Departmental Base Budget Overview

Department **University Budget Office**   Executive **VP Administration & Finance**

Index **402030**   Program **06**

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
132,564	136,402	258,927	126,591	130,628	145,971	150,202	157,202	164,371	182,699	37.82%

The mission of the University Budget Office is to provide the data, expertise, analysis, and staffing necessary to support the University's planning, budgeting, and university assessment committees and processes, as well as all of the University's budget matters with the Governor, the Legislature, the Regents, the Commissioner's Office, and the other campuses and agencies of Montana State University.

The Budget Office supports the University's leaders, and its strategic planning processes, by providing objective, accurate, and timely information, analysis, and advice to inform the decision-making and resource allocation process. In addition, the Office is responsible for coordinating all aspects of the development, allocation, processing, and monitoring of the University's annual budget, as well as its biennial legislative request. It is a primary expectation of President Gamble that the University will engage in an open, data-rich, budget development process that is directly linked to the maintenance of a long-range plan, the identification of specific strategic priorities, and a detailed assessment of resource allocation outcomes.

The significant increase in 2001 is the result of the Institutional Research Office being combined with the University Budget Office. In 2003, the Office of Planning & Analysis (formerly Institutional Research) was directed to report to the President with its share of the budget following it.

UNIVERSITY BUDGET OFFICE Key Performance Indicators			FY09 Budgeted FTE:	**3.0**		FY09 Budget:	**$182,699**
		Productivity Benchmark					Source/Comment
Relationship to University Mission	Description	Benchmark	2006 Measure	2007 Measure	2008 Measure	MSU VP Target	
Beneficially Cost Effective	Internal Staff Development	Hours per FTE	32	52	48		Training/class hours
Essential	External Staff Development	Hours per FTE	58	229	135		Hours spent training department staff
Essential	External Staff Development	Number of Persons Trained	525	560	425		Class attendance + Individual Sessions
Mandated, Essential, Beneficially Cost Effective	Standard Report Design, Generation, and Maintenance	Average Hours per FTE	758	758	758		Department averages
Mandated, Essential, Beneficially Cost Effective	Ad Hoc Report Design, Generation, and Maintenance	Average Hours per FTE	230	260	250		Department averages
Essential	Total FOAPs Reviewed During Budget Process	Number	1250	1250	1360		NWAATYP/Salary Planner/Bdgt Dev.
Essential	Budget Transfers Processed	Number	808	825	773		TRND 2005 includes BD01s

Note: In 2007 Salary Planner was implemented which resulted in increased external staff development hours, persons trained and ad hoc report design/generation.

Departmental Base Budget Overview

Department	VP Administration & Finance		Executive	VP Administration & Finance
Index	4A1001		Program	06

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
342,428	366,610	384,476	392,366	398,144	415,444	443,683	331,428	345,589	362,583	5.89%

Mission: To manage, enhance, and deliver the Administrative and Financial services that enable the University to achieve its mission.
Motto: Quality Service, Customer Satisfaction and Student Success.

The Vice President for Administration & Finance is responsible for the leadership and management of all division services for the Bozeman campus, for coordinating many of the University's budget, finance, and administrative initiatives with the MSU campuses and agencies, and maintaining a close working relationship with the Office of the Commissioner of Higher Education, and other State officials, in regards to budget, finance, and administrative issues of the University.

The major departments in this division include University Services, Human Resources, Employee and Labor Relations, University Business Services, University Budgets and Division Planning & Information Systems. The Office of the Vice President includes the positions of the Vice President, the Assistant to the Vice President, the Director for Division Planning & Information Systems, an Accounting Associate and occasional temporary hires for special projects.

VP ADMINISTRATION & FINANCE Key Performance Indicators	FY09 Budgeted FTE:	4.181	FY09 Budget:	$362,583

Departmental Base Budget Overview

Department	Administration & Finance Support Reserve					Executive	VP Administration & Finance			
Index	4A1010					Program	06			

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
115,591	90,492	504,550	151,620	154,681	194,159	219,127	294,455	310,435	278,212	140.69%

This fund represents the remainder of the Vice President for Administration and Finance annual base budget allocation. It is used for one-time funding of equipment renewals, division-wide initiatives and contingency plans within the Administration and Finance division.

