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7 September 2016

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Dear President Brittingham:

Following is the University of Maine System (UMS) response to questions and requests for information contained in the Commission's letter of 18 July 2016, a copy of which is attached. Thank you for the opportunity to continue our discussion regarding the significant changes underway in Maine's public university system.

The University of Maine

University of Maine  
at Augusta

University of Maine  
at Farmington

University of Maine  
at Fort Kent

University of Maine  
at Machias

University of Maine  
at Presque Isle

University of  
Southern Maine

While the Commission's questions centered on our evolving financial structure and new multi-campus programs, I need to begin by correcting what appears to be a misapprehension on the Commission's part. The Commission's letter of 18 July states that "action on the report submitted by the University of Maine System regarding its plans to integrate the seven universities in the System into one institution be deferred, pending the receipt of additional information...". In our report, we requested no Commission action, but wrote only to update the Commission on our recent initiatives. In particular, we requested no action on single accreditation at this time. Indeed, our report stated:

"Because UMS is in the relatively early stages of transition to One University with much yet unknown or undecided, the PC [Presidents Council] determined that the move to single accreditation should not be the defining outcome of its current efforts. Rather, it determined that the Commission's Standards should serve to guide the change effort and that a move to single accreditation become a primary goal only if the changes made to achieve other priority outcomes require such a move."

We were indeed writing to draw attention to two areas – finances and multi-campus programs -where we believed further consultation with the Commission was, and is, warranted. I will therefore turn to those items.

### **Multi-Campus Programs**

Although we have considerable experience in course or program collaborations (see the attached "UMS Multi-Campus Academic Collaboration Examples"), we are still in the developmental stage of implementing multi-campus collaborative degrees. Despite the mention of a "single academic department" within our March 2016 submission, we are not at the stage of moving in this direction. Our process for administering these degrees is outlined below and within the attachment "Administration of Multiple-Campus Degree Programs". This process will continue during the 2016-2017 academic year. While we anticipate that other opportunities for these types of degrees will develop as a part of our Program Integration work, we do not envision that this will become a systemic change but rather focused on those degree programs where a collaborative approach makes the most pedagogic and fiscal sense.

The fundamental hallmarks of any multi-campus collaborative degree must be an assurance of academic quality, the implementation of a governance structure that provides for appropriate academic oversight by the faculty within the given program, the provision of adequate supports and services for students within the program, and a systematic assessment process that ensures the effectiveness of the program in question. We believe our current approach meets all these expectations.

#### Current status

As currently implemented, multi-campus collaborative degrees will be governed by a program steering committee comprised of one faculty member from each participating campus, one of whom will be elected as chair (this responsibility will rotate annually across the participating campuses); members from each campus will serve as the program coordinator for the program on their home campus. The Chief Academic Officer and Chief Student Affairs officer from the chairperson's home campus will be responsible for representing and supporting the program at the System level, and for ensuring that appropriate supports and services are in place for any student enrolled in the program. The program steering committee will be responsible for overseeing the curriculum of the program, for developing and maintaining a multi-year course schedule (including instructor assignment and determination of delivery mode), and for determining any special admissions standards. Any changes to the curriculum must be approved by the normal faculty governance approval process at each participating campus. The program steering committee will ensure that appropriate assessments are in place to measure the effectiveness of the program.

#### Does this process adhere to NEASC standards?

Standards 3.14, 3.15 and 4.5 -In all cases, the Chief Academic Officer of each campus is directly responsible to their campus President, and each CAO of a participating campus is responsible for assuring the quality of the overall program and the component pieces of the program that the campus delivers in a multi-campus context. While there is a steering committee which is responsible for the overall coordination of the program, all appropriate and normal faculty governance processes are in place for program oversight, program changes and scheduling and for ongoing assessment of the program. Faculty participating in any multi-campus program are supervised by their "home" campus and any faculty hires are made by that campus.

Standard 4.3 -The program has a coherent and common curriculum collaboratively constructed by the faculty/departments who are part of the multi-campus degree. As the curriculum is devised, any courses that are discipline-specific major requirements are aligned and, where appropriate, numbered in a similar manner. Learning outcomes are uniformly developed and are uniformly applied. General education and elective courses are those courses normally found within the home campus curriculum. All normal program review processes in place at the participating campuses are adhered to in the administration of these programs.

Standard 4.36 – Students matriculate at one of the campuses offering the degree and earn their degree from that campus. Students, regardless of where they matriculate, earn at least one fourth of their undergraduate credits at that campus. All campuses of the University of Maine System have a campus residency policy of 30 credits which represent one-fourth of the standard requirement of 120. In reality, the vast majority of our students achieve far more than one-fourth of their credits at their home institution.

As a standard, therefore, our programs meet the requirement that "substantial advanced work" in one's major or concentration are taken from the institution awarding the degree. With some new collaborations, however, we are as yet unsure how that credit hour distribution will play out on every participating campus. Using Cybersecurity as a pilot, we are carefully reviewing enrollments, course selections, etc. to determine whether or to what degree this matter is or could become an actual issue.

In the unlikely event that a multi-campus degree is suspended or eliminated or a campus withdraws, there is a standard process in place for a "teach out" of those students still in the program to ensure that they can complete the program. This element does need to be added to the existing document "Administration of Multiple Campus Degree Programs" but, while unstated, is standard procedure across all of our campuses.

### What does the future hold?

The University of Maine System has several instances of cross-campus curricular collaboration which have been in place for several years and which have been included within both NEASC regional accreditation reviews and reviews by external program accreditors. All have been deemed to meet the standards of their respective accreditations. We have a practice of developing full MOUs when such programs or even collaborations that incorporate single courses have evolved (an example is attached: "UMPI UMA MLT Agreement") and would anticipate that the basic structures within the MOUs would be followed as these multi-campus degrees develop further.

As we gain more experience with multi-campus programs, we will evolve or change our policies and practices to lessen administrative barriers and improve student outcomes. We are aware that if this multi-campus approach is expanded significantly, a point might be reached where campus-based academic lines of authority would blur. But we are far from that point. Indeed, we are still uncertain as to what this ultimate structure might look like. Our System Vice Chancellor for Academic Affairs and the Chief Academic Officers of the campuses of the UMS will be instrumental in developing this picture. As we gain more experience and begin to formulate any alternate approach, we will rely on the advice and guidance of the Commission to ensure we are in compliance with the Commission's standards.

### **Unified Financial Structure**

In its 18 July letter, the Commission sought additional information concerning the responsibilities of the campus Chief Business Officer (CBO), including information concerning the role of the System CFO in relation to the campus CBOs and the campus presidents. The Commission also requested further information concerning presidential autonomy so that it can evaluate the UMS actions in light of standard 7.4: that the new model enables "each institution to demonstrate that it preserves and enhances available financial resources sufficient to support its mission [and] manages its financial resources and allocates them in a way that reflects its mission and purposes." I will respond to each request in turn.<sup>1</sup>

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<sup>1</sup>The Commission's letter also requested information as what functions have been consolidated at the System level. Currently, these are IT, HR, Procurement, and Facilities. With respect to HR and hiring authority, HR partners with search committees as traditionally constituted to assist them in making the best hiring decisions for their departments/university. Campus hiring decisions continue to be made by the relevant campus-based authorities with support services provided by HR. We will provide additional information on how any of these functions are organized and deployed to serve the campuses upon request.

## CBO Structure and Presidential Responsibilities

To understand the CBO role in the new model, it may be useful to review briefly our governing statutes and policies. The institutions of the University of Maine System must comply with both Maine Law and the NEASC -CIHE Standards.<sup>2</sup>

Compliance with Standard 7 must necessarily be interpreted through the lens of compliance with Maine Law. Under its current structure, the University of Maine System is well positioned for compliance with both Maine Law and the NEASC –CIHE Standard 7. In particular, Standard 7.11, states *"the institution ensures that it has sufficient professionally qualified finance staff, led by a chief financial officer whose primary responsibility to the institution is reflected in the organizational chart."*

Pursuant to a directive of the Board of Trustees in November 2014, a unified financial structure for the University System was developed and adopted by the Board in July 2015. Under the new structure, each institution continues to have its own, dedicated on-site and full-time Chief Business Officer who serves as the chief financial and administrative officer for that institution.<sup>3</sup> The Chief Business Officer has a service reporting line to the President of their respective institution and serves as a key member of the President's cabinet.

