

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology **Date of Meeting:** March 16, 2010

Agenda Item: Proposed Amendments to Board Policies: Policy 5.14 Procurement and Contracts; Policy 5.22 Acceptable Use of Computers and Information Technology Resources; Policy 7.4 Financial Reporting; Policy 7.7 Gifts and Grants Acceptance (Second Reading)

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: Board Policy 1A.1, Part 6, Subpart H, has established that each board policy and system procedure is to be reviewed at least once every five years.

Scheduled Presenter(s): Laura M. King, Vice Chancellor - Chief Financial Officer

Outline of Key Points/Policy Issues:

Board policies and procedures are reviewed to:

1. assure contemporary and responsible business practices are maintained
2. assure the system's current financial and operating control mechanisms are sustained or strengthened
3. assure continuity of operations
4. clarify conflicting or misunderstood information
5. eliminate redundancy

Background Information: The Finance Division is responsible for reviewing and proposing amendments to most board policies in Chapters 5, 6, and 7.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Second Reading

BOARD ACTION

Proposed Amendments to Board Policies: Policy 5.14 Procurement and Contracts;
Policy 5.22 Acceptable Use of Computers and Information Technology Resources;
Policy 7.4 Financial Reporting; Policy 7.7 Gifts and Grants Acceptance

BACKGROUND

Board Policy 1A.1, Part 6, Subpart H, has established that each board policy and system procedure is to be reviewed at least once every five years. This purpose of this review is to:

1. assure contemporary and responsible business practices are maintained
2. assure the system's current financial and operating control mechanisms are sustained or strengthened
3. assure continuity of operations
4. clarify conflicting or misunderstood information
5. eliminate redundancy

The following policies contain language and syntax revisions in addition to the specific changes noted.

Policy 5.14, Procurement and Contracts

As shown in Attachment A, the proposed amendment to Policy 5.14, Procurement and Contracts will:

1. require Board approval for contracts, including amendments, with values greater and \$3,000,000. The first reading of Policy 5.14 proposed a changed to values greater than \$5,000,000. After Committee discussion the consensus was to increase Board approval for contracts from the current level of \$2,000,000 to \$3,000,000;
2. clarify that approval by the Board of Trustees is not required for inter-agency and intra-agency agreements, joint powers agreements that do not create a joint powers board, Minnesota Department of Administration master contracts, Office of Enterprise Technology master contracts or Minnesota State Colleges and Universities master contracts. Currently, these agreements are not specifically addressed in any Board policy.

Policy 5.22 Acceptable Use of Computers and Information Technology Resources

As shown in Attachment B, the proposed amendment to Policy 5.22, Acceptable Use of Computers and Information Technology Resource, adds “mobile computing devices and multimedia materials” to the list of technical information resources.

Policy 7.4, Financial Reporting

As shown in Attachment C, the proposed amendment to Policy 7.4, Financial Reporting, notes the recent name change of the Department of Finance to Minnesota Management and Budget. The proposed amendment also clarifies that financial statements for individual institutions are designated by Board action. Financial statements will be presented annually to the Board of Trustees for its review and authorization to release.

Policy 7.7, Gifts and Grants Acceptance

As shown in Attachment F, the proposed amendment to Policy 7.7, Gifts and Grants Acceptance provides that the Board of Trustees will be periodically updated on the nature and the amount of all gifts and grants with a value in excess of \$50,000 accepted by the colleges, the universities, and the system. The proposed amendment raises the value of reportable gifts is from \$5,000 to \$50,000. Colleges and university are required to maintain a list of all gifts and grants for incorporation into a comprehensive annual report to the Chancellor.

RECOMMENDED COMMITTEE ACTION

The Finance, Facilities and Technology Policy Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves amending Policy 5.14 Procurement and Contracts; Policy 5.22 Acceptable Use of Computers and Information Technology Resources; Policy 7.4 Financial Reporting; and Policy 7.7 Gifts and Grants Acceptance as shown in Attachments A-D.

RECOMMENDED BOARD ACTION

The Board of Trustees approves amending Policy 5.14 Procurement and Contracts; Policy 5.22 Acceptable Use of Computers and Information Technology Resources; Policy 7.4 Financial Reporting; and Policy 7.7 Gifts and Grants Acceptance as shown in Attachments A-D.

Date Presented to the Board: March 17, 2010

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY		5.14	
Chapter	5	Chapter Name	Administration
Section	5.14	Policy Name	Procurement and Contracts

Policy 5.14 Procurement and Contracts

Part 1. Authority.

Pursuant to Minnesota Statutes § 136F.581, the Board of Trustees has authority for purchases and contracts consistent with Minnesota Statutes § 471.345, the Uniform Municipal Contracting Law, and other pertinent statutes, as well as the authority to utilize any contracting options available to the commissioner of administration under Minnesota Statutes Chapters 16A, 16B and 16C. It is the policy of the Board of Trustees that contracts, including real property leases, shall not exceed five years, including renewals, unless otherwise provided for by law or approved by the chancellor or the chancellor's designee.

Part 2. Responsibilities.