In FY08, funds were committed for salary adjustments and facilities renovation as part of a major reorganization of the Human Resources office. Another significant commitment was to support the BPR (Business Process Redesign) project – funds were used for operational costs on all MSU campuses as well as for additional compensation for team leaders and incentives for team members.

Administration & Finance continues to support personal services and operational budget needs for the CEPAC office, the capital office equipment replacement plan for the Administration & Finance division, Montana Hall R&R costs, salary equity adjustments and professional development throughout the division. In addition, funding is provided for Freshman Seminar, University Police equipment upgrades & replacement, and cost-sharing of the University's Internet Backup upgrades.

Departmental Base Budget Overview

Department	CEPAC Operations					Executive	VP Administration & Finance			
Index	4A1013					Program	06			

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
0	0	0	0	0	0	620	660	692	720	0.00%

Budget Note: Base budgets represent classified salary increases only. The classified employee's FY09 projected salary ($18,950) and Operations ($3,750) continue to be covered by the Vice President for Administration and Finance with <u>one-time only funds</u>.

Program Overview: Staff Senate (formerly known as CEPAC) serves MSU-Bozeman's 1,089 classified staff working locally and remotely in 5 EEO categories, across 187 titles; both union-affiliated and non-union personnel. Staff Senate facilitates communication and cooperation between the staff, administration, faculty, professional workforce, and students of the Bozeman campus, and at the System level. It promotes and provides for improved working conditions and professional welfare of the staff, and associated policies and programs.

Staff Senate is a member of the Association of Shared Governance Leaders. It encourages improvement of higher education in the State of Montana. It actively promotes the classified contribution to the fulfillment of the University's mission, including the University's role in the community as a high quality employer, and a positive influence on the economy.

Summary 2007-08: Staff recruitment and retention, uncompetitive salaries, and housing continued to dominate Staff Senate's activity this year. We conducted further research and reported regularly to the MSU Administration, the Office of the Commissioner of Higher Education (OCHE), and the Board of Regents. Our work, and presentations in conjunction with our MUS Staff Association (MUSSA) colleagues, was instrumental in the formation of the OCHE Recruitment and Retention Task Force, and the Staff Senate Administrative Associate represented the MUS classified staff in Task Force deliberations. Various Board of Regents initiatives have resulted, and Staff Senate is collaborating locally and, with MUSSA at the System level, in support of them. We are greatly encouraged by the significance of the activity to date.

Two Staff Senate-conceived initiatives (also supported by the Board of Regents) came to fruition thanks to resources provided by Administration & Finance: information-sharing regarding flexible pay option procedures and marketing the value of the benefits available to university employees. Other recommendations originating from Staff Senate, such as marketing MSU as an employer of choice, will progress further in early 2008-09, beginning in August with a presentation to the President's Executive Council. 2007-08 saw updates to our bi-annual *Supplementing Staff Salaries* research, as well as the *360 Review* of Staff Senate's performance. The former indicates the continued impact of low salaries, and supplies valuable supporting data for our on-going research. The latter confirmed staff opinion that our work is on track, and supported by our constituents. Staff Senate continues to place maximum emphasis on contact with the staff, but the *360 Review* indicates more could be done in this area. As a result, we introduced remote staff member participation at monthly meetings (via telephone); hard copy mailing of essential information to personnel identified as using electronic media irregularly; and reminders and reports of open meetings. Our work with the Shared Governance partners, and with MUSSA, has again been highly productive and Staff Senate sees these working relationships as broadening and strengthening. The MUSSA / OCHE collaborative decision to suspend work on the *Pooled Resources* project and redirect our energy into improving financial and human resource levels, was astute and demonstrated a depth of cooperation and flexibility previously untested. New this year is the emphasis we have placed on community liaison and find this an exciting and beneficial extension of our other collegial experiences. 2007-08's challenges for Staff Senate resulted from source problems affecting the University generally: workloads and budget. For instance, staff and supervisor appreciation for Shared Governance is rising, but job pressures make it hard to participate. The *Pooled Resources* project was officially placed on hold in May, due to lack of manpower. Outreach proved complicated to arrange, not through want of interest, but because staff couldn't spare the time to meet.