The new structure includes a System Chief Financial Officer (CFO) reporting to the Vice Chancellor with jurisdiction over financial and administrative affairs. Direct reporting lines to the System CFO include supervision of the System directors of budget, financial analysis, finance/controller, and student accounts. In addition, the Chief Business Officers of each of the seven institutions have a functional reporting line to the System CFO who provides functional guidance and supervision consistent with the financial policies outlined in Maine law, the University System charter, Board of Trustees policies and other pertinent financial guidelines pursuant to the direction of the System Treasurer.<sup>4</sup>

As detailed in the BOT Policy Manual for Operating and Capital Budgets, the role of the presidents and their teams in developing and implementing annual budgets, which include allocations made according to campus mission and priorities, remains a centerpiece of the planning and budgeting process.<sup>5</sup> Presidents continue to have responsibility for the preparation of the operating and capital budgets and have the authority to execute those budget as approved by the Board of Trustees within the parameters of Maine law, the University System charter, and Board of Trustees policies. Additionally, there has been no reduction of staff in financial affairs associated with the new structure and the financial staff available to each institution prior to the reorganization remains the same.

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<sup>2</sup> See attached synopsis Governance of Financial Affairs of P&SL 1985 chapter 532 as amended, Section 4-B.1.; Bylaws of the Board of Trustees Section 1.3)

<sup>3</sup> "Chief Business Officer" is a term used by the National Association of College and University Business Officers (NACUBO) to encompass the role of the chief financial and administrative officer of an institution of higher education. In their 2016 National Profile of Higher Education Chief Business Officers, NACUBO notes that 98.5% of their membership surveyed are responsible for their institutions' budget and financial planning.


<sup>4</sup> Attached as supporting documents are: the System CFO position description, the CBO position description; the System Finance organization chart, and each UMS campus senior leadership organizational charts.

<sup>5</sup> See attached, Policy Manual – Operating and Capital Budgets, especially sections III and IV.

## Conclusion

While we are mindful that these changes represent new or evolved methods, we continue to believe they meet the Commission's standards. But, again, we are very appreciative of the opportunity to test and discuss these matters with you in detail. Please let me know what additional information you might need at this time, and we look forward to reviewing our progress with you on a regular basis.

Sincerely yours,

  
James H. Page, Ph.D.  
Chancellor

cc: Dr. Robert Neely, Vice Chancellor for Academic Affairs, UMS  
Dr. Rebecca Wyke, Vice Chancellor for Finance and Administration, UMS  
James Thelen, J.D., Chief of Staff and General Counsel, UMS  
Rosa Redonnet, Chief Student Affairs Officer, UMS  
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Dr. Kathryn Foster, President, UMF  
Dr. John Short, President, UMFK  
Dr. Sue Anne Huseman, President, UMM  
Dr. Raymond Rice, Interim President, UMPI  
Dr. Glenn Cummings, President, USM



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COMMISSION ON INSTITUTIONS OF HIGHER EDUCATION

July 18, 2016

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Dr. James H. Page  
Chancellor  
University of Maine System  
16 Central Street  
Bangor, ME 04401-5106

Dear Chancellor Page:

I write to inform you that at its meeting on April 22, 2016, the Commission on Institutions of Higher Education considered the report submitted by University of Maine System and voted the following:

that action on the report submitted by University of Maine System regarding its plans to integrate the seven universities in the System into one institution be deferred, pending the receipt of additional information, specifically: clarification about how the System's plans to (1) develop multi-institutional academic programs and (2) develop a single financial management structure for the System comply with the 2016 *Standards for Accreditation*;

that the requested information be submitted by September 2, 2016 for consideration at the Commission's September 2016 meeting.

The Commission gives the following reasons for its action.

The Commission appreciates the report submitted by University of Maine System (UMS) regarding progress on its One University Initiative. We understand that the initiative is based on three foundational elements: (1) strategic unity through campus diversity; (2) administrative reduction and reform; and (3) academic collaboration and integration. It also informs UMS' 2014 Strategic Outcomes document. The report provides some detail about two initiatives underway: development of multi-institutional academic programs and implementation of a unified financial management structure. Before taking action on the report submitted by University of Maine System, however, the Commission seeks further clarification about how these initiatives are compliant with the 2016 *Standards for Accreditation*.

The report submitted by University of Maine System included the System's policy on Administration of Multiple-Campus Degree Programs for AY2016 as well as an Executive Summary describing a multi-institutional baccalaureate program in cybersecurity which we understand is currently operational and has enrolled 60 students. We understand that the System will

likely develop other multi-institutional programs that may involve a "single academic department" that spans several institutions. The material submitted, however, does not provide sufficient detail about the System's plans to provide the Commission with confidence that the proposed model will be compliant with the 2016 *Standards for Accreditation*, specifically:

The institution's chief academic officer is directly responsible to the chief executive officer, and in concert with the faculty and other academic administrators, is responsible for the quality of the academic program. The institution's organization and governance structure assure the integrity and quality of academic programming however and wherever offered. Off-campus, continuing education, distance education, correspondence education, international, evening, and weekend programs are clearly integrated and incorporated into the policy formation, academic oversight, and evaluation system of the institution (3.14).

The institution places primary responsibility for the content, quality, and effectiveness of the curriculum with its faculty. Faculty have a substantive voice in matters of educational programs, faculty personnel, and other aspects of institutional policy that relate to their areas of responsibility and expertise (3.15).

Programs leading to degrees or other awards have a coherent design and are characterized by appropriate breadth, depth, continuity, sequential progression, and synthesis of learning. Coherence is demonstrated through learning goals, structure, and content; policies and procedures for admission, retention, and completion; instructional methods and procedures; and the nature, quality, and extent of student learning and achievement (4.3).

Through its system of academic administration and faculty participation, the institution demonstrates an effective system of academic oversight, assuring the quality of the academic program wherever and however it is offered (4.5).

Students complete at least one-fourth of their undergraduate credits, including substantial advanced work in the major or concentration, at the institution awarding the degree (4.36).

We ask that the System provide clarification about how its plans for multi-institutional programs fulfill the expectations articulated in the standards cited above or, as stated in the preamble to the standards, "are appropriate to higher education, consistent with the institution's mission and purposes, and effective in meeting the intent of the Commission's Standards."

The report submitted by University of Maine System also describes the unified financial structure for the System and notes that a group is working on six "key areas": tuition and fees, the resource allocation model, institutional aid/waivers, reserves, outcomes based funding, and capital project funding. The report includes the System's judgment that the current structure and the contemplated changes do not "conflict" with Standard 7, *Institutional Resources*, but the Commission lacks sufficient information to make that determination. We seek further information about the responsibilities of the campus Chief Business Officer (CBO) to be assured that these are consistent with those typically assigned to a "chief financial officer" as specified in paragraph 7.11 of the *Institutional Resources* standard. The role of the System CFO in relation to the campus CBOs and campus presidents is likewise unclear to us. UMS' report notes that campus presidents will have "considerable (but not complete) autonomy" in allocating resources deployed to their campus but it does not specify what the limits to presidential autonomy will be. In addition, the report notes the expectation that "certain resources will be allocated by function" and by System priorities rather than by campus but it does not specify what those functions are or what role the campuses would have in determining System priorities. Consequently, we do not

yet have assurance that the proposed model would enable each institution to demonstrate that it "preserves and enhances available financial resources sufficient to support its mission [and] manages its financial resources and allocates them in a way that reflects its mission and purposes" (7.4).

The Commission asks that University of Maine System submit the requested information by September 2, 2016. Please send four paper copies and one electronic copy (single, searchable pdf file) to the NEASC offices.

You are encouraged to share this letter with all of the System and Universities' constituencies. It is Commission policy to inform the governing board chairperson of action on the accreditation status of affiliated institutions. In a few days we will be sending a copy of this letter to Mr. Samuel E. Collins. The System and Universities are free to release information about the report and the Commission's action to others, in accordance with the enclosed policy on Public Disclosure of Information about Affiliated Institutions.

If you have any questions about the Commission's action, please contact Barbara Brittingham, President of the Commission.

Sincerely,



Patricia Maguire Meservey

PMM/jm

Enclosure

cc: Mr. Samuel E. Collins  
Dr. James F. Conneely  
Dr. Glenn A. Cummings  
Dr. Kathryn A. Foster  
Dr. Susan J. Hunter  
Dr. Raymond Joseph Rice  
Dr. John Short  
Mr. Stuart G. Swain



## **UMS MULIT-CAMPUS ACADEMIC COLLABORATION EXAMPLES, F16**

### **ACTIVE**

1. Cybersecurity (USM/UMA/UMFK). Current enrollment 89+
2. Medical Laboratory Technician (UMA/UMPI) Current enrollment UMA 24, UMPI 8
3. Meteorology Course (UMM/UMA) Current enrollment UMM 30, UMA 5.
4. Masters in Education in Instructional Technology (UME/USM/UMF) Current enrollment 25
5. Certificate in Classroom Tech Integration (UME/USM/UMF) Current enrollment 17
6. Instructional Design (UME/USM/UMF) Current enrollment 3
7. Education Minor (UMA/UMPI) Total pursuing K-8 certification 158
8. Education Minor in Special Education (UMA/UMM) Total pursuing certification 38

### **PENDING**

1. GIS (UMM/UMFK/UMPI/UMF/UMA/USM)
2. History(UMA/UMFK/UMM/UMPI)

### **UNDER ACTIVE CONSIDERATION (incomplete)**

1. Engineering
2. Nursing

An example of an associated MOU is attached.



