

4-11-2016

## Finance minutes 04/11/2016

Finance Committee

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# UMM Finance Committee Minutes

4.11.16

Members Present: Dennis Stewart, Michael Korth, Kerri Barnstuble, Pieranna Garavaso, Mary Zosel, LeAnn Dean, Laura Thielke, Bryan Herrmann, Mark Logan

Members Absent: Jess Larson, Jong-Min Kim, Kyle Hakala

Guests: Colleen Miller, Melissa Wrobleski -Note Taker

## Agenda:

### 1. Approval of March 8<sup>th</sup>, 2016 minutes:

No corrections were made to the minutes, and they were approved.

### 2. Plan for using carry forward funds for FY2017 Budgeting:

Bryan Herrmann presented to the committee that the Vice Chancellor group has reviewed the justifications from carry forward balances for FY16 and have made recommendations totaling \$150,000 that will be transferred to the Contingency Reserve before FY16 fiscal year end. The departments affected by this have already been contacted and are aware of the reduction to occur in their account string(s).

The amounts per Vice Chancellor are:

- VC for Academic Affairs      \$65,000
  - Funds are all coming from the Dean's accounts, not from departmental accounts
- VC for Student Affairs      \$30,000
  - Funds are coming from the Office of Residential Life
- Chancellor      \$40,000
  - Funds coming from the Nursing Pathways account
- VC for Finance & Facilities      \$15,000
  - Funds coming from Facilities Management and Information Technology

This option for balancing the budget was discussed in the Finance Committee earlier in the year.

## Questions:

- ❖ Of the \$150,000, \$30,000 of it will be restricted then since it is coming from a 1100 fund?
  - No. Fund 1100 is also able to be used in any way. The University uses fund accounting; thus we keep the money coming from different funds separate when moving funds to the contingency account.

### 3. Departmental Budgeting:

Melissa Wrobleski provided the committee with a handout giving a summary of information provided during the Budget Kickoff meetings held April 12<sup>th</sup> and 13<sup>th</sup> for UMM budget preparers and approvers. The first section of the handout covered FY17 Budget Assumptions/Framework.

- Fall 2016 enrollment projection of 1,710
- 0% tuition increase
- Plan to implement Non-Resident, Non-Reciprocity
- Request of \$225,446 in lieu of tuition increase

- Reallocation of (\$258,000)
- 2.5% general salary increase
- 3<sup>rd</sup> of 3 years of (\$100,000) increase to faculty salaries
- Merit Scholarship increase of (\$50,000)
- Cost pool expense increase of (\$19,431)
  - (expenses for services received from the Twin Cities in different areas including: IT, Debt Service, Administrative Support, Student Services, Office of the General Counsel)

Next she discussed 'Completing the Worksheet' to give members of the committee an outline of what is expected to be completed by department when budgeting.

- Budget worksheet(s) and Supplemental worksheets both completed, approved by respective Vice Chancellor, and due to the Finance Office by Monday, May 2<sup>nd</sup>, 2016.
  - o Salary, Fringe, Enterprise Tax, and 27<sup>th</sup> Pay Period already included on worksheets
  - o Departments need to budget for SE&E (supplies, consulting, travel, etc.)
  - o Undergrad salaries to be entered by department
  - o Transfers in and transfers out
  - o Student Fees - make sure included in budget
  - o Projecting ending FY16 balances and justifying carry forwards (becomes FY17 carry forward)

At the end of May, UMM should hear back on our compact budget requests.

Questions:

- ❖ The ISE funds for student salary, will this amount be the same amount allocated as in the past or has the amount increased with the increased hourly wage?
  - o The ISE amounts for departments receiving those funds, will be the same amount allocated as in the past years. Amounts allocated did not increase with the increased hourly rate to students. This may be something to talk about with your respective Vice Chancellor.
- ❖ Can you explain more about the implementation of the Non-Resident, Non-Reciprocity (NRNR)?
  - o UMM proposed an increase in tuition to NRNR students of \$1,000 per semester. Current NRNR students will be "grandfathered in" and will not receive the increase to tuition. Just a reminder, that this is what UMM proposed at the Budget/Compact meeting in March to help balance the FY17 budget. We will not hear back until May if this has been approved by the Regents.
- ❖ Is there a 'Plan B' if the NRNR isn't approved?
  - o UMM's plan would be to request the implementation again in FY18 and we would need to use the Contingency Reserve to cover any deficit caused by this.

Next the committee discussed agenda ideas for the April 26<sup>th</sup> meeting. The plan was to have a wrap-up meeting on what the Finance Committee has done this year. That way there is something to look back on as an overview for the start of next year's committee.

It was also mentioned that Linc Kallsen and Julie Tonneson were thought to be coming out to our campus sometime this spring. Currently we are unsure of this. Bryan is to check with Carrie and see if she has any idea. If they are planning to come an email will be sent to the committee to see if there can be a time set for the Finance Committee to meet with them.

Reviewing the RAR process and changes that have occurred due to the RAR was also brought up as a topic that could be discussed. It has been a couple years since the review and now we may be able to see if changes implemented out of feedback from RAR. Michael Korth said he would find the information to review and send it to Dennis to disburse to the committee.

Meeting adjourned.

Next meeting will be Tuesday, April 26<sup>th</sup> at 9 am in the Moccasin Flower Room.