Departmental Base Budget Overview

Department	**To Improve Productivity Program (TIP)**					Executive	**VP Administration & Finance**			
Index	**4A2011**					Program	**06**			

Base Budgets:

										10-Year %
2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**Change**
0	0	0	0	0	3,500	3,500	3,500	3,500	3,500	0.00%

The "To Improve Productivity" program was formally established in August 2004 based on policy effective February 2003. The purpose of the program is to encourage and provide incentives to employees and students who make suggestions on how MSU can make productivity or operating cost savings.

The index is to cover the costs of a $15 gift for each valid suggestion, a quarterly random draw prize of $150, and an annual celebration to recognize everyone's contributions. There are occasional additional expenses such as printing costs for posters.

(Any major incentive reward is made from departmental cost savings where suggestions have been implemented).

There will be a change in policy to have the TIPs index cover small nominal awards up to $200 to provide awards that provide cost savings/productivity gains to the whole organization, where a single department cannot be easily identified.

The committee has discussed reinvigorating the program every 3-4 years to get a new wave of suggestions and to allow the sustainability committee and energy consultant to offer their input in the interim.

Departmental Base Budget Overview

Department	**Personnel & Payroll Services**	Executive	**VP Administration & Finance**
Index	**4A2300**	Program	**06**

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
473,374	464,764	514,696	649,255	662,761	667,265	700,765	767,622	893,485	962,140	103.25%

Mission Statement: The Human Resources (HR) Department projects pride and enthusiasm in support of the University's mission and strategic plan by providing leadership, guidance and administration of classification, recruitment, payroll, benefits, and employee/labor relations in a professional and dedicated manner.

Vision Statement: "From Hiring to Retiring - Your Human Resources Partner"

HR provides services (as mandated by Federal, State, Board of Regents, and collective bargaining regulatory requirements) to MSU: labor/management relations; labor negotiations; employee discipline and terminations; grievance resolution; development, implementation, and interpretation of personnel policy; job classification and pay administration; recruitment and selection; EEO/Affirmative Action/Veteran's Preference compliance; administration and management of payroll and benefits including providing information and establishing and maintaining standards, processes, and procedures followed by all University departments in preparing and submitting payroll and related HR data into the payroll system. HR uses the Banner HR system to process payroll, benefits, and associated withholdings/deductions for an average monthly payroll of 5,500 checks.

Since FY01, growth in the HR budget is due mainly to normal salary increases, new positions, monetary awards for the Employee Recognition Program, and purchase of Tax Navigator software for managing and reporting tax compliance for foreign students and employees. The HR operations budget has basically remained static over this period. A reorganization of the HR department in the past year has been supported by the Vice President with increase in the total FTE and a renovation of the work space and furnishings. In addition, funds have been committed for salary enhancements as part of staff recruitment and retention efforts.

In FY09, HR will be maintaining the current level of resource allocation and focusing on productivity improvements such as electronic personnel transaction forms and web and departmental time entry to more efficiently process the increase in workload rather than allocate more resources.

Human Resources/Personnel & Payroll Key Performance Indicators	**FY09 Budgeted FTE:** 24.91	**FY09 Budget: Personnel Services: Operations:**	**$962,140 $886,981 $ 75,150**