Administration of Multiple-Campus Degree Programs  
Academic Year 2015-2016

Description of Multiple-Campus Degree Program: A degree program that is offered on multiple campuses using identical degree requirements. The program proposal must go through the full approval process (faculty and administration) on each campus. Campuses often share courses and instructors, but specific courses might also be duplicated on the various campuses. Each student matriculates at one of the campuses and earns their degree from that specific campus. Credit hours, tuition rates, and tuition revenue follow the instructor/campus, and the policies and procedures applicable to students may vary from campus to campus.

In our current multiple campus model, following is a breakdown of the administrative issues that must be addressed for at least the current academic year (AY 15-16).

This management model is applicable only to newly emerging multi-campus collaborations. All existing, ongoing MOUs will continue to be honored. This management model will be evaluated after AY15-16 (and any subsequent year for which it is used) to assist in formulating a future, more permanent management model.

I. Student policies, procedures, and support systems

- a. Marketing and student recruitment will be conducted at the individual campus level, with appropriate support from University College for online programs.
- b. Minimum admission and transfer standards for students will vary by campus, according to campus mission and policy. The program steering committee (see below) may decide to establish more stringent admission requirements that are consistent among the participating campuses, as long as minimum campus standards continue to be enforced.
- c. Students will be subject to all current policies and procedures, at both the campus and Trustee level (e.g., student conduct code, class registration, grade transfer, etc.)
- d. Students will be assigned advisors according to procedures at their home campus. However, the program steering committee may propose alternative assignment of faculty advisors within the program but perhaps from other campuses, to better balance instructor workloads and meet individual student needs.

II. Department structure and operations

- a. A steering committee will be established to include one faculty member from each participating campus. Faculty from each participating campus will make a recommendation for the steering committee appointment from their campus. Such recommendation shall be sent to their campus Provost / Vice President for Academic Affairs who will consider the recommendation and make the final decision for appointment.
- b. A chairperson will be elected from the steering committee membership, and that position will rotate among the campuses as appropriate.
- c. Members of the steering committee will also serve as program coordinators on their respective campuses.

- d. The chairperson is responsible for convening the steering committee on a monthly basis and coordinating the schedule and delivery of program course requirements on a year-to-year basis.
- e. The chief academic and student officers from chairperson's home campus will be responsible for representing and supporting the program, as needed, at the System level.
- f. Individual instructors will continue to function as employees of their respective campuses with regard to all aspects of BOT policy, campus policy, and relevant collective bargaining agreement (e.g., compensation, performance evaluation, etc.)
- g. Primary responsibility for faculty hires remains at the individual campus level. Search committees are encouraged to consider allowing a member or members of the program steering committee from another campus to participate in the search process in some manner and provide input and thoughts to the search committee for the search committee's consideration.

### III. Curriculum

- a. Any alterations to the program curriculum, including significant revision to individual course syllabi that result from significant changes in curriculum, must be initially approved by the program steering committee. After such approval is granted, the change must then be vetted and approved through the appropriate faculty process at each participating campus.
- b. The steering committee is responsible for developing and maintaining a multi-year course schedule, including specific instructor and delivery mode. Nothing in this responsibility shall impact the modification of future schedules, including any necessary modification for sabbaticals that may be granted under the terms of the AFUM collective bargaining agreement.

### IV. Budget and finance

- a. Credit hours will follow the instructor and be housed at their campus of employment. Credit hours for team-taught courses will be divided between the two instructors' home campuses, based on the percentage of the workload carried by each instructor.
- b. Instructors will be financially compensated according to their contract with their individual campus of employment, including any stipend based on course delivery mode.
- c. Financial aid will continue to be offered and managed by a student's home campus and according to that campus's policies and procedures.
- d. Students will continue to be charged according to current policies and procedures; students taking courses from multiple campuses will be billed by each campus.
- e. Students will be charged the standard tuition and fees applicable at their home campus. For courses taken from other campuses, they will continue to be charged the tuition rate in effect at the originating campus for those courses.
- f. Tuition revenue will remain at the student's home campus, except for courses taken from other campuses.
- g. Non-personnel expenses specific to a multi-campus program are the responsibility of the individual campuses, as negotiated by the steering committee with the chief academic officers at the participating campuses. However, the program steering committee may also propose program and/or course fees, common to students at all participating campuses, that would be restricted to cover such expenses.

This temporary operating model varies little from the current state of operations and does not yet fully capitalize on more collaborative, effective, and efficient opportunities that will improve the educational experience for our students. The UMS is on the brink of significant expansion of collaborative academic ventures among our seven campuses, which will require different ways of managing academic affairs writ large.

## **MLT Program of Maine Affiliation Agreement**

This AFFILIATION AGREEMENT is made this first day of September 2015 by and between the University of Maine at Presque Isle, 181 Main Street, Presque Isle, Maine 04769 and the University of Maine at Augusta, 46 University Drive, Augusta, Maine 04330. (Hereinafter collectively referred to as the Collaborating Colleges or Consortium)

### **WITNESSETH:**

**WHEREAS**, the Collaborating Colleges desire to cooperate in the education of students pursuing careers as Medical Laboratory Technicians; and

**WHEREAS**, the Collaborating Colleges wish to assume joint responsibility for planning, implementation and administrative oversight of an educational program in Medical Laboratory Technology leading to an Associate of Science degree to be awarded by the individual institutions; and

**WHEREAS**, the Collaborating Colleges propose to share the expenses associated with the operation of a Medical Laboratory Technology program.

**NOW THEREFORE**, in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto agree as follows:

1. The Collaborating Colleges shall constitute a consortium that has been assembled for the purpose of establishing a statewide educational program in Medical Laboratory Technology. The consortium shall be known as the Medical Laboratory Technology Program of Maine.
2. Unless otherwise described in the Agreement, the Collaborating Colleges agree to work together to define curriculum and establish the parameters in which students will participate in academic courses and clinical experiences relevant to the training of medical laboratory technicians. Any and all curricula developed by the Consortium shall comply with the standards of the National Accrediting Association for Clinical Laboratory Sciences (NAACLS) and all requirements of the Collaborating Colleges that qualify students for the Associate of Science degree.
3. Currently employed program directors at the University of Maine at Presque Isle and the University of Maine at Augusta shall be appointed Co-Directors and will have responsibility for the day-to-day operation of the program.
4. An Admissions Committee, composed of the appropriate representative from each campus and the Co-Directors, shall be organized as needed to market the program and recruit students; establish admission, progression and reinstatement criteria; review student records; and identify students to fill available seats.
5. A Program Advisory Committee shall meet annually to provide advice and guidance in achieving academic goals and objectives. The Co-directors from the University of Maine at Presque Isle and the University of Maine at Augusta will serve as co-chair persons of the committee. Membership

on the Advisory Committee may include representatives from: clinical faculty and liaisons; university faculty, medical laboratory technicians and technologists broadly representative of the employers in the regions of the state covered by the Consortium, one or more current students and program graduates.

6. The program's curriculum will be a mix of general education and professional courses including clinical experience in a healthcare setting. Students will be able to complete their general education requirements at their home institution. The professional courses will be taught at UMA or UMPI through distance learning methodologies. Every effort will be made to arrange clinical experiences for students in their geographic area.
7. The number of seats in the professional (MLT) courses will be divided equally between the two campuses. Should a campus be unable to fill its allotted seats, the vacant seats will be awarded to the other campus.
8. Each Collaborating College shall be responsible for recruiting and admitting students into the program in accordance with its own established criteria. Every effort shall be made by the individual Colleges to admit sufficient numbers of students into the program to insure that their allotted seats in the professional courses are filled each year.
9. The Collaborating Colleges shall serve as their fiscal agent for the Consortium and shall administer their own budgets.
10. The originating campus gets the course tuition revenue and headcount for University College courses. For all students not on the originating campus the receiving sites are paid the established University College fee per section and per enrollment. The originating site pays all instructional costs, i.e. instructor fees, supplies and University College covers all mailing costs. The Collaborating Colleges will pay equally the following operating costs of the program including but not limited to authorized travel expenses for faculty; instructional equipment, technology and software resources, the annual accreditation fee and the costs of periodic accreditation site visits.
11. Each collaborating college shall have access to and the right to audit the financial records of the other collaborating college pertaining to the reimbursable costs of operating the Medical Laboratory Technology Program.
12. All indirect costs associated with the Medical Laboratory Technology Program including administrative costs, and the costs of maintaining campus classrooms, laboratories, and other instructional facilities shall be assumed by the campus and shall not be factored into any reimbursement payments.
13. Each Collaborating College shall be responsible for its own costs of operating the remedial and general education courses associated with the Medical Laboratory Technology Program. These costs include, but are not limited to, salaries and fringe benefits of faculty teaching the remedial and general education courses, instructional materials and supplies, audiovisual materials, maintenance of physical plant and related program administration.

