

BUDGET MANAGEMENT TEAM
MONDAY, OCTOBER 28, 2024, AT 2:00 P.M.
DON Lecture Hall Meeting

BMT MEMBERS:

- **Cari Schwen**, Exec. Director of Fiscal Services (CHAIR)
- **Sandra Bauman**, Dean/CEO
- **Jessie Pate**, Director of IR & Effectiveness
- **Jason Grimmis**, Director of Crisis & Emerg. Response
- **Amy Kong**, Director of eLearning & Fac. Dev.
- **Mel Ewing**, CIO
- **Robyn Kiesling**, Exec. Dir. Gen Ed & Transfer
- **Tod Dumas**, Aviation Instructor
- **Larry Taylor**, Anatomy & Physiology Instructor
- **Patricia Pierson**, Librarian
- **Paige Payne**, Executive Assistant (recorder)

BMT Mission: *Develop a responsible and realistic budget model based on the strategic plan of Helena College and linked to data of enrollment and student success.*

Helena College Mission: *Helena College supports our diverse community by providing the paths and tools necessary to assist learners in achieving their educational and career goals.*

Mastermind Discussion Agenda

Review Minutes – 9/11/2024 & 10/14/2024: Approved. Minutes will be posted this week.

Mission Statement Discussion

- A mission statement summarizes who we are and what we do in two or three sentences. The bullet points are objectives and goals.

Mission Statement generated from Co-Pilot:

The mission of our committee is to ensure responsible and realistic budget planning that aligns with the strategic goals of the MUS, our campus, and the broader community. We are committed to:

- *Identifying the best sources of funding for purchases and projects, ensuring financial sustainability.*
- *Adding a layer of accountability to spending processes through broad stakeholder representation to enhance transparency and trust.*
- *Making data-driven financial decisions that support the diverse needs of our institution and community.*
- *Incorporating assessment and institutional data in resource allocation to optimize the use of available resources.*
- *Developing a comprehensive long-range financial plan that anticipates future challenges and opportunities.*
- *Creating an effective process for sharing information with the stakeholder groups each member represents, ensuring inclusivity and engagement.*
- *Incorporating feedback from stakeholders into our decision-making processes to reflect the collective interests and insights of our community.*

We strive to uphold these principles to foster a culture of financial integrity and collaborative governance, ultimately contributing to the sustained growth and success of our institution.

Jessie Pate crafted a draft mission statement incorporating the suggestions from the discussion using the Co-Pilot statement as a guide.

Mission

The Budget Council utilizes broad stakeholder representation to carry out responsible and realistic budget planning that aligns with the strategic goals of our campus and the Montana University System. We strive to foster a culture of financial integrity and collaborative governance, ultimately contributing to the sustained growth and success of our institution and the community.

Objectives

- Incorporate assessment and institutional data into financial decisions that allocate resources to support the diverse needs of our institution and community.
- Develop a comprehensive long-range financial plan that anticipates future challenges and opportunities.
- Promote transparency, inclusivity, and accountability in budget processes to educate and engage the entire campus community in sound resource allocation and financial planning.
- Ensure financial stability by identifying the best sources of funding for purchases and projects

Governmental Fund Structure Discussion:

Current Unrestricted Fund (41*):

These funds are flexible and can be used for general operations without specific restrictions. They typically support day-to-day expenses such as faculty salaries, utilities, and supplies.

Revenues in this category come from our State Appropriation, Tuition, One-Time Only funds (OTO), Interest Income, special appropriations (MMRS), and a couple of fees.

- The current balance in the unrestricted fund = 8.3M state monies
- Exceptions: some salaries are moved to the eLearning fee pot and Perkins Grant.
- Revenue – state appropriations is 75%.

Restricted Fund (42*):

These funds are allocated for specific purposes, as defined by donors or grant requirements. They might support scholarships, research projects, or specific departmental needs. The institution must track these funds to ensure compliance with donor intentions.

- Grants: This type of funding usually has very specific use and reporting requirements. We often have a defined period of time in which to use the money. Examples include Trio, Perkins, NEH, Pell Grant, and some private funding.
- Non-grants: This is predominately scholarships but also includes Federal and State work study. This can also include private donations with specific use requirements.
 - All have reporting requirements except scholarships.

Designated Fund (43*):

Although unrestricted, these funds have been internally allocated by the institution for specific purposes, like research initiatives or infrastructure upgrades. These funds can be redirected by the institution if needed but are generally intended for certain projects or goals.

The designated fund is one of the more diverse funds on campus as it has student fees, student clubs, Safety Smart, Reserves, designated scholarships, Accounts Receivable write-offs, and the Community Education Center.

Revenues in the designated fund come from mandatory, course, and program student fees, reserves, and non-credit tuition (CEC).

- CEC is in the designated fund, but acts like an auxiliary.

Auxiliary Fund (44*):

These funds relate to self-supporting activities within the institution, such as rental houses, salon services, and the bookstore.

Revenue from these activities is expected to cover their operating costs. In most cases revenues are also expected to cover their plant indebtedness (bonds).

Endowments (45*):

Endowment funds are invested donations where the principal is preserved, and only the generated investment income is used, typically for scholarships, faculty positions, or long-term financial stability. Endowments ensure sustainable support for the institution over time.

Plant Funds (47*):

Used for the purchase, maintenance, and renovation of physical assets, such as buildings and equipment. Plant funds support long-term infrastructure development and capital improvements on campus. There are four types of plant funds in the University System.

- ***Unexpended Plant (471*):***
 - These are funds set aside for future capital projects, such as constructing new buildings or purchasing major equipment. They have not yet been spent, hence "unexpended," and are allocated for specific upcoming infrastructure or physical asset improvements.
 - Some of our student fees are in this category (471101). We also have a plant fund here for our new airplane hangar (471102). The fees collected are related to our capital infrastructure: parking lots, buildings, equipment, etc.
- ***Renew & Replacement (472*)*** [OBJ]
 - These funds are reserved for the ongoing maintenance, repair, or replacement of existing campus facilities and equipment. They help ensure that buildings, labs, and other physical assets remain in good condition and functional over time.
 - This is basically a project fund. When we authorize a renovation or major project that is covered by funds in our facility reserve or building fee pot I create a project fund.
- ***Retirement of Indebtedness (473*):***

- This fund type is designated to pay off long-term debt associated with capital projects, like bonds issued to finance campus construction. It covers interest and principal payments on institutional debts.
- Bonds
- **Net Investment in Plant-NIIP (474*):**
 - This represents the institution's total investment in physical assets, including land, buildings, and equipment, minus any associated debt. It reflects the net value of all owned physical assets after accounting for any liabilities.
 - Capital assets (over \$5,000) are recorded here along with their associated depreciation. Cost – depreciation = book value or net value

Agency Fund (48*):

These are funds held by the institution on behalf of third parties, like student organizations or external groups affiliated with the institution. The university acts as an agent, managing these funds without having ownership or control over their use.

Examples: Student Health Insurance, Direct Loans, Circle K, and Carroll Housing.

Other Discussion:

Cari is developing a glossary of terms to accompany the budget spreadsheets.

Excess Revenue:

- In the past, the state would take excess revenue back which created a “use it or lose it” mentality at the end of the biennium year. This is not the process any longer. Now excess revenue moves to a reserve at the end of the biennium.