

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

**Agenda Item Summary Sheet**

**Name:** Finance and Facilities Committee

**Date:** November 18, 2014

**Title:** Proposed Amendments to Policy 7.3 Financial Administration - First Reading

**Purpose (check one):**

Proposed  
New Policy or  
Amendment to  
Existing Policy

Approvals  
Required by  
Policy

Other  
Approvals

Monitoring /  
Compliance

Information

**Brief Description:**

Board Policy 1A.1, Part 6, Minnesota State Colleges and Universities Organization and Administration, requires periodic review of all board policies. Staff reviewed Policy 7.3 this fall and proposed some revisions. The revisions were reviewed by the Office of General Counsel and cabinet, then sent out for formal consultation and received support from the presidents, employee representative groups, student associations and campus leadership groups. All comments received from the consultation were taken into consideration.

**Scheduled Presenter(s):**

Laura M. King, Vice Chancellor - CFO

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

*First Reading*

**BOARD ACTION**

**Proposed Amendments to Board Policy 7.3 Financial Administration  
(First Reading)**

**BACKGROUND**

Board Policy 7.3, Financial Administration, was adopted by the Board of Trustees and became effective June 10, 2000. The policy was last reviewed on August 6, 2009 and no changes were made. Board Policy 1A.1, Part 6, Minnesota State Colleges and Universities Organization and Administration, requires periodic review of all board policies. Staff reviewed Board Policy 7.3 this summer.

**PROPOSED AMENDMENTS**

The proposed amendments to Policy 7.3 are reflected in the track-change copy of the policy on the following page.

**REVIEW PROCESS**

The proposed board policy revision was circulated in accordance with procedures to all presidents, employee representative groups, student associations and campus leadership groups. The policy review was discussed with the Leadership Council. All comments received during the review process have been examined and responses sent.

**RECOMMENDED COMMITTEE ACTION:**

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

The Board of Trustees approves the changes to Board Policy 7.3 Financial Administration

**RECOMMENDED BOARD MOTION:**

The Board of Trustees approves the changes to Board Policy 7.3 Financial Administration

*Date Presented to the Board of Trustees: November 18, 2014*

1 **DRAFT**

2  
3 **7.3 -Financial Administration**

4 **Board Policies**

5 **Chapter 7 – General Finance Provisions**

6  
7 [Click here for a PDF copy of this policy](#)

8  
9 **Part 1. Policy Statement**

10 It is the policy of the Board of Trustees to provide sound financial administration to safeguard the  
11 resources of the State of Minnesota, the system, the colleges and universities and the constituencies  
12 they serve and preserve long term financial viability of the colleges, universities and system as a  
13 whole. Effective financial administration will facilitate planning, forecasting, monitoring and  
14 improving managerial performance and evaluating the financial effects of management decisions.

15  
16 **Part 2. Responsibilities**

17 The Board of Trustees is responsible for overall systemwide financial management assurance. The  
18 chancellor, in consultation with the Board of Trustees, is responsible for overall systemwide  
19 financial management. The president is responsible for assuring financial administration for a  
20 college or university in conformance with Board policies and system procedures.

21  
22 System procedures will provide for the assurance that:

- 23 ▪ financial records are complete and safeguarded;
- 24 ▪ financial information is accurate, reliable and useful for management reporting; and
- 25 ▪ financial management methods support short term and longer term system and college  
26 and university strategic objectives.

27  
28 The system's ~~Annual Budget~~ ~~Accounting~~ ~~Guidelines~~ will be based on the standards and  
29 guidelines of the Governmental Accounting Standards Board (GASB), the National Association of  
30 College and University Business Officers (NACUBO), Minnesota Statutes and Board policy.

31  
32 Records will be subject to internal, legislative and external audits as required by Minnesota Statutes,  
33 Board policies, and as needed by universities and colleges in pursuit of their mission and goals.

34  
35 The Board of Trustees delegates authority to the chancellor to develop guidelines for institutional  
36 scholarship and grant programs administered by the colleges and universities.

37  
38 **Part 3. Accountability/Reporting**

39 The Board of Trustees will be periodically updated on the administration and financial management  
40 of the system on an exception-based reporting basis and advised of any recommended policy  
41 changes.

42

43 **Related Documents:**

- 44     • Governmental Accounting Standards Board (GASB)  
45     • National Association of College and University Business Officers (NACUBO)

46

47 **Policy History:**

48

49 *Date of Implementation:*                     06/21/00

50 *Date of Adoption:*                             06/21/00

51 *Date & Subject of Revisions:*

52         08/06/09 - policy was reviewed by Laura King's office. No amendments were made.

53         06/18/03 – changes “MnSCU” to “system”, updates State Office of Technology’s website address

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