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Finance minutes 11/21/2013

Finance Committee

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UMM Finance Committee Minutes

11.21.2013

Members Present: Gwen Rudney, Michael Korth, Sara Haugen, Pieranna Garavaso, Timna Wyckoff, Lowell Rasmussen, Ellery Wealot, Jayne Blodgett, Brad Deane, Laura Thielke, Mary Zosel, Sam Fettig

Members Absent: Dennis Stewart

Guests: Melissa Wroblewski-Note Taker

Agenda:

1. Approval of minutes:

Corrections were requested to the minutes from 11-7-13. Committee approved the amended minutes. Michael will correct, and sent out an updated version.

2. Contingency Reserve Guidelines:

Michael sent out a revised draft by e-mail along with the minutes and agenda for the October 31 meeting. Committee members were asked to review and give opinions on the proposed changes. Michael stated that the aim of the changes is to disconnect the contingency reserve from departmental carryforwards. Departments should not contribute year-end funds to the account expecting to get funds out of the account when needed. Michael also proposed a change to the formula for determining what portion of the contingency account should be available for investments each year.

Carry forwards have been discussed by the committee. The early drafts of the guidelines created a strong link between departmental carry forwards and the contingency account in an effort to promote the return of unused funds by creating some assurance that departmental needs could be addressed using contingency funds. But as the committee has discussed what needs would qualify as investments, it has become clear that departmental requests would not be well received. Now, it seems best to weaken or remove that link.

The issue of how departments should deal with unexpected or major expenses should be taken up separately from the contingency reserve discussion. Some believe that planned carry forwards are not enough to do the updating and improving that some departments need because the budget are simply not large enough. There needs to be a mechanism where departments can go request funds to make the updates, repairs, etc. needed in their departments since the contingency is apparently not going to be an option for these needs.

- How did departments get funds for these kinds of things previously? Why can't it still be that way?
 - There was no recollection of there being a lot of request for this in the past. Previously the campus was running a huge deficit and that is why we are trying to change.
 - The Dean manages half the funds for the campus. If he is unable to resolve an issue in his area, then the issue would need to be taken to the Chancellor.

- How many departments ask for money and do not get it, or do people simply not ask because they don't expect to receive the funds?

- Maybe departments will have to start asking for funds for improvements, repairs, etc. that they need.
- There is value in asking. If there is a need it is good to be known. That way if needed the information can be in the agenda for the Compact Meeting discussing the funds our campus needs.

It may be a good idea to invite the other Vice Chancellor's to a meeting and get their opinions on these issues. Currently departments are using foundation funds designated to specific departments to cover items needed and currently some feel this is the only way to get the funds but maybe asking for the funds would be a good new option.

- Maybe another reserve fund is something to discuss; a fund from which departments can request funds for upgrades, improvements, etc.?
 - It is a different conversation that should be had at a later date.
 - What is best for the campus is what needs to be kept in mind.

It was agreed to strike number three under the withdrawals from the contingency based on the previous discussions.

- Moving to the second page, there was a question about what portion should be available for investment? 10%? 20%?
 - The committee agreed on 20%.
- There was a question about how proposals work mentioned at the end of the document?
 - Currently there is a proposal with the dean and we will test out how the last paragraph of the 'Morris Campus Contingency Reserve Guidelines' will work.

Michael will send out an updated version of the Contingency Reserve Guidelines.

- The committee was asked if they wanted to discuss course fees.
 - Yes, and it would be a good idea to invite Bart Finzel for that discussion.

Meeting adjourned.

Next meeting is December 5th, in the Moccasin Flower Room at 8am.