14. All student services, such as financial aid, counseling, admissions, registration and placement will be administered and budgeted for separately by the Collaborating Colleges. Students will have access to these services on their home campus for the entire time that they are enrolled in the program.
15. Students enrolled in the Medical Laboratory Technology program will be given access to the library, computer facilities, and the academic support centers on their home campus as well as the corresponding facilities and services of the other Collaborating College.
16. Students will enroll in the program and register for all courses in the program through their home institutions at the prevailing institutional rate. Out-of-state students will be charged the prevailing out-of-state tuition rate. All tuition and fees generated by these courses will be collected by the respective colleges.
17. The Associate of Science degree will be awarded by the home campus to students who successfully complete the program of study.
18. The Co-Directors will conduct ongoing review and evaluation of the program. At the time of each accreditation renewal, the Co-Directors and program faculty in collaboration with the Advisory Committee will prepare a self-study in accordance with guidelines established by NAACLS.
19. Annually, the Co-Directors shall collect and report the outcomes of the program, the strengths and weaknesses. The report will be reviewed by the Program Advisory Committee and a plan developed to address the program's weaknesses and build on the strengths.
20. The Collaborating Colleges will cooperate to maintain program accreditation by the National Accrediting Agency for Clinical Laboratory Sciences (NAACLS) for as long as this Agreement is in effect. The NAACLS contact shall be the University of Maine at Presque Isle; the Program Director of record with NAACLS shall be Leigh A Belair.
21. Each student shall provide evidence to his/her home institution that his/her own health is covered in the event of sickness or accident by an appropriate insurance policy.
22. Each student shall participate in a program of education and training regarding the Occupational Health and Safety Administration's Blood borne Pathogen Standard and its Hazard Communication Standard. The Consortium shall arrange the program. Documentation of student participation shall be maintained by the Program Co-Directors.
23. If any provision of this Agreement should conflict with any term or condition of any agreement between the University of Maine system and an outside entity; the terms and conditions of this Agreement with such outside entity shall take precedence and be controlling.
24. The term of this Agreement shall extend for a period of five (5) years, commencing on September 1, 2015 (the "Effective Date") through August 31, 2020. The Agreement is subject to periodic


review and evaluation during this time period to ensure continuing satisfaction. Renewal of this Agreement shall be in writing and signed by both parties.

25. This Agreement may be modified in writing upon consent of the Consortium to any modifications proposed by any of the individual members.
26. In the event that a notice to terminate is given by one of the parties, this Agreement shall continue in full force and effect so as to allow the completion of the Associate Degree by students who have already been accepted into the professional courses. After such notice has been given, no new students will be accepted into the program operated by the terminating party. Upon completion of the program by those students, this Agreement shall be terminated in all respects.
27. All notices under this Agreement must be in writing and delivered personally or by certified mail, return receipt requested and postage prepaid, to the other party at the address given at the beginning of this Agreement. Notice shall be deemed given as of the date and delivery in case of personal notice, in the case of mailing by certified mail, notice shall be deemed given on the date of mailing.

**IN WITNESS WHEREOF**, the undersigned executed this Agreement as of the date first written above

  
\_\_\_\_\_  
Rebecca Wyke  
President  
University of Maine at Augusta

10/7/15  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Ray Rice  
Vice President for Academic Affairs and Student Affairs  
University of Maine at Presque Isle

10/13/15  
\_\_\_\_\_  
Date

\* Adapted with permission from the Affiliation Agreement of the New Jersey/New York Interstate Consortium for Medical Laboratory Technology Education.

## **Governance of Financial Affairs**

The University System charter (*Maine law P&SL 1985 chapter 532 as amended, Section 4-B.1.; Bylaws of the Board of Trustees Section 1.3*) states that the Board is the governing and planning body of the University System, and charges it with responsibility for preparing and approving the operating and capital budgets of the System and its seven institutions. Further, it states that the Board shall provide sound financial management and exercise prudent stewardship of the assets of the University System and its seven institutions, as well as plan strategies for programs and allocation of resources that most effectively serve the education needs of the citizens of Maine.

The charter also states that the Board will appoint a chancellor who will serve at its pleasure as chief administrative and education officer. Among other duties, the chancellor is charged with promoting planning for financial operations, capital plans and resource allocation; preparing all operating and capital budgets, appropriation requests and bond issues; and providing a centralized management oversight of services.

Section two of the charter states that the Board will appoint a treasurer to receive and have custody of all moneys received for the University System; make all expenditures upon authentication; exercise revenue bonding authority with the approval of the Board; and prepare the annual financial report for the University System. Board Policy (Section 207-Signatory Authority) rests all signatory authority to draw funds and to sign contracts grant applications, research proposals, purchase orders and similar instruments with the treasurer. The treasurer is authorized to delegate this authority for specific purposes and within specific limits to designated officers and employees of the University System.

The charter states the head of each campus is the chief administrative and educational officer thereof and is responsible for the day-to-day operation and development of its academic program within the limits defined by the Board of Trustees and the Chancellor.

Board Policy charges a president with implementing the plans, policies, and directives from the Board of Trustees and the Chancellor including, among other responsibilities: the development and administration of the institution's operational and auxiliary budgets as approved by the Chancellor and the Board of Trustees; and the long-term planning, development, maintenance and operation of the physical plant within the mission and guidelines set forth by the Board of Trustees.



Associate Vice Chancellor and Chief Financial Officer  
University of Maine System

**I. Primary Purpose of the Position**

The Associate Vice Chancellor and Chief Financial Officer (CFO) oversees all fiscal operations of the University of Maine System (University). The CFO provides leadership system-wide, working with university officials, on strategic budgeting, fiscal planning and financial management. The CFO is responsible for identifying and implementing best practices in financial management and ensuring that financial resources serve to fully support the mission of UMS.

The CFO directs system-wide functions of accounting, budgeting, investment management, treasury, cash management, financial analysis and planning, financial systems, and student financial services.

The following areas of the University report to the CFO: budget and financial analysis, student accounts, controller, and campus chief business officers.

**II. Essential Duties**

1. Represent the Vice Chancellor in working with university officials on all issues related to budgeting, fiscal planning and financial management.
2. Prepare information and testimony for the legislature and state officials on issues related to budget and financial operations.
3. Oversee the development of financial forecasts for all operational units.
4. Oversee development of policies related to financial administration.
5. Oversee the Maine Economic Improvement Fund (MEIF) – Small Campus Initiative.
6. Helps staff the following Board of Trustees committees: Finance, Facilities and Technology; Investment; and Audit.
7. Responsible for the overall financial management of the University, including:
  - a. Administration and control of University budget practices and procedures for E&G, auxiliary enterprises, MEIF, endowments, loan funds, restricted funds and designated funds to include annual operating budgets and biennium appropriation requests to the State Budget Office.
  - b. Preparation of the University's annual financial statements.
  - c. Oversight of financial reporting systems and operating procedures.
  - d. Administration of all cash management functions related to investments and cash flow analysis for the University.
  - e. Management of investments for endowment funds and pension fund with Trustee Investment Committee.
  - f. Gift management and reporting.
  - g. Collection, reporting and publishing of financial information about the University's activities for both internal users and external agencies.

### **III. Non-Essential Duties**

None

### **IV. Budget Responsibility**

Responsible for the University's unified operating budget with overall responsibility for the fiscal and administrative functioning of the University.

### **V. Reporting Relationship**

Reports directly to the Vice Chancellor and Chief Operating Officer and has a service reporting relationship to the Chancellor and to the Board of Trustees.

### **VI. Supervisory Responsibilities**

Supervises Director of Budget and Financial Analysis; Director of Finance/Controller; the campus Chief Business Officers; and other unit directors as assigned.

Coordinates with the University Presidents and the Executive Director of Organizational Effectiveness, Executive Director for Governmental Relations, Executive Director for Public Affairs, Clerk of the Board, Chief Academic Affairs Officer, Chief Student Affairs Officer, Chief Information Officer, Chief Human Resources Officer, Chief Facilities and General Services Officer, and General Counsel, as well as other system and campus management.

### **VII. Knowledge, Skills and Abilities**

1. Advanced knowledge of issues, trends, and operations of large, complex higher education or public sector organizations.
2. Solid working knowledge of all aspects of financial management.
3. Advanced knowledge of accounting, budget, investment and audit disciplines and ability to make decisions on these areas on behalf of the institution.
3. Excellent written and oral communications skills; ability to write and speak clearly about complex matters to broad audiences.
4. Ability to work as a team member and leader.
5. Ability to evaluate and interpret complex data.
6. Knowledge of planning and assessment.
7. Knowledge of the legal and regulatory environment.
8. Excellent collaboration and leadership skills.
9. Ability to plan, lead and carry out projects to meet deadlines.
10. Ability to explain, interpret and develop policies and procedures.

