

**MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual**

SUBJECT: FINANCIAL AFFAIRS
Policy 901.12 – Use of Timber Sales Revenues
Revised March 3, 2006; Distributed March 13, 2006

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.