The state colleges, universities, and ~~office of the chancellor~~ Office of the Chancellor are responsible for procurement of necessary goods and services and the implementation of contracts that maximize the use of financial resources ~~at the office of the chancellor and each institution.~~

The system-wide procedures for procurement and contracts shall be consistent with Minnesota Statutes § 471.345, the Uniform Municipal Contracting Law, as applicable, and in compliance with other pertinent state and federal laws. The procedures shall provide detailed instructions for campus and system implementation.

Policies and procedures relating to facilities design and construction contracts are addressed in Board Policy 6.5, Capital Program Planning.

Part 3. Accountability/Reporting.

College and university presidents will be held accountable by the chancellor for complying with state and federal laws, Board policy, and system-wide procedures for all purchases and contracts.

Annual reports on procurement contracts with values greater than ~~\$50,000~~ \$100,000 will be available on the system's Web site and in other formats upon request. ~~Unless otherwise authorized in Board policy, all~~ Ccontracts, including amendments, with values greater than ~~\$2,000,000~~ \$3,000,000 ~~shall require pre-approval~~ must be approved in advance by the Board of Trustees: except as provided in this policy.

1 Approval by the Board of Trustees is not required for inter-agency and intra-agency
2 agreements, joint powers agreements that do not create a joint powers board, Minnesota
3 Department of Administration master contracts, Office of Enterprise Technology master
4 contracts or Minnesota State Colleges and Universities master contracts. Periodic
5 reports will be provided to the Board of Trustees on these types of contracts.

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7 Date of Implementation: 06/21/00

8 Date of Adoption: 06/21/00

9 Date & Subject of Revisions:

10 06/21/06 - Amended Part 1 removing requirement to report exceptions the Board
11 annually. Other technical changes.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY		5.22
Chapter 5	Chapter Name	Administration
Section 5.22	Policy Name	Acceptable Use of Computers and Information Technology Resources

5.22 Acceptable Use of Computers and Information Technology Resources

1 **Policy Statement.** Computer and information technology resources are essential tools in
2 accomplishing the mission of Minnesota State Colleges and Universities and its
3 individual institutions. These resources must be used and managed responsibly in order
4 to ensure their availability for the competing demands of teaching, scholarship,
5 administration and other mission-related uses. This policy establishes responsibilities for
6 acceptable use of Minnesota State Colleges and Universities information technology
7 resources.

8
9 **Part 1. Purpose.**

10 **Subpart A. Acceptable use.** System information technology resources are provided for
11 use by currently enrolled system students, administrators, faculty, other employees, and
12 other authorized users. System information technology resources are the property of
13 Minnesota State Colleges and Universities, and are provided for the direct and indirect
14 support of the System's educational, research, service, student and campus life activities,
15 administrative and business purposes, within the limitation of available system
16 technology, financial and human resources. The use of Minnesota State Colleges and
17 Universities information technology is a privilege conditioned on adherence to this
18 policy and any procedures or guidelines adopted pursuant to this policy.

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20 **Subpart B. Academic freedom.** Nothing in this policy shall be interpreted to expand,
21 diminish or alter academic freedom, articulated under board policy and system collective
22 bargaining agreements, or the terms of any charter establishing a System library as a
23 community or public library.

24
25 **Part 2. Applicability.**

26 This policy applies to all users of System information technology, whether or not the
27 user is affiliated with Minnesota State Colleges and Universities, and to all uses of those
28 resources, wherever located.

29 Minnesota State Colleges and Universities is not responsible for any personal or
30 unauthorized use of its resources. Security of data transmitted on its information
31 technology resources cannot be fully guaranteed.

1 **Part 3. Definitions.**

2 **Subpart A. System.** ~~For purposes of this policy,~~ System means the Board of Trustees,
3 the Office of the Chancellor, the state colleges and universities, and any part or
4 combination thereof.

5 **Subpart B. System information technology.** System information technology means all
6 System facilities, technologies, and information resources used for information
7 processing, transfer, storage and communications. This includes, but is not limited to,
8 computer hardware and software, computer labs, classroom technologies such as
9 computer-based instructional management systems, and computing and electronic
10 communications devices and services, such as modems, e-mail, networks, telephones
11 ~~(including cellular)~~, voicemail, facsimile transmissions, video, mobile computing
12 devices, and multimedia materials.

13 **Subpart C. Transmit.** Transmit means to send, store, collect, transfer or otherwise alter
14 or affect information technology resources or data contained therein.

15 **Subpart D. User.** User means any individual, including, but not limited to, students,
16 administrators, faculty, other employees, volunteers, and other authorized individuals
17 using System information technology in any manner, whether or not the user is affiliated
18 with Minnesota State Colleges and Universities.

19 **Part 4. Scope.**

20 **Subpart A. Procedures.** The chancellor shall adopt procedures under this policy,
21 including, but not limited to: security; employee use, consistent with Minnesota Statutes
22 section 43A.38 and other applicable law; monitoring; unauthorized uses and other
23 limitations on use.; ~~and adoption of college and university procedures.~~

24 **Subpart B. Sanctions.** Users who violate this policy or related System, college or
25 university procedures shall be subject to disciplinary action through appropriate
26 channels. Violations may be referred to appropriate law enforcement authorities
27 consistent with applicable law and procedures.

