



MONTANA UNIVERSITY SYSTEM FUNDS AND SUBFUNDS

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| Current Unrestricted | <p><i>(A) The unrestricted subfund segregates that portion of the current fund's financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the legislature. 17-2-102 MCA</i></p> <p>The traditional state appropriated funds which are supported with general funds, tuition, millage, and other funds (including interest earnings).</p> |
| Current Restricted: | <p><i>(B) The restricted subfund segregates that portion of the current fund's financial resources that can be expended for general operations but only for purposes imposed by sources external to the board of regents and the legislature. 17-2-102 MCA</i></p> <p>Funds which are restricted to purposes specified by sources external to the Board of Regents or the Legislature. Examples include federal grants or contracts, federal financial aid, state grants.</p> |
| Current Designated: | <p><i>(C) The designated subfund segregates that portion of the current fund's financial resources that is associated with general operations but is separately classified in order to accumulate costs that are to be recharged as allocated to other funds or subfunds, identifies financial activities related to special organized activities of educational departments in which the activity is fully supported by supplemental assessments, and identifies special supply and facility fees that are approved for collections beyond normal course fees and their disposition. 17-2-102 MCA</i></p> <p>These funds are restricted to purposes specified by the Board of Regents or the campus and account for activities associated with general operating funds but separately classified to accumulate costs to recharge to other funds. Examples include computer centers, various student fees, state college work study funds, and indirect cost recoveries.</p> |
| Auxiliary: | <p><i>(D) The auxiliary subfund segregates that portion of the current fund's financial resources that is devoted to providing essential on-campus services primarily to students, faculty, or staff wherein a fee, which is directly related to but does not necessarily equal the cost of the service provided, is charged to the consumer. 17-2-102 MCA</i></p> <p>Funds dedicated to on-campus services to students, faculty, or staff for a fee. Examples include residence halls, food services, bookstores.</p> |
| Plant Funds: | <p><i>(v) the plant fund, which accounts for those financial resources allocated to or received by the Montana university system for capital outlay purposes or to retire long-term debts associated with construction or acquisition of fixed assets and the net accumulative results of these activities. 17-2-102 MCA</i></p> <p>Funds used for the acquisition of long term assets, for renewal or replacement of campus properties, for debt service payments, or to account for the cost of long-lived assets. The students' Computer and Equipment fees are recorded in this fund as well as campus Building Fees.</p> |
| Loan Funds: | <p><i>(ii) the student loan fund, which accounts for money deposited in the state treasury that may be loaned to students, faculty, or staff for purposes related to education, organized research, or public services by the Montana university system. 17-2-102 MCA</i></p> <p>Funds available for loans to students, faculty, or staff. Examples include the Perkins Federal Loan Fund or campus short-term loan funds.</p> |
| Endowment Funds: | <p><i>(iii) the endowment fund, which accounts for money deposited in the state treasury by the Montana university system wherein the principal portion of the amount received is nonexpendable but is available for investment. thus producing consumable income. 17-2-102 MCA</i></p> <p>Funds received from a donor with restrictions on the principal. Most of the University System's endowments are managed by the related Foundations.</p> |



MONTANA UNIVERSITY SYSTEM FUNDS AND SUBFUNDS

| Examples of Accounts within Funds/Subfund Types | |
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| Current Unrestricted: | Operating budgets of all campuses Montana Tech Groundwater, UM Missoula Bed Tax, MSU Northern RIT, Motorcycle Safety, MSU Bozeman's Rural Residency |
| Current Restricted: | Grants and Contracts (Federal, State, Private) Pell Grant Program, MHEG, SEOG, Federal Work Study MSU Bozeman's Direct Lending Scholarships |
| Current Designated: | Facilities Services Recharges, Information Technology Recharges, Print Centers Intercollegiate Athletics, Associated Student Accounts Continuing Education Indirect Cost Recoveries Student Fees (Athletic Fees, Activity Fees, Academic Support Fees, Technology Replacement Fees) |
| Auxiliary: | Family Housing, Residence Halls, Dining Services, Bookstores Lubrecht Forest Camp, Salmon Lake, Yellow Bay Facility Students Health Centers Parking fees and fines |
| Plant Funds: | Students Building Fees, Computer Fees, Equipment Fees Construction Projects Debt Service Payments Major repairs and renovations of campus facilities |
| Loan Funds: | Peter Potter Loan Fund - Montana Tech Short Term Loans to Students Federal Perkins Loans |



