee and the immediate reconstitution of a new, integrous BOT;
2. demand specific changes in BOT bylaws and policies and administrative internal controls based on best practices to foster greater transparency, protect the institution from bad actors, and prevent similar existential threats in the future starting with the new reconstituted BOT;
3. demand investigations to uncover the root causes of fiscal issues that delayed the FY21 audit and caused restrictions on accessing federal funds. We expect individuals responsible to be held accountable, if and when warranted, and for any punishment to be a deterrent to future improper acts;
4. demand that the new BOT launch a comprehensive presidential search process for the next president that includes all key constituent parties in the search (i.e. faculty, staff, students, administrators, alumni, community members);
5. are committed to supporting students who are experiencing issues due to SAU's financial and accreditation crisis;
6. are committed to supporting faculty and staff who are experiencing issues due to SAU's financial and accreditation crisis;
7. will assist with and develop fundraising campaigns that donors trust;
8. demand that the detailed plan describing the University's approach in the event of loss of accreditation be shared with the SAU family (i.e. students, faculty, staff, and alumni);
9. demand that SAU provide any and all students, regardless of their balance owed, official transcripts upon their request so that students might have a bright future despite administrative and mismanagement issues at SAU;
10. believe students remain responsible for repayment of accurate, verifiable account balances;
11. demand that the SAU family be notified of any and all contemplated real estate transactions given past BOT and administrative financial improprieties; and
12. make these demands and raise these issues so that detrimental systemic issues do not persist within continued SACSCOC membership or that they are not carried forward with any other accrediting body.

UNIVERSITY-SANCTIONED ORGANIZATIONS

DocuSigned by:
Dr. Johnelle Sherald 3/8/2024
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PRESIDENT, SAU NATIONAL ALUMNI ASSOCIATION (NAA) DATE

DocuSigned by:
Thomas Davis 3/9/2024
54CBFD0CC3F545A...
PRESIDENT, SAU PARENTS OF STUDENTS ASSOCIATION DATE

UNIVERSITY SUPPORT ORGANIZATIONS

DocuSigned by:
Demetria Buie 3/9/2024
2DC3C48EC71045B...
CO-FOUNDER, STUDENTS AND ALUMNI UNITED, INC. DATE

DocuSigned by:
Nyishah Davis 3/8/2024
572BCCB1A7A94DA...
CO-FOUNDER, STUDENTS AND ALUMNI UNITED, INC. DATE

DocuSigned by:
Devaron Benjamin 3/9/2024
DA3F280EBE0844F...
PRESIDENT, THE OAKWOOD FALCON FOUNDATION, INC. DATE

DocuSigned by:
Lamar Blanton 3/8/2024
00FEF8AB17904A4...
TREASURER, THE OAKWOOD FALCON FOUNDATION, INC. DATE

DocuSigned by:
Steven Williams 3/8/2024
9894F717253C45A...
CO-FOUNDER, FALCONS UNITE DATE

DocuSigned by:
Frederick H.H. 3/8/2024
8BD11F9C9BA4466...
CO-FOUNDER, FALCONS UNITE DATE

DocuSigned by:
Benji Johnson 3/9/2024
5C9FD4FFC3A1443...
CO-FOUNDER, FALCON SIXTH MAN FOUNDATION, INC. DATE