AGENDA ITEM SUMMARY

1. NAME OF ITEM: Strategic Integration Target 2: Comprehensive Financial Management Structure

2. INITIATED BY: James H. Page, Chancellor

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

The Board of Trustees 2014 Strategic Outcomes were approved July 21, 2014. Strategic Integration Target 2 and 3 read as follows:

**Strategic Integration Target 2**

Develop and implement a comprehensive financial management structure for the entire System that enhances transparency, enables appropriate fiscal control, and advances comprehensive intra-system collaboration. New model review September 2014; implementation in FY15.

**Strategic Integration Target 3**

Develop a comprehensive administrative plan in FY15 that reduces total administrative costs, including academic administration, per student FTE to peer system benchmarks or below by FY17.

At the September 21-22, 2014 Board of Trustees meeting Vice Chancellor Wyke presented alternative draft plans for the comprehensive financial management structure. A feedback tool was made available on the ThinkMissionExcellence.maine.edu website for the purpose of taking comment on the alternative draft plans. Attached is the proposed policy, revising Board Policy #701 – Operating and Capital Budgets, for the governance of financial affairs consistent with Strategic Integration Target 2.
5. **TEXT OF PROPOSED RESOLUTION:**

That the Board of Trustees approves the proposed policy revisions to Board Policy #701 – Operating and Capital Budgets and authorizes the Vice Chancellor for Finance and Administration and Treasurer to develop an implementation schedule with substantial compliance effective by July 1, 2015 and full compliance effective by July 1, 2016.

Further, that the Board of Trustees authorizes the Vice Chancellor for Finance and Administration and Treasurer to develop a comprehensive financial management structure reflecting unified finance and administrative services that are functionally aligned to the degree possible consistent with the Board of Trustees 2014 Strategic Outcomes Targets 2 and 3. The Vice Chancellor for Finance and Administration and Treasurer will submit the new structure and implementation plan no later than March 1, 2015, to the Board of Trustees for review and action.