Relationship to University Mission	Description	Benchmark	FY03 Measure	FY04 Measure	FY05 Measure	FY06 Measure	FY07 Measure	Source/Comment
	Productivity Benchmark							**Source/Comment**
Mandated/Essential	Total institutional FTE/HR-PP FTE		126.22	122.24	123.55	130.81	120.42	
Mandated/Essential	HR-PP budget/Total institutional FTE		252.56	258.76	256.15	264.42	293.09	
Mandated/Essential	Institutional headcount/ HR-PP FTE	148	163.63	167.18	157.6	165.45	153.15	*NACUBO; *BNA
Mandated/Essential	HR-PP budget /Total inst. Headcount		194	189.24	200.8	209.06	230.45	
	Institutional FTE = All "budgeted" positions; Headcount = January DOL count					2650.23; 3352	2619.07; 3331	
	*NACUBO Standard - the median ratio of HR staff to total organizational headcount for FY96 was 1.0 HR worker for every 148 employees served by the HR department for doctoral universities							
*BNA Standard - the median ratio of HR staff to total organizational headcount for the year 2000 is 1.0 HR worker for every 100 employees served by the HR department, SHRM/BNA survey, June 2000								

Departmental Base Budget Overview

Department	**Banner Central Administration**					Executive	**VP Administration & Finance**			
Index	**4A2500**					Program	**06**			

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
0	160,551	216,526	224,276	303,704	212,440	219,973	195,546	224,539	194,263	0.00%

In July 1998 Montana State University implemented a new management information system called "SCT Banner 2000" to replace its current Information Associated System. The change was made, in part, to ensure that MSU would be Y2K compliant. The Banner System was selected because it promised to be a more versatile and robust system that would support the increasing demands of MSU's multi-campus University.

In December 1999, the Banner Central Account was established to record the expenses related to centralized oversight and support of the system, in its multi-campus environment. The initial, one-time funding for the account was reallocated from existing revenues and other accounts to cover the expenses related to implementing and managing the Banner central operations. The "host departments" that provide support for the Banner Central positions include the University Business Services, Human Resources/Personnel and Payroll and Student Affairs.

The Central Staff positions necessary to support the Banner Central Operations include a Finance Module Team Leader, Human Resources Module Team Leader, Banner Training Coordinator and Student Information/Financial Aid Module Team Leader (latter position now transferred to Student Affairs). The Banner Central Account was established to support the salaries and travel costs of these individuals. The "host department" supplies the costs related to the regular operations, i.e., office space and equipment, telephone, supplies, etc. Additional operating costs from FY04 onwards include strategic planning for the administrative information systems across the four campuses.

In FY04 the base budget received an increase of $73,632 to reflect a change in the cost-sharing of Banner expenses among the MSU campuses. Rather than charging each campus their share of the operational expenses, MSU-Bozeman absorbs the entire cost. In the 12 month period of February 2006 to February 2007, the four campuses of MSU completed a Business Process Review of all administration and finance business processes to improve institutional and system efficiencies and effectiveness. Recommendations included the implementation of the unused Banner functionality of Approval Queues, and Web and Departmental time entry.

During FY07 Banner staff were focused on implementation of a wide range of BPR initiatives that rely on Banner functionality. In particular they were responsible for Web and Departmental Time Entry (WDTE), Webpayment, EPAF and Reporting software. They were also integrally involved in the IT upgrade of the administrative information systems hardware. In support of the BPR implementation there was increased demand on the Banner Training Coordinator in overseeing the development and delivery of BPR training and the management of training resources.

During FY08, staff will focus on ongoing implementation of WDTE, EPAF and review of Accounts Payable process improvements and of reporting software options as demonstrated through evaluation of the reporting RFI as well as the Banner 8.1 Upgrade. Banner Central also assumed the associated FTE and budget for the HR Systems Team due to the recent HR reorganization. The Banner Central staff will continue to shift in focus from support and infrastructure to support and infrastructure and project management.

Key Performance Indicators	**FY09 Budgeted FTE**:	3.09	**FY09 Budget:**	$194,263

Departmental Base Budget Overview

Department	**Central Mail Service**					Executive	**VP Administration & Finance**			
Index	**4A4900**					Program	**06**			

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
163,602	169,780	183,362	199,394	203,437	217,058	225,254	233,662	243,148	277,851	69.83%

Mission: To provide the University community with reliable, customer-focused, cost-effective mail service and to efficiently integrate with the U.S. Postal Service.

