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1. **CALL TO ORDER/ROLL CALL/WELCOME**

Chair Don Blair called the meeting of the Finance/Budget/Audit/Personnel/Real Estate Committee ("FBAPRE") of the State Board of Higher Education to order at 8:08 a.m. Chair Blair participated by telephone. Director Lorenzen held the gavel, but Chair Blair chaired the Committee meeting.

On roll call, the following Committee members were present: Don Blair (by telephone), Henry Lorenzen, and John von Schlegell.

Other Board members present included: Kirby Dyess, Adriana Mendoza (arrived at 8:26 a.m.), Tim Nesbitt (arrived at 8:10 a.m.), Geri Richmond, Gretchen Schuette, Howard Sohn, and Tony Van Vliet (arrived at 8:38 a.m.).

OUS staff present included: George Pernsteiner, Michael Green, Ryan Hagemann, Nancy Heiligman, and Ben Rawlins.

Others present included: Presidents Dan Bernstine, Philip Conn, Martha Ann Dow, Khosrow Fatemi, Ed Ray, and Elisabeth Zinser. OHSU Provost Lesley Hallick and UO Provost John Moseley were also present.

Meeting attendees also included other institution representatives, members of the OUS staff, the press, and other interested observers.

2. **APPROVAL OF MINUTES**

- FBAPRE Committee Meeting, November 5, 2004

Director Lorenzen called for a motion to approve the minutes for the November 5, 2004, FBAPRE Committee meeting. Chair Blair moved approval of the minutes and Director von Schlegell seconded the motion. All in favor: Blair, Lorenzen, and Von Schlegell. Opposed: none. Motion passed.

After roll call and approval of the minutes, Chair Blair asked Secretary Hagemann to state the other Board members present.
3. **Action Items**


**Docket:**

**Summary:**
The report titled *2004 Annual Financial Report* (see supplemental materials) was prepared by the Chancellor’s Office and the financial statements included within were audited by Moss-Adams, LLP under contract to the Secretary of State, Audits Division. The audit opinion issued by Moss-Adams, LLP is an unqualified opinion, which means that their opinion as to the fair presentation of the financial statements was issued without qualification.

The *2004 Annual Financial Report* is the third year implementation of Governmental Accounting Standards Board (GASB) statement number 35. These new accounting principles provide for greater comparability between the financial statements of public and private higher education institutions and are more similar to financial statements of private industry.

The *2004 Annual Financial Report* is the first year implementation of Governmental Accounting Standards Board (GASB) statement number 39. For financial reporting purposes, GASB 39 recognizes university foundations as component units of the OUS annual financial statements. As a result, the *2004 Annual Financial Report* includes summarized financial activity of the university foundations’ audited financial statements. We wish to thank the universities and foundations for having provided copies of their audited financial statements in a timely manner.

As stated above, Moss-Adams, LLP has audited the financial statements of OUS and, in conjunction with that audit, has issued a letter to OUS Management (see supplemental materials) communicating observations and recommendations relating to OUS internal controls and compliance with Federal grants and contracts. OUS Management has issued a letter in response to these observations and recommendations (see supplemental materials) that includes general agreement with the observations and planned actions in response. None of the observations made by Moss-Adams, LLP represent significant deficiencies in the design or operation of internal control for 2004 but could have an impact in future years, especially due to the transition in changes to the role of the Chancellor’s Office.

As part of the financial statement audit, Moss-Adams, LLP is required to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process.

**Review Procedures Subsequent to Fiscal Year End—PSU Transfer of E&G Funds:**
As a part of the fiscal review procedures performed subsequent to the June 30, 2004 fiscal year end, the Chancellor’s Office reviewed material transfers affecting the
Education and General funds of OUS institutions. One such transfer at PSU warranted highlighting to the Board.

In October 2003, the Board approved the PSU purchase of the Lincoln Street Doubletree Inn for the purpose of converting it to student housing and conference center space. The purchase price of $22.3 million, along with funds for minor renovation and redevelopment planning, was financed through the issuance of $25 million of Article XI-F bonds. The debt service on those bonds was to be funded through revenues generated by the facility.

In the original board docket seeking approval for this transaction, the Board was advised that two financial pro-forma calculations of the revenues and costs were reviewed and, in both scenarios, the results indicated a break even or better operation. Additionally, the docket included the following statement of PSU management: “to the extent that the facility does not produce break-even results, the University would utilize other financial reserves available to cover any excess of expenses over revenues. At the end of 2002-03, unrestricted net assets were in excess of $20 million and with other changes being made in auxiliary operations we anticipate added financial capacity (up to $750,000/year) in the future.”

At last fiscal year end, the Doubletree facility, now named University Place, needed to transfer approximately $1.25 million into its bond sinking funds for funding its related debt service payments. University Place did not have available funds to make the transfer. Therefore, PSU utilized $1.25 million of E&G funds to make the required sinking fund transfer.