**VII Required Qualifications**

**I.**

1. Master's degree in appropriate field such as MBA, MPA, finance or accounting or equivalent combination of education and experience.
2. At least five years experience at a senior level in large, complex organizations, preferably in higher education or public sector.
3. Commitment to a public statewide higher education system dedicated to teaching, research, public service and student development.
4. Knowledge of public policy and government processes; familiarity with Maine public policy and government preferred.
5. Knowledge of issuance of public debt or private debt, including interactions with the banking community and financial markets, bond counsel and credit rating agencies.
6. Experience in determining cash flow requirements and directing investments.

Signatures: The signatures indicate the employee and immediate supervisor have reviewed the job description and had the opportunity to provide input.

Employee: \_\_\_\_\_ Date: \_\_\_\_\_

Immediate Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

**NOTE: THE CHANCELLOR RESERVES THE RIGHT TO ASSIGN REASONABLY RELATED ADDITIONAL DUTIES AND CHANGE OR REASSIGN JOB DUTIES.**

## Chief Business Officer

Position Number/Incumbent:  
Department: SOOT  
Campus: University Services  
Date of Issue: July 2015

### I. Primary Purpose of the Position

The Chief Business Officer (CBO) of a campus serves on the president's cabinet as the chief financial and business advisor to the president and the campus leadership team and is the campus' primary liaison to the functionally aligned services.

### II. Essential Duties

1. Serves as the chief fiscal and business officer of the campus including development of the annual campus budget request with the president and the leadership team in support of the campus mission and strategic priorities;
2. Oversees the management of the annual campus budget as approved by the Board of Trustees (as well as other all other campus funds) and advises the president and the leadership team on innovative and practical approaches to meeting the campus' fiscal needs;
3. Responsible for the overall financial management of the campus including the commitment of campus resources for grants and contracts;
4. Serves as a liaison to functionally aligned services managed at the system level to ensure campus' needs are met and to support the campus mission and strategic priorities;
5. Participates in long-range planning and goal setting for the campus and provides analytical support and reports for routine and complex projects;
6. Actively participates in the development of policies and procedures at the system and campus level; and
7. Oversees the administrative functional units managed at the campus level, including responsibility for financial reporting, cashier functions and student customer service, day-to-day (hands on) functions for maintenance and operation of plant, campus-managed auxiliary services, and other duties as assigned by the president and the CFO.

### III. Non-Essential Duties

None.

### IV. Budget Responsibility

Responsible for the respective campus budget with responsibility for the fiscal and administrative functioning of the campus.

### V. Reporting Relationship

The CBO has a direct reporting relationship (solid line) to the Associate Vice Chancellor (CFO) and a service reporting relationship (dotted line) to their respective campus president. Campus CBOs are jointly selected and evaluated by the CFO and the respective campus president.

VI. Coordinating Relationships

Coordinates with members of the president's leadership team, functional leaders of finance and administration matrix services, other campus CBOs and University Services leadership and staff, and campus-based constituencies.

VII. Supervisory Responsibilities

Oversees directors/managers/supervisors of administrative functional units managed at the campus level and assigned to the CBO.

VIII. Knowledge, Skills and Abilities

1. Knowledge of issues, trends, and operations of complex organizations with direct experience in higher education or public sector organizations preferred;
2. Solid working knowledge of financial and administrative management;
3. Knowledge of accounting, budget and audit disciplines;
4. Effective written and oral communication skills;
5. Ability to work as a team member and leader;
6. Ability to evaluate and interpret data;
7. Knowledge of planning and assessment;
8. Knowledge of the legal and regulatory environment;
9. Excellent collaboration and interpersonal skills;
10. Ability to plan, lead and carry out projects to meet deadlines; and
11. Ability to explain and interpret policies and procedures.

IX. Qualifications

1. Bachelor's degree in appropriate field such as finance, accounting, business management, or public administration or equivalent combination of education and experience. Masters degree in an appropriate field such as MBA, MPA, finance or accounting preferred (may vary by campus);
2. At least five years experience managing in a complex organization with direct experience in higher education or public sector organizations preferred
3. Commitment to public higher education dedicated to teaching, research, public service and student development.

**NOTE: THE UNIVERSITY OF MAINE SYSTEM RESERVES THE RIGHT TO ASSIGN REASONABLY RELATED ADDITIONAL DUTIES AND CHANGE OR REASSIGN JOB DUTIES.**

Signatures: The signatures indicate the employee and immediate supervisor have reviewed the job description and had the opportunity to provide input.

