Governance of Financial Affairs
Summary

Policy Statement
Maine law sets forth the fundamental policies to be adhered to in support of its public higher educational planning for the University of Maine System (20-A Maine Revised Statutes Annotated, Section 10902). In addition to recognizing higher education as an organized program of instruction, research and service and supporting the basic principles of the academy; the policy statement calls for the development, maintenance and support of a structure of public higher education in the State that will assure the most cohesive system possible for planning, action and service in providing higher educational opportunities. The policy statement further continually calls for a high priority in the allocation of public funds to the development of services, programs and institutions designed to provide opportunities for those who do not now share equitably in the advantages of higher education. Finally, the policy statement sets forth, that in return for the allocation of public funds to support financially the programs of the University System, the expectation of appropriate public accountability.

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

The Bylaws of the Board of Trustees (Section 1.3 Powers & Duties) states the Board has the final authority over all matters within its jurisdiction. Noting the jurisdiction of the Board relates to and is exercised over, among other things, all educational, public service and research policies, financial policy, and the relationship of the University System to the state and federal governments.

Chancellor
The Charter (Section 4-A, 4-B.2.) also states that the Board of Trustees shall appoint a Chancellor of the University System who shall serve at its pleasure and be chief administrative and education officer thereof. Among other duties, the Chancellor is charged with promoting system planning for financial operations, capital plans and resource allocations; preparing all operating and capital budgets, appropriation requests and bond issues; and providing a centralized management oversight of services. The Chancellor may delegate powers and responsibilities to members of the Chancellor’s staff as necessary. (see also Bylaws of the Board of Trustees 1.3; Board Policy Section 203 Chancellor – Appointment and Responsibilities).
**Treasurer**
The Charter *(Section 2)* states the Board of Trustees shall appoint a Treasurer, who shall be sworn, hold office at the pleasure of the Trustees, and be required to give suitable bond.

Title 20-A Maine Revised Statutes Annotated, Chapter 411, defines the duties of the Treasurer. The Treasurer shall receive and have custody of all moneys received for the university; make all expenditures upon authentication; exercise revenue bonding authority with the approval of the trustees; and prepare the annual financial report for the University.

Board Policy for Governance and Legal Affairs *(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 and to revoke and modify any authority so granted. The Treasurer is also one of three officers that may sell, assign, and transfer any and all securities and perform other essential acts for the administration of the endowment with the approval of the Board of Trustees. *(The other officers are the Chair of the Board and the Chair of the Finance Committee.)*

In current practice the Vice Chancellor for Finance and Administration also serves as the elected Treasurer of the Board of Trustees and exercises the powers reserved to the Treasurer under Maine law. In addition, the Vice Chancellor fulfills the other financial and administrative duties assigned by the Board and delegated to that position by the Chancellor in his role as the chief administrative officer of the System.

**Presidents**
The Charter *(Section 3)* 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 *(Section 204 President – Appointment and Responsibilities)* 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.