Central Mail is a vital part of the infrastructure of the University and provides an essential service to the institution by facilitating mail processing and delivery of domestic and international mail. The mail room is the communications hub for the University through which most recruiting, academic, fundraising, grant-related, business, and general communications flow. Central Mail Services provides departments with reliable and timely pick up, delivery and processing of incoming, outgoing and intra-campus mail. The expertise of a highly educated staff, who are up-to-date on the ever-changing postal rules and regulations, allow departments to consider a variety of mailing options to receive the best service and postage rates available.

Budget Notes: The noticeable increase in FY 2002 funding is the result of having a 1.0 classified staff FTE restored to the state budget. In FY08/FY09 a strategic pay increase was approved for recruitment and retention purposes that brought the Mail Services staff salaries closer to market. Also noteworthy is the fact that while operating costs have continued to increase over the past ten years, the operations budget for Central Mail Services has remained constant.

In addition, the entry wage for mail handlers was raised significantly, 9%, to more closely reflect the local market and to enable hiring in a very competitive field, with an unemployment rate of 1.7%. During this time, circumstances dictated that we turnover 40% of our workforce in a short amount of time, so the ability to hire at a competitive wage was very important.

CENTRAL MAIL SERVICES Key Performance Indicators	FY09 Budgeted FTE: **8.23**	FY09 Budget: **$277,851**

Relationship to University Mission	Description	Benchmark	Benchmark FY 2006 Measure	FY 2007 Measure	FY 2008 Measure	MSU VP Target	Source/Comment
Essential	Increased Use of Presorted First-Class Mail: Piece Counts & Postage Savings	None Available	430,020 $7,946	419,592 $7,802	362,269 $6,104	None Established	

Departmental Base Budget Overview

Department	**Controller's Office**					Executive	**VP Administration & Finance**			
Index	**4A6100**					Program	**06**			

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
588,856	644,467	770,166	865,193	900,961	915,990	983,772	1,180,193	1,232,034	1,272,991	116.18%

Mission Statement: University Business Services provides accounting and business services for the instructional, research, and administrative components of the University. The Assistant Vice President for Financial Services, as the chief financial officer, is responsible for the formulation and implementation of financial and accounting policies, procedures, reporting, and financial systems. The mission of these offices is to provide these services University-wide in an efficient, effective, and timely manner in compliance with applicable rules and regulations.

Discussion of Budget Increase:

The budget reflects an annual growth rate of approximately 8.75%, although the budget was nearly flat for 4 years and since then has grown. The following items contributed to the budget increase:

- During FY06, and reflected fully in FY07, the Administration & Finance Division restructured; the separate Treasurer's office was eliminated, giving the former Controller both the Controller's and Treasurer's financial duties and a commensurate salary increase; as a result, two FTE were rolled into the Business Services budget as well. This reorganization represented $119,000 in the 2007 budget.

- The University has implemented Web Payment for its student accounts function, which represented an additional $30,000 in each of the 2006 and 2007 budgets. This $30,000 was moved to 4A6110 for the 2008 budget.

- Operating funds have not increased significantly, but did increase from $92,000 in 2001 to $120,000 in 2007, reflecting additional costs primarily relating to postage and mailing of past-due notices in an effort to improve collections of student accounts, and to obtain required tax information for accounts payable vendor files.

- Staff salaries make up the remaining increase, with the department adding the following over the past 10 years:
  - A reconciliation accountant was hired because, during 2000, the new Banner accounting system was implemented, and during 2001 it became apparent that with the strain of implementing the Banner system and a flat budget, certain basic accounting duties had not been performed adequately. The state's SABHRS system and the Banner system could not be reconciled, and the State of Montana was in danger of receiving a qualified opinion on its financial statements until reconciliation procedures could be put in place.
  - An experienced Director of Accounting and Financial Reporting was hired due to the new, more complex GASBB 35 financial reporting requirements.
  - Two FTE were moved into the Business Services budget due to the reorganization discussed above.
  - One Collections technician was added to focus solely on collecting student accounts. During 2001, the University had to write off $2.3 million in old outstanding receivables, and since then, write-offs have represented only a small fraction of revenues.
  - A Student Accounts manager was hired to ensure adequate, timely service to students as well as reconciliation of the student receivables system to the general ledger, to ensure that no more large write-offs would occur.

