

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

**INFORMATION ITEM**

**FY2010 YEAR-END BOARD OPERATING BUDGET REPORT**

**BACKGROUND**

Board Policy 1A.2, Part 5, Subpart A. requires the Executive Committee to periodically review the Board of Trustees Operating Budget and to provide a year-end report to the Board at the conclusion of the fiscal year. The Executive Committee reviewed the FY2010 Year-End Board Operating Budget Report at their meeting on August 30, 2010.

The Board of Trustees Operating Budget for July 1, 2009, through June 30, 2010, was \$212,500. During FY2010 the Board of Trustees spent \$170,678, or 80 percent of its budget as shown on Attachment A. The balance at year-end was \$41,822, of which \$1,222 was carried forward to FY2011 for an obligation that occurred in FY2010, but the invoice was not received until FY2011.

For comparison purposes, the Board of Trustees Operating Budget for FY2009 was \$236,266. Actual expenses were \$171,431, or 73 percent of the budget with a FY2009 balance of \$64,835 as shown on Attachment B.

*Presented to the Board of Trustees: September 15, 2010*



Minnesota  
STATE COLLEGES  
& UNIVERSITIES

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Members of the Minnesota State Colleges and Universities Board of Trustees

As requested by Board Treasurer Duane Benson, we have audited per diem, expense reimbursements, and other operating expenses paid on behalf of the Minnesota State Colleges and Universities Board of Trustees for the year ended June 30, 2010. We conducted the audit in compliance with the *Institute of Internal Auditors: Standards for Professional Practice of Internal Auditing*.

### **Audit Objectives and Tests**

Our audit objectives included:

- Testing for compliance with state law, rules, and regulations and system policies,
- Reviewing the adequacy of supporting documentation,
- Determining if financial transactions were properly recorded on the accounting system, and
- Analyzing the reasonableness of spending practices.

We examined expenditures charged to the Board of Trustees' fiscal year 2010 budget accounts (Office of the Chancellor cost centers 101010 [Board Operations] and 101011 [Chair Expense Account]) for the year ended June 30, 2010. Attachment A shows total expenditures charged to these cost centers for the year. Our detailed testing included:

- All expense reimbursements paid to or on behalf of former Chair David Olson,
- All per diem and expense reimbursements paid directly to each of the other trustees, and
- All disbursements to outside vendors, such as hotels and airlines.

### **Conclusions**

We found adequate documentation and compliance with finance-related legal provisions for the transactions tested.

Beth Buse, CPA, CIA, CISA, GSEC  
Executive Director  
Office of Internal Auditing

September 2, 2010

**Minnesota State Colleges and Universities Board of Trustees**  
**Approved FY 2010 Operating Budget**

	<b>Approved FY 2010 Budget</b>	<b>Actual FY 2010 Year-End</b>	<b>Percent Used</b>
<b>Expenses:</b>			
Per Diem	\$30,000	\$23,100	77%
Meeting Expense (1)	\$64,000	\$57,410	90%
Travel in-state (2)	\$45,000	\$33,738	75%
Development/National Conferences (3)	\$15,000	\$14,667	98%
Consultants (4)	\$6,000	\$9,574	160%
Miscellaneous (5)	\$34,800	\$27,622	79%
Contingency Fund	\$10,700	\$0	0%
Chair Expense	\$7,000	\$4,567	65%
<b>Total:</b>	<b>\$212,500</b>	<b>\$170,678</b>	<b>80%</b>
Year-End Balance		\$41,822	
Carry-Forward Funds (6)		\$1,222	

**Notes:**

- (1) Meeting expense includes rent, printing, food, postal/delivery, audio services.  
(2) Travel in-state includes mileage, meals, lodging, parking, in-state registration fees.  
(3) Development/national conferences includes registration fees, airfares, lodging, mileage, etc.  
(4) Facilitator and speaker at Board Retreat on October 20-21, 2009.  
(5) Miscellaneous includes copier, insurance, long distance, memberships, supplies, equipment and subscriptions.  
(6) Obligation incurred in FY2010 and invoice arrived after deadline. Carried forward to FY2011.

*The Board of Trustees approved the FY 2010 operating budget on June 18, 2009.*

**Minnesota State Colleges and Universities Board of Trustees  
Approved FY 2009 Operating Budget**

	<b>Approved FY 2009 Budget</b>	<b>Actual FY 2009 Year-end</b>	<b>Percent Used</b>
<b>Expenses:</b>			
Per Diem	\$30,000	\$24,035	80%
Meeting Expense (1)	\$80,000	\$50,438	63%
Travel in-state (2)	\$35,000	\$35,287	101%
Development/National Conferences (3)	\$45,000	\$30,073	67%
Consultants	\$10,000	\$5,565	56%
Miscellaneous (4)	\$33,000	\$25,574	77%
 Chair Expense	 \$7,000	 \$459	 7%
 Total Budget:	 \$240,000	 \$171,431	 73%
Unallotment (5):	(\$3,734)		
<b>Revised Budget:</b>	<b>\$236,266</b>		
Year-End Balance:		\$64,835	

**Notes:**

- (1) Meeting expense includes rent, printing, food, postal/delivery, audio services.  
(2) Travel in-state includes mileage, meals, lodging, parking, in-state registration fees.  
(3) Development/national conferences includes registration fees, airfares, lodging, mileage, etc.  
(4) Miscellaneous includes copier, insurance, long distance, memberships, supplies, equipment and subscriptions.  
(5) Reduction to base operating budget due to Governor's unallotment to system in third quarter.

*The Board of Trustees approved the FY 2009 Operating Budget on May 21, 2008.*