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Finance minutes 12/05/2013

Finance Committee

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UMM Finance Committee Minutes

12.5.2013

Members Present: Gwen Rudney, Michael Korth, Dennis Stewart, Pieranna Garavaso, Timna Wyckoff, Jayne Blodgett, Brad Deane, Laura Thielke, Sam Fettig

Members Absent: Mary Zosel, Ellery Wealot, Lowell Rasmussen, Sara Haugen

Guests: Bart Finzel, Colleen Miller, Melissa Wroblewski-Note Taker

Agenda:

1. Approval of minutes:

No corrections were requested to the minutes from 11-21-13. Committee approved minutes.

2. Contingency Reserve Guidelines:

There were a few small changes to be made to the previous draft of the guidelines. The guidelines were approved as amended. It was then agreed to have this document be attached to the minutes when copied to the digital well.

3. Funds available to departments with major or unexpected needs:

Under the just-adopted guidelines, the contingency account is not available to departments to use for major or unexpected needs, so what should departments do when they have such needs?

- Because the need is vague and undefined, this is hard to answer. There are foundation funds available and there should be funds available in the 1000 accounts. Bart went on to say that if there is a need in a discipline, that they should do the following:
 - 1. Go to the division chair, and see if they are able to help.
 - 2. Go to Academic Affairs. Bart is building a small reserve that may be able to help.
 - 3. Indirect cost recovery for F&A (equipment).
- Bart also asked what a good amount is to have in the Academic Affairs reserve he is trying to build up. What things might be needed so we can have an idea of the correct balance? This is something he would like feedback on some time.
- Bart stated that if departments are looking to replace old/outdated equipment, that the divisions should be able to cover those costs with a combination of SE&E funds and other available funds. There may be some frustration because people don't know where to go with these concerns.
 - If departments need assistance with a purchase, Bart said the earlier the notice the better. 12 to 18 months advance notice would be helpful. That way, if needed, the cost can be spread over two fiscal years. He also reminded everyone that there are foundations funds to help with these costs.
 - Bart also mentioned that now would be a good time for departments to start looking at what equipment needs to be replaced so everyone is aware.

- This led into the topic of carry forwards and the concern about using them as a savings account. It was also asked if there was a limit to the amount of the carry forwards. Also, is there an option of a second contingency account for the departments to request funds from in these situations? Or would it be good for divisions to have their own replacement accounts?
 - It is unclear how a second contingency account would be funded. It was suggested that departments could contribute carry forward funds to it. Colleen stated that carry forwards are not taken from departments if they have given a justification as to why they are needed. In the past, only two departments have offered up their carry forward balances. Last year no carry forward funds were taken from an academic discipline.

4. Course Fees:

Why are there some academic units that have course fees and not others?

- Studio Art classes have course fees. One explanation is that students pay for supplies because they will keep them. For example, the artistic products they create are kept by the students and they are able to sell them and keep the funds.
- In a Science lab, supplies are provided to do lab experiments but the students are not able to keep what they create with the supplies.
- Colleen also pointed out that fees are heavily scrutinized, and if there is not an appropriate justification for having a fee, they would not be approved.

5. Proposal from Bart Finzel on pilot program:

Bart provided a handout of the proposal for the pilot program “Expand Substantive Student Employment Opportunities”, and asked for feedback from the committee members. He also mentioned that currently the MAP and MSAF Programs have had requests substantially greater than they can handle. This new proposed program would help address that situation.

This pilot program would provide more employment to students and provide them with more learning and growth opportunities here on campus. It would also provide students with additional resources for paying for school. Bart also mentioned that there have been positive effects on retention with this type of student employment at other institutions.

Bart is hoping to pilot the program with \$50,000 in start-up funds and would monitor outcomes and hopefully grow the program from there. He went on to state how the hours for the students would go: Sophomores would have fewer hours than Juniors, and Juniors would have fewer hours than Seniors.

Responses to Bart’s proposal:

- Will the departments have to continue requesting to be in the program? Or if it is working well for a department can a position be funded on a recurring basis?
 - If funds are dedicated this could be an option.
- Would there be different rates for different jobs?
 - Students would be paid in a stipend. There would be different positions with different pay. There could be full-time, half semester, two semester positions and etc.
- How would this be funded as a pilot program?

- \$30,000 would come from the current funds, and the hopefully the remaining amount coming from the contingency reserve. After the first year, depending on how the program goes, they would need to look into more permanent funding.
- It was pointed out that the contingency reserve balance is currently below \$3 million so the new guidelines do not recommend using any funds for investment at this time.
- Some do not like the word 'internship' in the title of the program, but other than that seem on board with the idea of this pilot program.

Then the topic of how to qualify for these positions in the pilot program arose. Currently it is difficult to find students who are Federal work study or Institutional work study qualified.

- This may be a different avenue to get students qualified.
- This program is about providing workforce experience and development to the students.
- International students are also qualified for these positions.

Then the question of abuse of the program since it is a stipend.

- Bart hopes that the departments would not abuse the program, and said students and staff would know the guidelines with each position as well.

Overall, the committee members seemed to be in support of the pilot program.

Item #6 on the agenda will have to wait until spring meetings.

Meeting adjourned.

Michael will propose a day and time for spring meetings at a later date.