

Board Policy:

A. The Montana University System (MUS) elects to designate timber sale revenue from MUS trust lands generated during FY02 as non-distributable permanent fund revenue.

B. Should the MUS elect to designate trust land timber sales revenue distributable revenue in subsequent fiscal years, the revenue shall be used for one of the following purposes:

1. Legal obligations under the indentures(s) to which trust land income is pledged.
2. Elimination or reduction of chronic or material negative fund balances as defined in Board of Regents Policy – Negative Fund Balances.
3. Deferred maintenance and equipment/fixed asset expenditures that are not recurring in nature.

History:

ITEM 114-115-R0102, Use of Timber Sale Revenues (NEW), approved by the Board of Regents as amended on January 18, 2002; revised on July 12, 2002, ITEM 116-108-R0702 (see attachment); ITEM 130-107-R0306, Designation of trust land timber sales revenue as distributable revenue in years beginning with FY2006, approved by the Board of Regents March 3, 2006.