

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

INFORMATION ITEM

FY 2009 Year-end Board Operating Budget Report

BACKGROUND

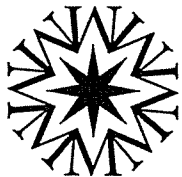
The Board of Trustees Operating Budget for July 1, 2008, through June 30, 2009, was \$240,000. In response to the governor's unallotment action, the Board's Operating Budget was reduced to \$236,266 during the third quarter. The Office of Internal Auditing audited the fourth quarter transactions and found adequate documentation and compliance with finance-related legal provisions (see Attachment A).

During Fiscal Year 2009, the Board of Trustees spent \$171,431, or 73 percent of its budget as outlined on Attachment B. The balance at year-end was \$64,835. For comparison purposes, the Board of Trustees Operating Budget for FY 2008 was \$267,913. Actual expenses were \$189,074, or 71 percent of the budget, leaving a year-end balance of \$78,839, as shown on Attachment C

During FY 2009, the Board of Trustees Operating Budget supported the following activities:

- Committee and Board meetings in July, September, October, November, December, January, February, March, April, May and June.
- A retreat on planning at Bemidji State University on October 23 and 24, 2008.
- Committees and Board meeting at Saint Paul College on January 21, 2009.
- Meetings of the Work Group on Technology. Its final meeting was on April 15, 2009.
- A closed session in June 2009 on the Chancellor's evaluation.
- Two public hearings, one in February 2009 on the FY 2010-2015 Capital Budget, and the other in June 2009 on the FY 2010-2011 Operating Budget Including Tuition and Fees.
- Trustees attended 45 campus commencements in FY 2009 (Fall 2008 and Spring 2009).
- Memberships in the Association of Community College Trustees (ACCT) and the Association of Governing Board of Universities and Colleges (AGB).
 - Six Trustees attended the ACCT Fall Congress in October 2008, where they made a panel presentation on "Serving the Underserved: A Commitment from the Heart," and facilitated a session on the origin and criteria for the "Board of Trustees Awards for Excellence in Teaching."
 - One Trustee attended the ACCT National Legislative Summit in Washington, D.C. in February 2009.
 - Three Trustees attended the AGB National Conference on Trusteeship in April, 2009.
- Other Meetings/Events:
 - One Trustee attended the National Governors Association Experts Roundtable meeting on the Community College -Industry Partnerships for Meeting State Economic and Workforce Needs.
 - Two Trustees attended a meeting sponsored by the Joyce and Lumina Foundations and facilitated by the National Center for Business Champions to discuss the skills of the adult workforce and economic recovery in the Great Lakes region.
 - One Trustee attended a meeting on increasing postsecondary success sponsored by the Lumina Foundation.

Presented to the Board of Trustees: September 9, 2009



Minnesota
STATE COLLEGES
& UNIVERSITIES

OFFICE OF INTERNAL AUDITING

350 WELLS FARGO PLACE
30 EAST SEVENTH STREET
ST. PAUL, MINNESOTA 55101

ph 651.296.3471
fx 651.296.8488
www.internalauditing.mnscu.edu

Members of the MnSCU Board of Trustees

As requested by Board Treasurer Scott Thiss, we have audited per diem, expense reimbursements, and other operating expenses paid on behalf of the MnSCU Board of Trustees for the year ended June 30, 2009. We conducted the audit in compliance with the *Institute of Internal Auditors: Standards for Professional Practice of Internal Auditing*.

Audit Objectives & Tests

Our audit objectives included:

- Testing for compliance with state law, rules, and regulations and MnSCU policies,
- Reviewing the adequacy of supporting documentation,
- Determining if financial transactions were properly recorded on the MnSCU Accounting System, and
- Analyzing the reasonableness of spending practices.

We examined expenditures charged to the Board of Trustees' fiscal year 2009 budget accounts (Office of the Chancellor cost centers 101010 [Board Operations] and 101011 [Chair Expense Account]) for the year ended June 30, 2009. Attachment A shows total expenditures charged to these cost centers for the year. Our detailed testing included:

- All expense reimbursements paid to or on behalf of Chair David Olson,
- A sample of the per diem and expense reimbursements paid directly to each of the other trustees, and
- A sample of disbursements to outside vendors, such as hotels and airlines.