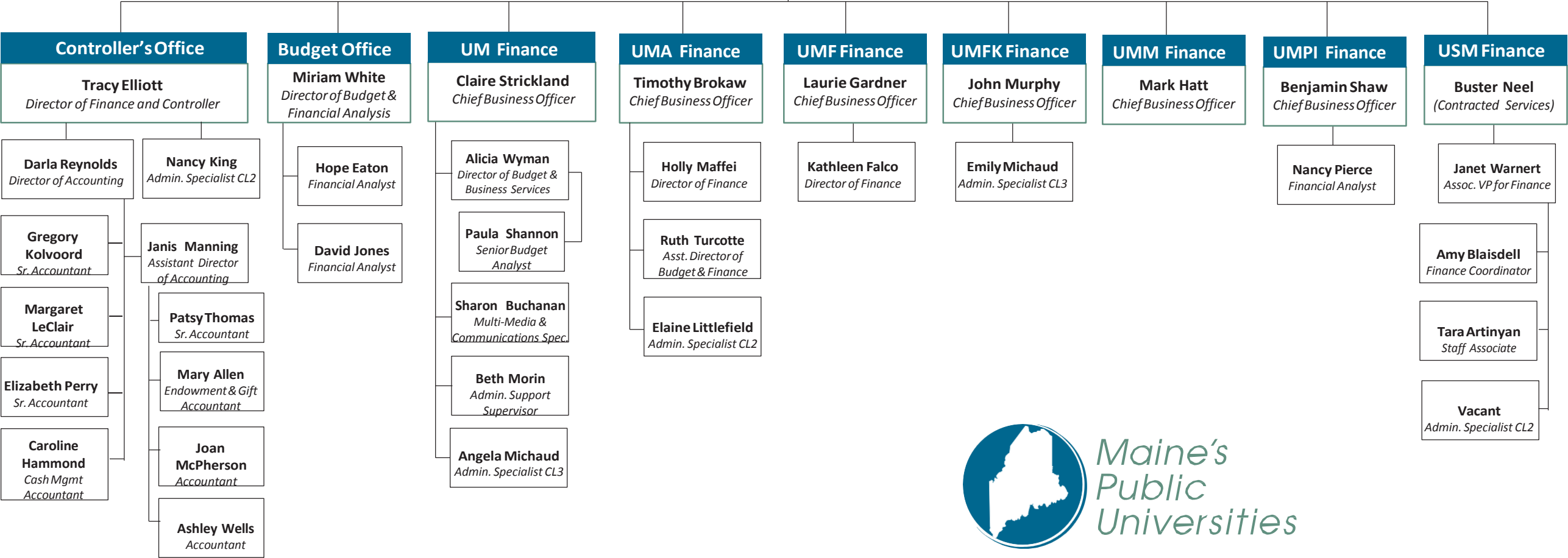
Employee: \_\_\_\_\_ Date: \_\_\_\_\_

Immediate Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

# UMS Finance Org Chart

## FY2017

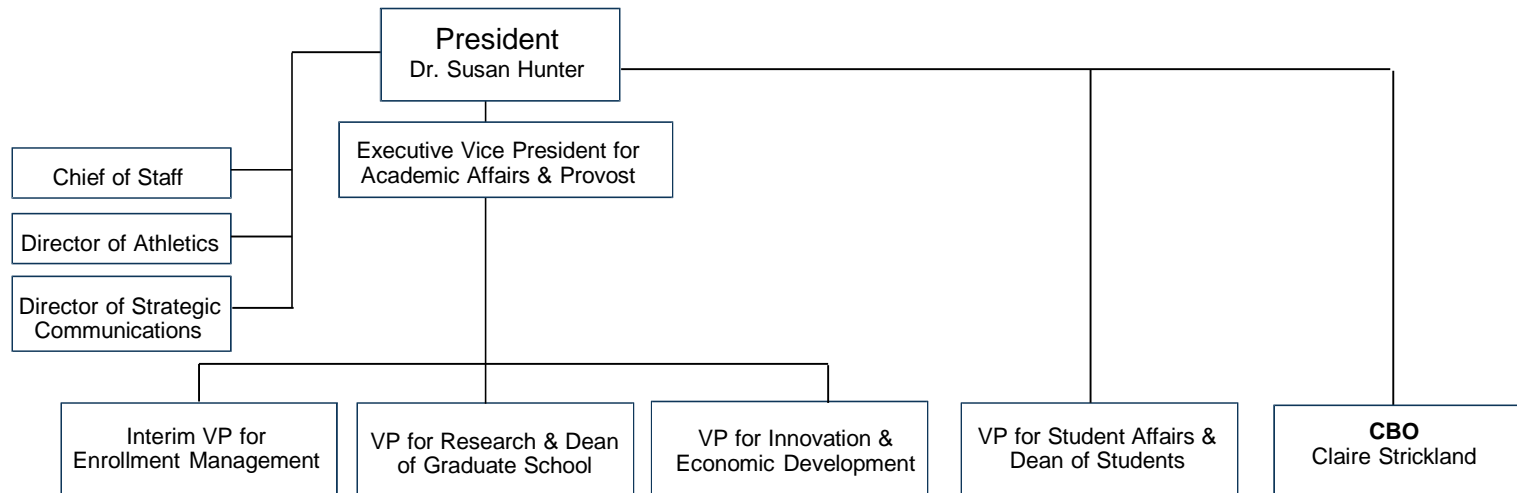
**Ryan Low**  
Associate Vice Chancellor, and Chief Financial Officer, and Treasurer