- o Because implementation of Banner and the implementation of new accounting and financial reporting requirements, many existing staff have assumed additional and more complex duties than they previously had. They have moved up on the pay scale commensurate with the increase in the complexity of their duties.
- o In the years 1996 through 2001, the budget for this office increased $112,825, an average annual growth rate of only 2.6%.

Description of Functions:

Accounting provides accounting services campus-wide, review transactions, prepares reconciliations, and maintains the Banner accounting structure. This staff also prepares required recurring and ad-hoc reports for internal and external constituents.

Accounts Payable/Travel processes and reviews for compliance all payments made by the University, whether via check or purchasing card, and ensures that compliance with state and regents' policies is maintained in the expenditure of funds.

Cashiering processes all payments to the University, from students as well as other campus customers.

The *Capital Programs* area ensures compliance with debt covenants, manages debt, investments and external banking relationships, and tracks and monitors capital expenditures.

The *Loan Service Center* processes collections on the University's approximately 6,000 outstanding Perkins and Nursing loans, provides exit counseling to students, and monitors loan collection services.

Property Management manages University assets, including physically verifying existence and recording them in the accounting records, in accordance with State and Federal regulations, delivering quality, cost-effective services in a positive, professional, ethical and timely manner.

Purchasing provides professional purchasing services for instructional, research, and administrative components of the University. In providing these services, in accordance with sound business practices and the rules and regulations of the State of Montana, the Department seeks to realize, for the University, the maximum value for every dollar expended.

Student Accounts assists students in meeting their financial obligation to the University, and is responsible for the billing and collection of all student charges and administration of payment plans. This office also issues financial aid checks to students.

FINANCIAL SERVICES Key Performance Indicators		FY09 Budgeted FTE: **30.35**			FY09 Budget: **$1,272,991**	
Relationship to University Mission	Productivity Benchmark					
	Description	**Benchmark**	**2007 Measure**	**2008 Measure**	**MSU VP Target**	**Source/Comment**
Essential	Students/Accounting FTE	1,184-2,224	1,803	1596		UM 2008 and UNR 2007 range benchmark
Essential	Number of invoices/Accounts Payable FTE	9,908	10,672	9,522		1996 NACUBO is the benchmark; invoices decreased because use of the purchasing card has increased
Essential	Student headcount/Student Accounts FTE	1,578	1,352	1,374		UM 2008 is benchmark
Mandated	Active loans/Loan Service Center FTE	1,208	4,236	4,111		UM 2006 is benchmark
Mandated	Student Loan Cohort default rate	10.03%	7.56%	7.18%		State of Montana 2006 is benchmark

Departmental Base Budget Overview

Department	**Warrant Writing Cost**	Executive	**VP Administration & Finance**
Index	**4A6111**	Program	**06**

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
30,000	30,000	30,000	30,000	30,000	30,000	31,267	31,267	21,927	18,888	-37.04%

The funds in this budget pay the state for the cost of the warrants written on behalf of MSU-Bozeman. The cost has decreased because the University uses the Purchasing Card extensively, and also encourages the use of direct deposit for vendor payments and travel reimbursements.

Departmental Base Budget Overview

Department	**Service Bureau Charge**	Executive	**VP Administration & Finance**
Index	**4A6113**	Program	**06**

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
112,000	124,000	128,800	128,800	128,800	133,900	113,900	113,900	107,900	107,900	-3.66%

The funds in this budget are for the administration, servicing, and collection of Perkins Loans and Nursing Student Loans, which are campus-based federal student loans available to MSU-Bozeman students. Both loan programs are funded by block grants, and the collection is administered by the MSU-Bozeman Loan Service Center. The Nursing Student Loan Program is funded by the Department of Health and Human Services. The Perkins Loan Program is funded by the Department of Education (three-fourths) and MSU-Bozeman (one-fourth).