MONTANA UNIVERSITY SYSTEM
PROGRAMS

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| Instruction: | This category includes expenditures for general academic instruction, vocational technical instruction, special session instruction, continuing education, and remedial instruction. It includes expenditures for department chairpersons but does not include expenditures for academic deans. |
| Research: | The research category includes expenditures for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Most of the budget of the Agricultural Experiment Station is recorded as research and is the biggest research component of the current unrestricted funds of the Montana University System. |
| Public Service: | This category includes expenditures for community service, cooperative extension services, and public broadcasting services. The largest component of current unrestricted public service expenditures is the Extension Service. Also included in this category are expenses for the Montana Repertory Theatre, KUFM, KUSM, and the Montana Center for Handicapped Children. |
| Academic Support: | This category of support includes expenditures for support of higher education's primary missions of instruction, research, and public service, as well as the retention, preservation, and display of educational materials. Typical expenditures include educational media services, academic administration, sabbaticals, and course and curriculum development. |
| Student Services: | Student Services includes expenditures for student services administration, social and cultural development, counseling, career guidance and placement, financial aid administration, student admissions and recruitment, and student records. Expenditures for athletics are recorded in this program. |
| Institutional Support: | Institutional Support is the program where most "administrative" expenditures are recorded. Expenditures for executive-level activities concerned with management and planning for the institution, legal services, fiscal operations, administrative data processing, employee personnel and records, purchasing, support services for faculty and staff, development, and alumni relations. |
| Operations and Maintenance of Plant: | This category includes expenditures for physical plant administration, building maintenance, custodial services, utilities, landscape and grounds maintenance, repairs, and minor renovations. |
| Scholarships and Fellowships: | Fee waivers are recorded in this program, as authorized by the Board of Regents. Generally, waivers of registration, incidental, and nonresident incidental are granted for certain eligible students. |



MONTANA UNIVERSITY SYSTEM
CURRENT UNRESTRICTED FUNDING SOURCES

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| General Fund: | The state General Fund accounts for all state governmental financial resources except those required to be accounted for in another fund. The major sources of revenue to the state general fund are individual income taxes (contributes about 43%), corporation tax, coal severance tax, oil severance tax, interest on investments, long range bond excess, coal trust fund interest, insurance premium tax, and other taxes and reimbursements. |
| Millage: | Section 20-25-423 MCA provides that "the legislature shall levy a property tax of not more than 6 mills on the taxable value of all real and personal property each year for 10 years beginning with the year 1989. All revenue from this property tax levy shall be appropriated for the support, maintenance, and improvement of the Montana University System." |
| Tuition and Fees: | These are charges to students for a share of the cost of attending a unit of the Montana University System. Tuition and the registration fee are the portions of the mandatory fees assessed to all students that are deposited into the current unrestricted funds. Other fees which are deposited in the current unrestricted funds are application fees, course surcharges, late payment fees, and deferred payment fees. |
| Interest Earnings: | The 1997 Legislature authorized the Montana University System to retain the interest earned on current unrestricted operating funds (mainly tuition.) |
| Other: | The "other" category of revenue mainly consists of Federal Title IV administrative fees. It also includes dishonored check fees, library fines, and room rentals. |
| Scholarships and Fellowships: | Fee waivers are recorded in this program, as authorized by the Board of Regents. Generally, waivers of registration, incidental, and non-resident incidental are granted for certain eligible students. |

Montana Code Annotated Title 17

17-2-102. Fund structure. (1) For the purpose of ensuring strict accountability for all revenue received and spent, there are in the state treasury only the following fund categories and types:

(A) The unrestricted subfund segregates that portion of the current fund's financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the legislature.

(B) The restricted subfund segregates that portion of the current fund's financial resources that can be expended for general operations but only for purposes imposed by sources external to the board of regents and the legislature.

(C) The designated subfund segregates that portion of the current fund's financial resources that is associated with general operations but is separately classified in order to accumulate costs that are to be recharged as allocated to other funds or subfunds, identifies financial activities related to special organized activities of educational departments in which the activity is fully supported by supplemental assessments, and identifies special supply and facility fees that are approved for collections beyond normal course fees and their disposition.

(D) The auxiliary subfund segregates that portion of the current fund's financial resources that is devoted to providing essential on-campus services primarily to students, faculty, or staff wherein a fee, which is directly related to but does not necessarily equal the cost of the service provided, is charged to the consumer.

(ii) the student loan fund, which accounts for money deposited in the state treasury that may be loaned to students, faculty, or staff for purposes related to education, organized research, or public services by the Montana university system;

(iii) the endowment fund, which accounts for money deposited in the state treasury by the Montana university system wherein the principal portion of the amount received is nonexpendable but is available for investment, thus producing consumable income.

Expendable earnings on endowment funds are to be transferred to appropriate operating funds pursuant to prevailing administrative requirements.