**UNIVERSITY OF MAINE SYSTEM**

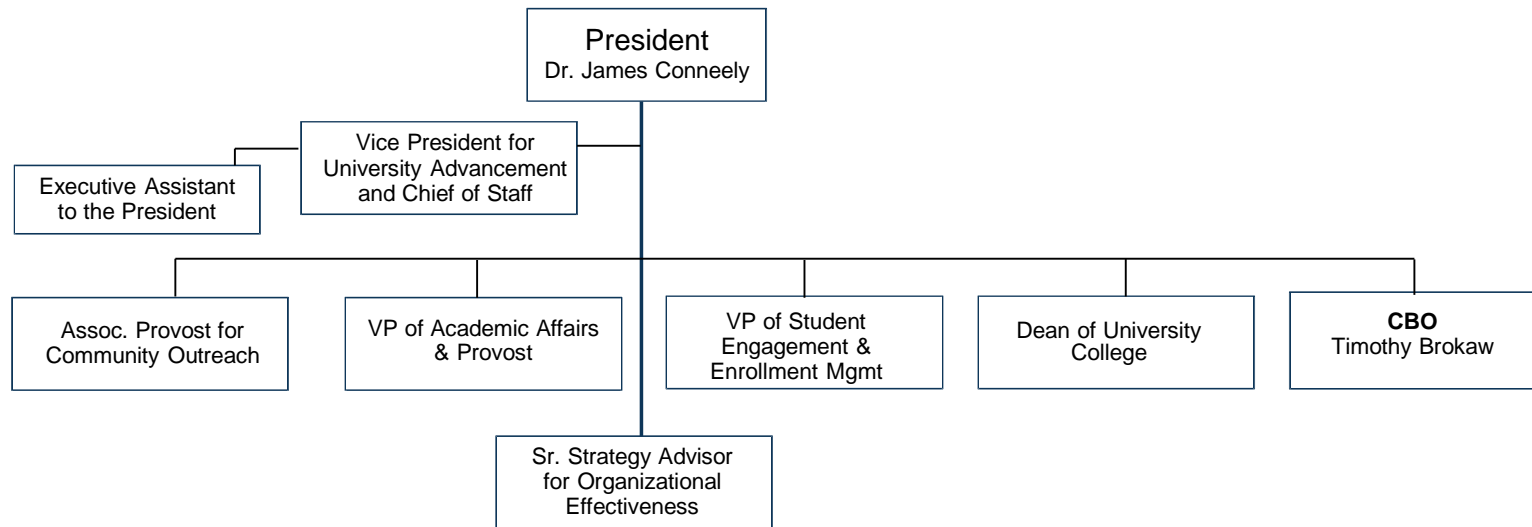
# Campus Organizational Charts

## President's Cabinet Level



# Campus Organizational Charts

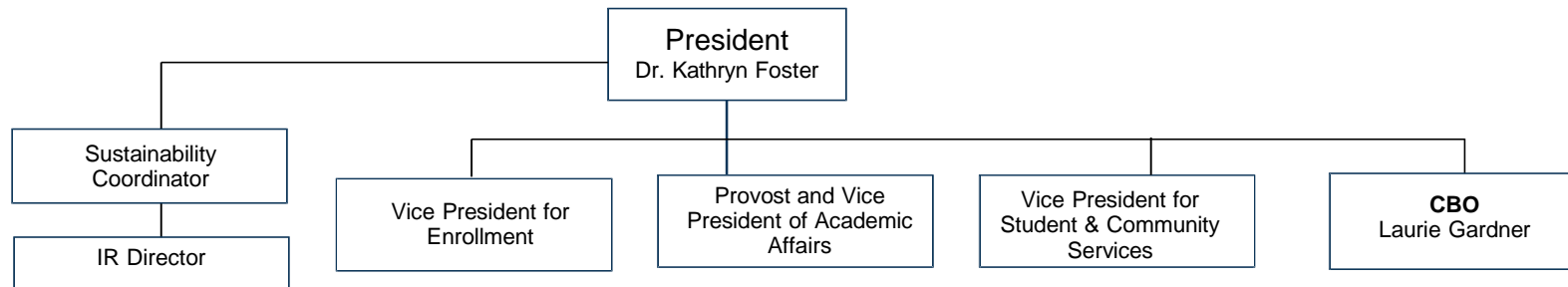
## President's Cabinet Level





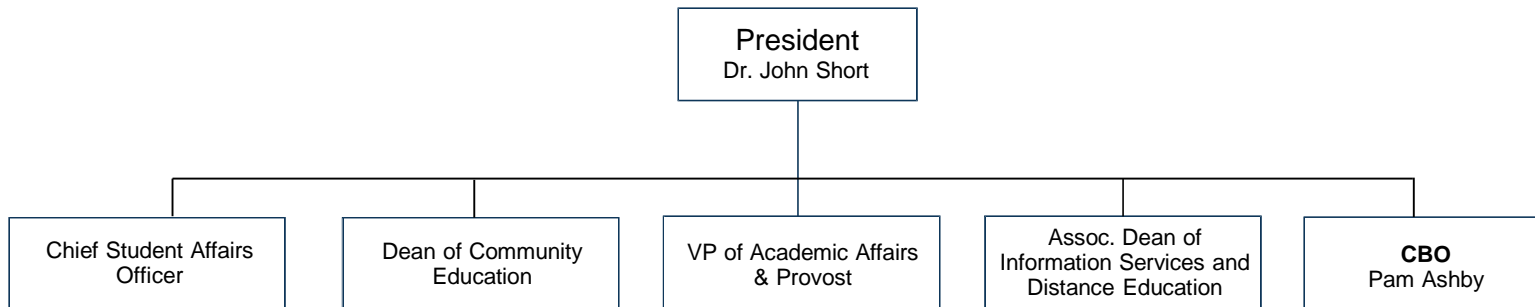
# Campus Organizational Charts

## President's Cabinet Level



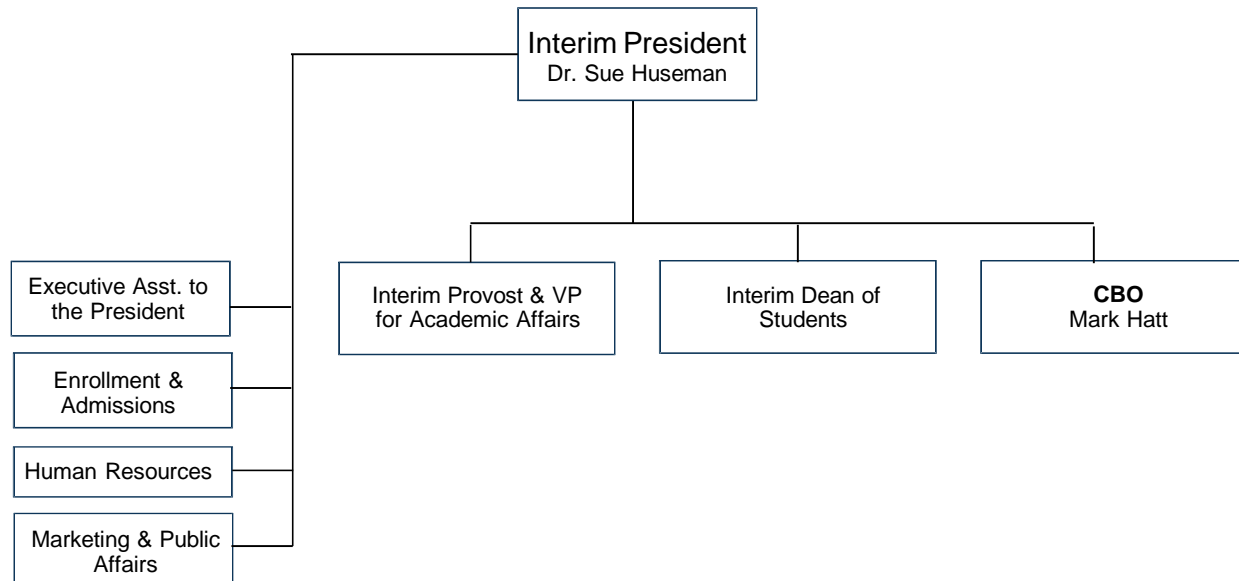
# Campus Organizational Charts

## President's Cabinet Level



# Campus Organizational Charts

## President's Cabinet Level

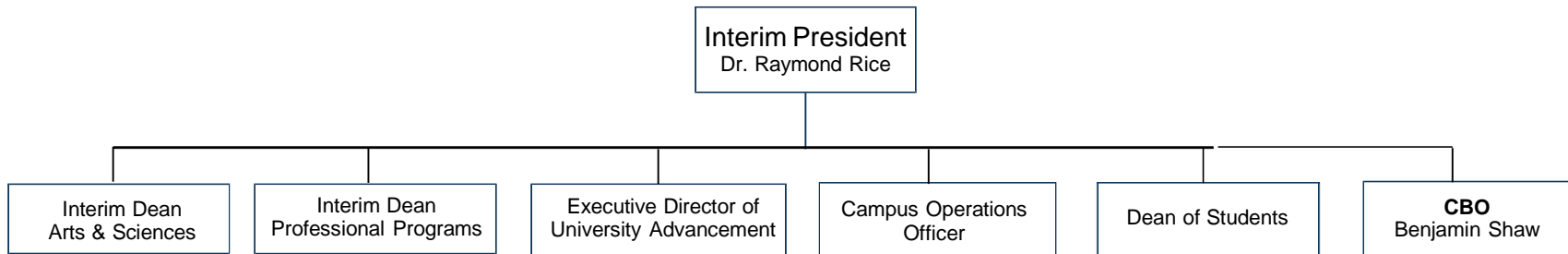




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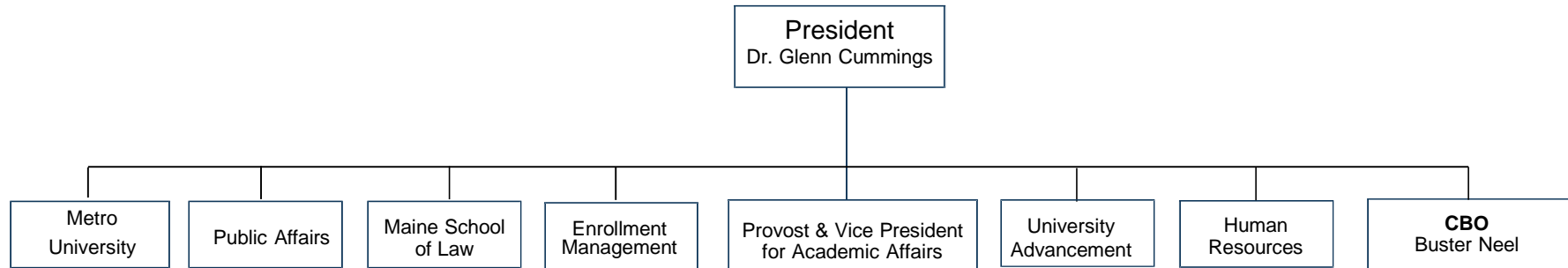
# Campus Organizational Charts

## President's Cabinet Level



# Campus Organizational Charts

## President's Cabinet Level



## **POLICY MANUAL – OPERATING AND CAPITAL BUDGETS**

### **FINANCIAL AFFAIRS Section 701 Operating & Capital Budgets**

Effective: 1/23/89

Last Revised: 1/25/99; 03/10/08; 5/21/12; 9/24/12; 11/17/14

Responsible Office: Finance

#### **I. Policy Statement:**

The Charter of the University of Maine System (Private & Special Laws 1985 chapter 532, as amended) vests the Board of Trustees, in consultation with the Chancellor, as the governing and planning body of the university with responsibility for preparing and approving the operating and capital budgets of the university. In fulfillment of these duties, the Charter further requires the Board of Trustees provide sound financial management of the system, exercise prudent stewardship of assets, and plan strategies for programs and allocation of resources that most effectively serve the educational needs of the citizens of this state.

The primary fiduciary responsibility for the operating and capital budgets of the university, ongoing financial management of the system, prudent stewardship of assets, and strategic planning related to programs and the allocation of resources rests with the Board of Trustees and, as delegated by state law and Board of Trustees policy, its statutory officers – the Chancellor and the Treasurer. This fiduciary responsibility is also shared by the presidents of the various institutions within the parameters approved by the Board of Trustees and the Chancellor. Campus presidents have significant latitude to manage the approved budget for their respective campus in support of the institutional mission.

#### **II. Definition of Terms**

**Allocation.** An allocation of Education & General, Auxiliary or Designated Fund by the Board of Trustees to a campus or university governance.

**Allotment.** An allotment of funds allocated to a budget program by semester for the fiscal year. The fall semester will run from July 1st through December 31st and the spring semester will run from January 1st through June 30th.

**Budget Order.** An administrative document approved by the Treasurer to adjust the unified unrestricted operating budget in accordance with this policy.

**Budget Program.** Each campus budget consists of three primary budget programs based on the funding source: Education & General, Auxiliary, and Designated. The university governance budget consists of two primary budget programs: Education & General and Designated. Each primary budget program may include one or more sub-budget programs to which the Board of Trustees allocates funds for a specific purpose.

**Budget Transfer.** An administrative document approved by a campus president to adjust the unified unrestricted operating budget in accordance with this policy.

**Campus.** A campus means one of the seven universities of the University of Maine System (UMS): University of Maine, University of Maine at Augusta, University of Maine at Farmington, University of Maine at Fort Kent, University of Maine at Machias, University of Maine at Presque Isle, and University of Southern Maine.

**Full-Time Equivalent (FTE) Employee.** An FTE employee means one or more employees, which, in combination, are counted as the equivalent of one full-time employee.

**Line Item.** An allocation of Education & General, Auxiliary or Designated funds by the Board of Trustees to a campus or university governance by one of the following line items: 1) Personnel – includes employee salary, wages and benefits; 2) All Other – includes all non-personnel costs such as general operating expenses, utilities, travel, etc. excluding items meeting capital expenditures criteria; or 3) Capital & Financing Activities – includes expenditures for debt service principal and equipment with a unit cost of \$5,000 or more, transfers to capital planning reserves, and transfers to the plant fund for the acquisition of real property, construction and certain repairs.

**Unified Unrestricted Operating Budget.** The unified unrestricted operating budget is made up of 1) the Education & General Budget supported by tuition, state appropriation and other miscellaneous Education & General revenues; 2) the Auxiliary Budget supported by residence and dining hall fees and other miscellaneous Auxiliary revenues; and 3) the Designated Fund Budget that support the general operations of the UMS. Certain restricted funds, such as grants and contracts, are not included in the unified unrestricted operating budget as they are restricted for specific purposes.

**University Governance.** University governance means the administrative unit with decision-making authority for the University of Maine System that serves the Board of Trustees.

**Work Plan.** An administrative document that maps the expenses of each campus (and budget program) in allotments by the semester in which those expenses are expected to be incurred.

### **III. Budget Process**

Development of the budget consists of an iterative planning, review, and revision process among and between the Chancellor and Board of Trustees, the Treasurer and the campus presidents, which is overseen by the Treasurer. The unified unrestricted operating budget is developed in four iterative steps:

- 1 Formulation of the budget request for each respective campus by its president;
- 2 Development of the unified unrestricted operating budget by the Treasurer under the direction of the Chancellor;
- 3 Review and amendment as appropriate, of the unified unrestricted operating budget by the Finance, Facilities and Technology Committee for recommendation to the Board of Trustees; and
- 4 Review, amendment as appropriate, and approval by the Board of Trustees.

### **IV. Formulation of the Unified Unrestricted Operating Budget**

#### **A. Campus Request**

**Format.** In accordance with the guidelines provided by the Treasurer, the president of each campus prepares and presents a balanced budget request for the next fiscal year identifying the individual budget programs within each campus, including the proposed spending levels and number of full-time equivalent positions authorized by budget program.

**Timing.** In January of each year, the president of each campus submits their respective budget request to the Treasurer.

#### **B. Treasurer; Preparation of Unified Budget**

**Compilation.** The Treasurer compiles the individual campus and university governance requests into a

single budget document.