Conclusions

We found adequate documentation and compliance with finance-related legal provisions for the transactions tested.

John Asmussen, CPA, CIA, CISA, MBA
Executive Director
Office of Internal Auditing

August 19, 2009

Minnesota State Colleges and Universities Board of Trustees
Approved FY 2009 Operating Budget

	Approved FY 2008 Budget	First Quarter 9/30/08		Second Quarter 12/31/08		Third Quarter 3/31/09		Fourth Quarter 7/31/09		Year-to-date Total		Under(Over) Budget	Percent Used
		Cash		Cash		Cash		Cash		Cash			
Expenses:													
Per Diem	\$30,000	\$4,510	\$6,270	\$5,115	\$8,140	\$24,035	\$5,965	80%					
Meeting Expense (1)	\$80,000	\$9,277	\$13,222	\$11,209	\$16,730	\$50,438	\$29,562	63%					
Travel in-state (2)	\$35,000	\$4,370	\$8,760	\$10,749	\$11,408	\$35,287	(\$287)	101%					
Development/Natio nal Conferences (3)	\$45,000	\$10,512	\$8,306	\$2,751	\$8,504	\$30,073	\$14,927	67%					
Consultants	\$10,000	\$0	\$5,565	\$0	\$0	\$5,565	\$4,435	56%					
Miscellaneous (4)	\$33,000	\$8,812	\$2,342	\$12,286	\$2,134	\$25,574	\$7,426	77%					
Chair Expense	\$7,000	\$45	\$214	\$150	\$50	\$459	\$6,541	7%					
Total Budget:	\$240,000	\$37,526	\$44,679	\$42,260	\$46,966	\$171,431	\$68,569	73%					
Unallotment (5):	(\$3,734)												
Revised Budget:	\$236,266												
Year-End Balance:							\$64,835						

Notes:

- (1) Meeting expense includes rent, printing, food, postal/delivery, audio services.
- (2) Travel in-state includes mileage, meals, lodging, parking, in-state registration fees.
- (3) Development/national conferences includes registration fees, airfares, lodging, mileage, etc.
- (4) Miscellaneous includes copier, insurance, long distance, memberships, supplies, equipment and subscriptions.
- (5) Reduction to base operating budget due to Governor's unallotment to system in third quarter.

The Board of Trustees approved the FY 2009 Operating Budget on May 21, 2008.

Minnesota State Colleges and Universities Board of Trustees
 Approved FY 2008 Operating Budget

Approved FY 2008 Budget	First Quarter 9/30/07		Second Quarter 12/31/07		Third Quarter 3/31/08		Fourth Quarter 7/31/08		Year-to-date Total Cash	Under(Over) Budget	Percent Used
	Cash	Cash	Cash	Cash	Cash	Cash	Cash	Cash			
Expenses:											
Per Diem	\$33,000	\$4,345	\$6,875	\$5,335	\$6,435	\$22,990	\$10,010	70%			
Meeting Expense (1)	\$85,000	\$10,710	\$13,860	\$17,751	\$29,217	\$71,538	\$13,462	84%			
Travel in-state (2)	\$45,000	\$3,570	\$9,141	\$5,448	\$10,681	\$28,840	\$16,160	64%			
Development/National Conferences (3)	\$52,000	\$0	\$11,490	\$7,140	\$16,280	\$34,110	\$17,890	66%			
Consultants	\$2,500	\$0	\$2,500	\$0	\$1,438	\$3,938	(\$1,438)	158%			
Miscellaneous (4)	\$43,413	\$6,230	\$12,891	\$1,553	\$5,590	\$26,264	\$17,149	60%			
Chair Expense	\$7,000	\$0	\$40	\$466	\$888	\$1,394	\$5,606	20%			
Total:	\$267,913	\$24,855	\$56,797	\$37,693	\$70,529	\$189,074	\$78,839	71%			

Balance **\$78,839**

Notes:

- (1) Meeting expense includes rent, printing, food, postal/delivery, audio services.
- (2) Travel in-state includes mileage, meals, lodging, parking, in-state registration fees.
- (3) Development/national conferences includes registration fees, airfares, lodging, mileage, etc.
- (4) Miscellaneous includes copier, insurance, long distance, memberships, supplies, equipment and subscriptions.

The Board of Trustees approved the FY 2008 Operating Budget on June 20, 2007.