(iv) the annuity and life income fund, which accounts for money deposited in the state treasury by the Montana university system under an agreement whereby the money is made available on condition that the receiving unit of the Montana university system binds itself to pay stipulated amounts periodically to the donor or others designated by the donor over a specified period of time;

(v) the plant fund, which accounts for those financial resources allocated to or received by the Montana university system for capital outlay purposes or to retire long-term debts associated with construction or acquisition of fixed assets and the net accumulative results of these activities; and

(vi) the agency fund, which accounts for money deposited in the state treasury wherein the Montana university system acts in the capacity of a custodian or fiscal agent for individual students, faculty, staff, and qualified organizations.

(2) In addition to the funds provided for in subsection (1), there are in the state treasury the following account groups:

(a) the fixed assets account group, which is a self-balancing group of accounts set up to establish accounting control and accountability for the state's general fixed assets, except those accounted for in proprietary funds, trust funds, and the higher education funds designated in subsections (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v); and

(b) the long-term debt account group, which is a self-balancing group of accounts set up to establish accounting control and accountability for the state's unmatured general long-term liabilities, except those accounted for in proprietary funds, trust funds, and the higher education funds designated in subsections (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v).



MONTANA UNIVERSITY SYSTEM
EXPENDITURE CATEGORIES

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| Personal Services: | The personal services category includes expenditures for salaries, wages, and benefits provided to persons employed by the Montana University System. The employment categories used by the System agencies are: |
| Contract Faculty | Contract faculty are those employees who hold an academic contract with the Board of Regents and provide services only in the primary programs of instruction, research, and public service. An FTE employee is expressed in terms of academic year (AY) components. Faculty members who are full-time employees with the institution but are assigned part-time duties within programs are prorated in proportion to their assigned salary. |
| Contract Professional and Administrative | Contract professional and administrative personnel are those employees other than faculty employees who hold a contract with the Board of Regents. An FTE employee is expressed in term of fiscal year (FY) components. The UM and MSU definitions that distinguish between "professional" and "administrative" apply. |
| Classified Employees | Classified employees are those employees who participate in the Statewide Classification System and Pay Plan and the Montana University System Achievement Project. This category also includes the skilled crafts employees. One FTE employee is expressed in terms of 2,080 hours. |
| Graduate Assistants | Graduate assistants are students who have been awarded part-time employment with the institution to provide services in the areas of instruction and research. |
| Part-time Employees | Part-time employees include all nonfaculty personnel who do not work on a full-time, regular basis, and are not classified employees. One FTE employee is expressed in terms of total salary dollars. For FY2005, \$27,172 was used to convert salaries of nonphysical plant employees and \$28,733 for salaries of physical plant employees. For FY2006, \$27,927 was used to convert nonphysical plant employee salaries and \$29,488 used for physical plant part-time employee salaries. |



MONTANA UNIVERSITY SYSTEM EXPENDITURE CATEGORIES

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| Operating Costs: | Operating Costs include costs of consumable commodities or services relating to the operating needs of the Montana University System agencies. |
| Contracted Services | This category includes expenditures for services purchased or contracted for by the Montana University System. Typical expenditures in this category include audit fees, consultants fees (professional services such as legal and accounting), insurance premiums, printing costs (State Publications and Graphics), and information technology services (SABHRS costs, State Information Technology Division). |
| Supplies and Materials | This category includes expenditures for consumable commodities. Typical expenditures include office supplies (State Central Stores), books and reference materials, and tools. The State's and Federal Government's capitalization threshold is currently \$5,000, so equipment that has a unit cost less than that threshold will be expensed in this category. |
| Communications | This category includes expenditures for telephone charges, postage, and shipping expenses. |
| Travel | Expenditures for all travel expenses including in-state, out-of-state, and foreign travel for both employees and nonemployees are reflected here. Expenses for airline tickets, hotel and motel accommodations, and meal and per-diem reimbursements are included in this category. Per diem reimbursements for the Board of Regents are reflected in the Personal Services category. |
| Rent | Rent paid for buildings, office space, meeting rooms, land, and equipment are accounted for in this category. |
| Utilities | The expenses related to gas, electricity, water, sewer are reflected in this category. |
| Repair and Maintenance | Normal maintenance costs such as labor, materials, and overhead of Montana University System facilities, grounds, and equipment are expensed in this category. If the repair or maintenance activity substantially improves the use or life of the asset, the costs should be capitalized instead of expensed in this category. |
| Other | This category is used to record expenses that don't fit into any of the above operating expenses categories. Typical expenses in this category include indirect cost expense, scholarships, fee waivers, bad debt write-offs, bank service charges, conference registrations, and dues. |