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Finance Committee

Campus Governance

9-2-2021

Finance minutes 09/02/2021

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UMM FINANCE COMMITTEE MINUTES

9-2-21 (via Zoom)

Members Present: Roger Rose, Brad Deane, Bart Finzel, Bryan Herrmann, Shelby Maloney, David Roberts, Mary Zosel, Matt Senger, Rachel Johnson, Jennifer Deane, Kendra DeRosa

Members absent:

Member Positions Unfilled: Faculty Position, USA Rep

Others Present: Melissa Wroblewski

Introductions of all members in attendance. The committee is currently missing a faculty position and a USA representation. During the meeting it was also agreed by those in attendance that meeting via Zoom for the year is okay by all.

Roger then went over the responsibilities of the committee:

Charge of the committee –

1. Reviews annual campus budget and advises the Chancellor on the formation of budgetary proposals
2. Considers allocation of financial resources to and within the campus and examines the financial impact of all major proposals and policy initiatives.
3. Reviews and recommends policies on financial management within the Morris campus. It monitors deficits, reserves, and endowments

The committee reviewed the planned schedule for the Finance Committee for the FY22 year. Proposed is as follows:

September 2 - Welcome, Format (Modality & Note taking), Charge, Budget Cycle at the U
September 16 - Capital Campaign – invite Susan & Janet
September 30 - Budget Reviews—Past Year(s)
October 14 - Budget Reviews—Current Year
October 21 - Budget Reviews—Upcoming Year
October 28 - Budget Review upcoming cont.
November 18 - Strategic Vision & Finance—discussion/Janet
December 2 - Enrollment Number—goal setting discussion
January 20 - HLC Assessment & Finance Comm.—Janet discussion
February 17 - HLC Discussion continue
March 3 -
March 31 -
April 14 -
April 28

It was mentioned that in January and February this committee will discuss more about how the assessment of campus and how this committee could provide meaningful feedback in relation to the report.

Budget Cycle: Overview PowerPoint by Bryan.

The University fiscal year runs July 1 – June 30 each year. We are currently in fiscal year 2022 (FY22). Summer ends the prior fiscal year and begins the new fiscal year and all budgets for the new fiscal year need to be balanced, approved and uploaded into the University financial system (EFS) around mid-June to make sure all is updated before the new fiscal year salaries start paying out.

In the fall and winter is when each area in the University starts budgeting for the next fiscal year to come. Around September Support Unit instructions are sent out to those department (support units are funded through the cost pools that academic units pay into each year for shared University System services). Academic Units receive budget instructions around February. This document provides guidelines and assumptions on how we should be planning for the next fiscal years budget and discussions begin on how Morris will budget for the next fiscal year and what we need to provide for our Budget/Compact meeting in late February early March.

In the spring the University departments work to make sure that the next fiscal years budget is created and entered into the system before the deadline in late May, early June.

Bryan continued to go through budget assumptions that are included in the budget instructions which included the following: Budget Framework, Fringe Benefit Information, Cost Pool framework, Cost reallocation targets, enterprise tax assessment fees, property & liability insurance charges, Utility rate, and indirect cost recovery. Bryan then continued to discuss items that are typically included in the Morris Budget/Compact submission presented to the Budget 5. The Budget 5 include: the Provost, Senior VP for Finance and Operations, Associate VP for Finance, VP for Research, and the VP of Health Services. After this meeting we typically do not hear any decisions on requests until the June Board of Regents meeting. In the meantime, the Morris campus Finance department continues to enter the budget as it was proposed to the Budget 5.

Other budget requests that incur are the annual capital budget request. Projects are typically added in June/July and a six-year plan is formulated centrally depending on legislature capital bonding funds. Also, capital bonding years are on odd numbered years.

Questions/Comments:

Changes to budget/compact schedule? Finance reporting on campus with executive restructures.

Not sure on the schedule this year, but it has been the Morris Finance departments tradition to try and go earlier in the meetings list which provides us time to get budgets for campus done in a timely fashion.

Reporting is currently very much the same as it has been in the past. Bryan currently reports to Interim Chancellor Shrunck-Ericksen and he still plans to provide the same detail we have in the past to the Finance Committee, but at this point is unsure how involved the Crookston Chancellor (Morris Executive Chancellor) will be. Bryan plans that a Morris group will still meet with Myron Franz and others of the budget office as we have in the past to make sure they are aware of our budget situation so that there are no surprises when we present for the budget compact. It is not understood at this time what the involvement of the Executive Chancellor will be in this process.

Do we know the enrollment for this fall yet?

We will have unofficial numbers next week, but official numbers will not be available until the Office of Institutional Reporting (OIR) in the Twin Cities has all reports prepared across the system. It was mentioned that committee members would greatly appreciate the unofficial enrollment numbers to help have meaningful discussions when discussing budgets going forward. Bryan stated that the Finance Office will try to have something by the 3rd meeting.

Other comments made in the meeting included letting members know that chairs of campus committees are invited to hear a presentation by the VC Group and Finance Department on past and present budget information. There was also mention about the contingency account and reallocations/reductions this campus has and will continue to incur. These topics will be discussed in more detail through the year in this committee along with the other topics listed at the beginning of the meeting. Brad Deane, last years finance committee chair, will also look to see if there were any topics from last year that we want to carry forward again into this year's conversations.

Award for energy assistance for the campus from an environment trust fund, granted around \$2.6M to purchase a battery to hold energy created on campus. This work will be in partnership with Otter Tail Power and the University is also working closely with the West Central Research and Outreach Center as they are also working on energy storage. Bryan stated this is a very exciting project and more will come later.

Wrapping up the meeting, Roger mentioned that if anyone has items to discuss or questions to stick around after the meeting and he and Bryan would stay to talk.

Meeting adjourned.