

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

**Agenda Item Summary Sheet**

**Committee:** Finance, Facilities and Technology    **Date of Meeting:** March 16, 2010

**Agenda Item:** College and University Financial Health Indicator/Measurement Project

Proposed Policy Change     Approvals Required by Policy     Other Approvals     Monitoring

Information

**Cite policy requirement, or explain why item is on the Board agenda:** Board Policy 7.3, Part 1 states it is the policy of the Board of Trustees to provide sound financial administration to safeguard the resources of the State of Minnesota, the system, the colleges and universities and the constituencies they serve. Effective financial administration will facilitate monitoring and improving managerial performance and evaluating the financial effects of management decisions.

**Scheduled Presenter(s):** Judy Borgen – Associate Vice Chancellor for Budget  
Tim Stoddard, Associate Vice Chancellor Financial Reporting  
Laura M. King, Vice Chancellor – Chief Financial Officer

**Outline of Key Points/Policy Issues:** Vice Chancellor King has asked staff to work to incorporate budget and accrual measurements into the financial monitoring effort. The College and University Financial Health Indicator/Measurement Project will include focus on three areas: modified exception reporting measures; defined financial performance flags; and early warning of possible financial or control issues.

**Background Information:** The Finance Division has maintained an exception reporting process since 2004 which generates a monthly/quarterly and annual report to campus leadership. The report draws attention to areas of operational concern in the finance and business office arena. The Finance Division has also implemented an annual overall financial performance review process. The current trends and highlights process was implemented in fiscal year 2006 at colleges and universities and includes the Composite Financial Index (CFI) and other financial performance measures.

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<b>INFORMATION ITEM</b>
<b>College and University Financial Health Indicator/Measurement Project</b>

**BACKGROUND**

Procedure 7.3.16, Financial Exception Reporting was implemented in fiscal year 2004 and includes a series of after-the-fact measures. The Finance Division has maintained an exception reporting process since 2004 which generates a monthly/quarterly and annual report to campus leadership. The report draws attention to areas of operational concern in the finance and bu(n )JTJ 0.0to( bu(nr)3(oc2DTJ 0 Tc)-4(n)4(t)-2a)-2(tn)4(.4( a)4B1(yo)2(s)-1( nc)420

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