**Adjustment.** Under the direction of the Chancellor, the Treasurer develops the unified unrestricted operating budget for the University of Maine System by adjusting the individual campus and university governance requests as appropriate to reflect operational priorities and to ensure the budget is in balance.

**Restrictions.** In developing the unified unrestricted operating budget the Treasurer is bound by various statutory and Board Policy restrictions:

- 1 *The budget must be balanced;*
- 2 *The budget must allocate sufficient funds to pay the interest and installments of principal on all bonded debt created on behalf of the UMS as these payments become due;*
- 3 *The budget must separately identify the annual budget for travel, meals, and entertainment costs as required by state law; and*
- 4 *The budget must separately identify the annual budget for contribution expenses, such as membership dues & fees, gifts, donations, and sponsorships as required by state law.*

**Format.** The unified unrestricted operating budget must separately identify individual campuses and university governance with their respective proposed spending levels for the next fiscal year by budget program, and within each budget program the total number of positions authorized (FTE) and the spending levels by line item.

**Timing.** In March of each year, the Treasurer submits the unified unrestricted operating budget to the Finance, Facilities and Technology Committee.

### **C. Finance, Facilities and Technology Committee Review; Recommendation**

**Review; Recommendation.** In March of each year, the Finance, Facilities and Technology Committee reviews the unified unrestricted operating budget, amends as appropriate, and forwards the recommendation to the Board of Trustees.

### **D. Board of Trustees Approval**

**Approval.** In May of each year, the Board of Trustees reviews, amends as appropriate, and approves the unified unrestricted operating budget.

### **V. Budget Monitoring and Adjustments**

There are many events and conditions that can “unbalance” the budget including but not limited to: decreases in revenues versus projections; increases in expenditures versus projections; and changes in need. Therefore, adhering to a balanced budget requires procedures for monitoring and adjusting the budget during the current fiscal year.

#### **A. Revenue Shortfalls**

**Notice.** A reduction in the projected revenue by semester for a campus may create an unbalanced budget. The Treasurer is required to provide written notification to the Chancellor, the Board Chair, and the Chair of the Finance, Facilities and Technology Committee when the revenues of a campus are not expected to meet the expenditures authorized by the Board of Trustees.

**Amended Budget.** In consultation with the campus president and the Chancellor, the Treasurer must:

- 1 *Approve via a budget order a revised campus budget submitted by the president that brings*



- expenditures back in line with revenues if campus resources permit; or*
- 2 *Prepare a supplemental unified unrestricted operating budget that brings the campus and UMS budgets back into balance. The amended budget will be reviewed and further amended as appropriate by the Finance, Facilities and Technology Committee and its recommendation forwarded to the Board of Trustees for review, amendment as appropriate, and approval at the next scheduled meeting of the Board of Trustees.*

## **B. Oversight of Expenditures**

**Work Plans.** Each campus president creates annual work plans based on the unified unrestricted operating budget as approved by the Board of Trustees. The work plans are submitted to the Treasurer for approval via budget order. These work plans map the expenses of each campus (and budget program) in allotments by the semester in which those expenses are expected to be incurred. These allotments are the basis by which the Treasurer authorizes expenditures.

**Budget Orders.** All Budget Orders must be approved by the Treasurer. Budget Orders, in addition to authorizing the initial work plans, provide the Treasurer a certain level of flexibility in managing allocations and the allotment of allocations efficiently and effectively while allowing the Board of Trustees to fulfill its oversight duties. They are the mechanisms for transfers to:

- Increase the fall semester's spending by reducing the spring semester's allotment;
- Increase the spring semester's spending by using the unencumbered balance forward from the fall semester;
- Increase revenue and expenditure budgets to reflect revenue above budget and associated expenses;
- Decrease revenue and expenditure budgets to reflect revenue shortfalls;
- Transfer funds between budget programs within a campus;
- Transfer funds between line item categories within a budget program; and
- Allocate unrestricted net position for use in the current fiscal year.

Review of Budget Orders is one of the key mechanisms available to the Treasurer to monitor the spending plans of the campuses to ensure that they are in accordance with the budget. Such a review may alert the Treasurer to any significant deviations from the original work plans and the intent of the Board of Trustees. Budget Orders are effective upon signing by the Treasurer.

**Exceptions to the Budget Order Requirement; Budget Transfer.** A president of a campus may approve the transfer of funds from the Personnel to the All Other line item category within a budget program for the purpose of funding professional services to cover a vacancy in an authorized position. A president of a campus may also approve the transfer of funds from the All Other to the Personnel line item category within a budget program to fund adjunct faculty or other limited period positions expiring no later than three months after the end of the current fiscal year. Notice of the budget transfer must be provided to the Treasurer.

**Unrestricted Net Position.** Absent specific Board of Trustees approval, the use of unrestricted net position must be approved by the Treasurer to provide a certain level of flexibility in managing the allocation of unrestricted net position efficiently and effectively while allowing the Board of Trustees to fulfill its oversight duties.

**Exceptions to the Approval of Unrestricted Net Position; Budget Transfer.** During a fiscal year, a president of a campus may approve a total budget transfer of up to 5% or \$500,000, whichever is less, of

the campus' unrestricted net position. Notice of the budget transfer must be provided to the Treasurer.

## **VI. Approval of Student Charges**

The Board of Trustees annually approves rates for tuition, fees, room, and board.

## **VII. Restricted Project Budgets**

In addition to the E&G and Auxiliary Enterprise annual operating budgets, Universities have restricted budgets for grants, contracts and gifts. Since many restricted budgets, such as grants and contracts, are for time periods that may span multiple fiscal years, these budgets are "project based" rather than annual. The terms of the donor/sponsor restriction along with the available balance govern expenditures, rather than an annual Board-approved budget process.

## **VIII. Capital Budgets**

Capital assets purchased, constructed, or donated that have a useful life exceeding one year and that meet or exceed University of Maine System established cost thresholds will be capitalized. Thresholds for determining capitalization are established for major classes of assets, ranging from land and land improvements at any cost, to equipment costing \$5,000 or greater, up to new construction and building improvements costing \$50,000 or greater.

Capital budget items that have a total cost of \$500,000 or more require advance approval by the Board of Trustees unless they meet the equipment exception discussed in subsequent paragraphs. Capital budget items include:

- Capitalizable costs such as the purchase/construction of land, buildings, building renovations, software (purchased or developed), and an individual piece of equipment (purchased or fabricated).
- Noncapitalizable costs for the repair or replacement of failed or failing building components as necessary to return a facility to its currently intended use; to prevent further damage; or to make it compliant with changes in laws, regulations, codes, or standards.

When equipment expenditures of \$500,000 or more are funded primarily by grants, the expenditures will be in accordance with the related award documents and budgets, rather than an annual budget and do not require Board approval except under the following circumstances:

- **Equipment to be used in operations:** Board approval is required regardless of funding source when equipment costing \$500,000 or more will be used in general operations, thereby requiring that depreciation be funded in the annual E&G budget to support ongoing maintenance and eventual equipment replacement.
- **Mixed source funding:** Board approval is required when University or other funds totaling \$500,000 or more contribute to the acquisition of grant funded equipment.

Projects in the capital budget will include a brief description of the project, a justification for the project, estimated expenditures by funding source, and an estimate of annual operating costs (e.g., utilities, maintenance, planned renewal of components, depreciation) for the project after it is completed. While a capital project subject to Board approval is active, project status reports will be provided at each regular meeting of the Board of Trustees.

The expenditure approved by the Board for a project may not be exceeded without the advance approval of the Board, except that variations of up to 10 percent of the amount approved by the

Board and other such changes in project scope, scale or funding sources, may be approved by the Chancellor. Any changes approved by the Chancellor shall be reported to the Board.

In emergency or other extenuating circumstances that do not permit advance consideration by the Board, the Chancellor may approve more substantial changes to a project upon consultation with the Executive Committee of the Board and the consensus of the majority of members present.

Funding for the capital budget may come from one or more sources. The more common sources of funds for the capital budget are: State revenue or general obligation bonds; State appropriations; grants or contracts; University bonds, reserves, or internal borrowing; private fund raising; student fees or the allocation or reallocation of University funds. As the Auxiliary Enterprise is supported entirely by fees charged to users, any Auxiliary Enterprise capital budget item funded by bonds or other loans must be repaid as a part of the Auxiliary Enterprise operating budget.

Campuses may borrow against their reserves at a prudent level. Additionally, internal loans may be available when the System has debt capacity and the campus has borrowing capacity.

#### **IX. Competitive Procurement**

In accordance with the laws of the State of Maine, the Board of Trustees establishes competitive procurement as the standard procurement method of the University and authorizes the Treasurer to promulgate such policies and practices as the Treasurer determines necessary to implement that standard, including regarding the conditions under which competitive procurement may be waived.