The proper administration of these loan programs is important at two levels. First, and most obviously, the better these program funds are administered, the more money is available to loan MSU-Bozeman students through these two programs. Secondly, if these programs are not properly administered, the funding agencies may withdraw their funds, which would not only terminate these two loan programs, but also potentially cause the termination of MSU-Bozeman's entire financial aid program under the Department of Education's rules and regulations.

Due to limited staffing, this office has traditionally contracted with a loan-servicing agency (currently Campus Partners) to provide day-to-day service on non-delinquent accounts, leaving the delinquent and problem accounts under the administration of the Loan Service Center. Campus Partners also provides limited services with regard to accounts which are approaching delinquent status, including a specified number of phone calls and letters encouraging prompt payment to avoid delinquency.

In FY08, the management of 6,167 active Perkins Loans was done by 1.5 FTE, assisted by a student worker, compared with the University of Montana – 4,830 active loans and 3 FTE for FY06.

The above costs constitute only the direct collection expenses paid to outside service bureaus. Personnel costs, supplies, equipment, etc. for the function are funded by Index 4A6100, the budget for University Business Services.

Departmental Base Budget Overview

Department	**Finance Systems Support**					Executive	**VP Administration & Finance**			
Index	**4A6400**					Program	**06**			

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
0	0	0	163,179	166,423	167,994	173,841	180,598	189,235	198,696	0.00%

The **Finance Systems Support Group** was created during 2000. The Group supports Banner users through the provision of query reports and financial data extraction on a regular and ad-hoc basis, and conducts periodic training sessions for Banner Finance users. The group reports to the MSU-Bozeman Finance Systems Director and the Director of Student Accounts for day-to-day guidance, but the MSU Controller's Group, which acts as a steering committee, largely dictates its priorities and workflow. Users supported by this group include, in varying degrees, all departmental accounting techs, the grants & contracts and budget offices, and the functions of student accounts, property management, purchasing, and finance.

The group comprises four personnel—three systems analysts and one accountant—who support all four MSU campuses. The group performs the production control and certain programming aspects of the Banner Finance and Accounts Receivable systems, and provides a liaison between the programmers in ITC and the system users. These personnel also ensure that claim files are transmitted to the State for payment and that payroll, revenue and expense transactions are properly interfaced from the various Banner modules into the Finance module.

Continuous improvement of Banner procedures is a group goal—using Banner to enhance efficiency and ensure that MSU uses Banner to its full potential. The group works with the Module Team leaders to ensure that all Banner Finance-related issues are addressed efficiently. Regular communication and collaboration with the ITC Systems Analysts is vital, especially in ensuring that MSU transactions are properly transmitted to the State SABHRS system.

Support to Bozeman's University Business Services is also one of the Group's duties, including tasks such as updating the University Business Services website, updating student fee information, and performing limited IT services within the department. Funding for FY08 includes four full-time salaries, as well as education-related travel costs.

FINANCE SYSTEMS SUPPORT **Key Performance Indicators**		FY09 Budgeted FTE: **4.00**		FY09 Budget: **$198,696**	

	Productivity Benchmark				
Relationship to University Mission	**Description**	**Benchmark**	**2007 Measure**	**2008 Measure**	**MSU VP Target**	**Source/Comment**
Essential	# Students/FTE	2,772	3,042	3,092	TBD	Benchmark Figure is the UM calculation 2007

Departmental Base Budget Overview

Department	**Institutional Insurance**	Executive **VP Administration & Finance**
Index	**4A7501**	Program **06**

Base Budgets:

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	10-Year % Change
190,402	190,402	202,787	242,329	532,753	554,537	495,537	495,537	455,427	460,353	141.78%

The Institutional Insurance account, Index 4A7501 is a pass-through account to pay for insurance premiums assessed the University by the State Risk Management and Defense Division. Normally there are no other expenses other than insurance premiums associated with this account. The insurance premiums paid via this account are general liability coverage, fidelity bond, crime coverage, fine arts coverage, and other miscellaneous costs of risk.

Insurance costs for FY 09 continue to be lower than those incurred in FY 07, however it is expected that the modest upward trend in insurance rates from FY 08 to FY 09 will continue into FY 10 and FY 11.