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30 Date of Adoption: 7/16/03
31 Date of Implementation: 7/16/03
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33 Date & Subject of Revisions:
34 Original date of implementation: 7/16/03
35 Original date of adoption: 7/16/03

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY		7.4	
Chapter	7	Chapter Name	General Finance Provisions
Section	7.4	Policy Name	Financial Reporting

7.4 Financial Reporting

Part 1. Policy Statement.

It is the policy of the Board of Trustees to provide financial statement information that is accurate, timely, reliable and consistent. Information provided to the state as part of the state-wide financial audit will be of high quality and consistent with standards of excellence. The chancellor and presidents will be dedicated to continuous improvement of financial reporting.

It is the policy of the Board of Trustees to seek ~~progress in the attainment of~~ audited financial statements for the system as a whole and ~~all individual institutions~~ as designated by Board action. To that end, the Board of Trustees has adopted a multi-year audit plan. The chancellor shall periodically advise the Board of progress toward the Board's audit plan.

Part 2. Responsibilities.

All financial reports shall be prepared in accordance with the provisions of Minnesota Statutes, official directives of ~~the Department of Finance~~ Minnesota Management and Budget, and in conformity with the guidelines of the Governmental Accounting Standards Board (GASB), and the guidelines of the National Association of College and University Business Officers (NACUBO). The colleges and universities must provide accurate, timely, reliable and consistent financial information necessary for the prudent stewardship of the colleges and universities and for systemwide reporting. The reports shall be approved by the vice chancellor - chief financial officer.

The annual Minnesota State Colleges and Universities financial report shall be prepared under the direction of the vice chancellor - chief financial officer and filed with ~~the Department of Finance~~ Minnesota Management and Budget as specified by law and governmental accounting standards.

Part 3. Accountability/Reporting.

Financial statements will be presented annually to the Board of Trustees for its ~~information review and authorization to release~~.

Date of Implementation: 06/21/00

Date of Adoption: 06/21/00

Date & Subject of Revisions:

06/2003 - changes "MnSCU" to "Minnesota State Colleges and Universities"

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY		7.4
Chapter 7	Chapter Name	General Finance Provisions
Section 7.7	Policy Name	Gifts and Grants Acceptance

7.7. Gifts and Grants Acceptance

Part 1. Authority.

Pursuant to Minnesota Statutes § 136F.80, the Board of Trustees may apply for, receive and accept on behalf of the state and for the benefit of any state college or university any grant, gift, bequest, devise or endowment that any person, firm, corporation, foundation, or association may make to the ~~office~~ Office of the ~~chancellor~~ Chancellor or a college or university or any federal, state, or private money made available for the purpose of providing student financial aid at the colleges and universities. Each gift or grant must be consistent with the college, university or system mission.

Part 2. Responsibility.

Each college and university president is authorized on behalf of the institution to accept gifts and grants made to the institution, other than gifts or grants of real property. All gifts and grants over \$50,000 shall be reported to the Board of Trustees.

The chancellor is authorized on behalf of the Board of Trustees to accept gifts and grants made to the ~~office~~ Office of the ~~chancellor~~ Chancellor, other than gifts or grants of real property.

All gifts and grants of real property shall be formally accepted by the Board of Trustees and shall be subject to appropriate due diligence and conformance with the campus facilities master plan.

All gifts and grants must be recorded in the Minnesota State Colleges and Universities' financial system.

System procedures will include criteria for the acceptance of gifts and grants.

Part 3. Transfer of Gift.

A college or university that receives a gift or bequest as provided in Minnesota Statutes § § 136F.80 and § 136F.81 that is intended for the purposes performed by a foundation approved under Minnesota Statutes § 136F.46 may transfer the money to its foundation, provided the money is used only for public purposes.

31 **Part 4. Accountability/Reporting.**

32 No proposal shall be submitted to any funding authority without the signature of the
33 president (for institutional grants) or the chancellor (for ~~office~~Office of the ~~chancellor~~
34 Chancellor grants), or a person designated by the president or chancellor.

35 ~~The Board of Trustees~~The Chancellor or his designee will be periodically updated on the
36 nature and the amount of all gifts and grants with a value in excess of ~~\$5,000~~\$50,000
37 accepted by the colleges, the universities, and the system. ~~The chancellor may also~~
38 ~~report on other gifts and grants.~~ The colleges and universities shall maintain a list of all
39 gifts and grants for ~~submission each fiscal year to the office of the chancellor to be~~
40 ~~incorporated into a comprehensive report to the Board of Trustees~~incorporation into a
41 comprehensive annual report to the Chancellor.

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43 Date of Implementation: 06/21/00

44 Date of Adoption: 06/21/00

45 Date & Subject of Revisions:

46 06/21/06 - Amended Part 2 requiring gifts and grants of real property to be subject to
47 due diligence and conformance with campus facilities master plan. And other technical
48 changes.