**PSU Management Response:**
Initially, it was planned that the [Doubletree] purchase would occur in January and that Boykin Lodging (the then owner) would lease back the space through May or June 2004. They would have paid rents equal to debt service payments and paid all operating costs. Instead the purchase of the Doubletree property occurred in March 2004. Boykin vacated the property the day of closing. PSU had very limited access to the property prior to closing. PSU then spent the next two months replacing systems (phone, software, internet, cable television), hiring staff, and contracting for food service. In addition, deep cleaning and repair and maintenance issues need to be addressed throughout the facility because this had not been done for some time.

Because the facility could not open for business until May 4th, there was a limited time to bring in any conference revenue for FY 2004 to be used to pay debt service. The first major educational conference was held on May 13th, which was a two-day event with catering, conference rooms, and overnight events. Additionally, May is not the time of the year to be offering new housing to students.

It was and is PSU’s intent that this facility be self-supporting. Due to the limited time frame for operations in FY 04 but the need to pay full debt service, we utilized these
financial reserves to cover the debt service. At this time, we do not intend to use E&G funds to cover debt service for UPL for FY 05.

**Chancellor’s Office Analysis:**
The Chancellor’s Office has asked PSU Management for updated financial statements and projections relative to the University Place operations for further review and analysis. The Chancellor’s Office will provide a status report on this review to the Board.

**Staff Recommendation to the Board:**
Subject to the report of Moss-Adams, LLP staff recommends that the Board accept the 2004 Annual Financial Report (Board action required.) For Review Procedures Subsequent to Fiscal Year End—PSU Transfer of E&G Funds, no Board action required.
2004 Audit Results  
Report to the Oregon State  
Board of Higher Education  
February 4, 2005

MOSS ADAMS LLP
September 30, 2004

Oregon Secretary of State Audits Division
Salem, Oregon

Oregon State Board of Higher Education
Eugene, Oregon

We are pleased to present the results of our audit of Oregon University System ("System") June 30, 2004, financial statements.

This report to the Oregon Secretary of State Audits Division and the Oregon State Board of Higher Education summarizes our audit, the scope of our engagement, and various analyses and observations related to Oregon University System’s financial reporting. It also contains the audit committee communications required by our professional standards.

Our audit was designed to express an opinion on the 2004 financial statements and address current statutory and regulatory requirements. We considered the System’s current business needs, along with an assessment of risks that could materially affect the financial statements, and we aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the Oregon Secretary of State Audits Division and the Oregon State Board of Higher Education expect.

We received the full support and assistance of Oregon University System personnel. This report is intended solely for the information and use of the Oregon Secretary of State Audits Division, the Oregon State Board of Higher Education, and management, and it is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mary Case
For Moss Adams LLP
September 30, 2004

Oregon Secretary of State Audits Division
Salem, Oregon

Oregon State Board of Higher Education
Eugene, Oregon

Auditor independence, in fact and appearance, is essential so that the public may justifiably perceive the audit process as an unbiased review of management’s presentation of financial information.

At least annually, we will disclose to the Oregon Secretary of State Audits Division the nature of all relationships between Moss Adams and Oregon University System that, in our professional judgment, may reasonably be thought to bear on our independence.

We are not aware of any relationships between our firm and Oregon University System for the year ended June 30, 2004, and through the date of this letter, that may reasonably be thought to impact our independence. Accordingly, relating to our audit of the financial statements of Oregon University System as of and for the year ended June 30, 2004, we confirm we are independent with respect to the System within the meaning of Rule 101 of the American Institute of Certified Public Accountants’ Code of Professional Conduct, its interpretations and rulings.

This report is intended solely for the information and use of the Oregon Secretary of State Audits Division, Oregon State Board of Higher Education, management, and others within the System and should not be used for any other purpose.

Moss Adams LLP
Eugene, OR
# Moss Adams Team

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<thead>
<tr>
<th>Name</th>
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<th>Contact Information</th>
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**Required Communications to the Audit Committee**

Statement on Auditing Standards No. 61, No. 90 and other professional standards require the auditor to provide the Audit Committee, or equivalent with additional information regarding the scope and results of the audit that may assist the Committee in overseeing management’s financial reporting and disclosure process. Below, we summarize these required communications.

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor’s Responsibility Under Auditing Standards Generally Accepted in the United States of America, the Single Audit Act, and Office of Management and Budget Circular A-133</td>
<td>In planning and performing our audit, we considered the System’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. As part of obtaining reasonable assurance about whether the System’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the System’s compliance with the types of compliance requirements described in the “U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement” applicable to each of its major federal programs for the purpose of expressing an opinion on the System’s compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the System’s compliance with those requirements.</td>
</tr>
</tbody>
</table>

MOSS ADAMS LLP
## Required Communications (continued)

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibilities Under Generally Accepted Auditing Standards (GAAS)</td>
<td>We issued an unqualified opinion on the System's financial statements for the year ended June 30, 2004.</td>
</tr>
<tr>
<td>The financial statements are the responsibility of management. Our audits were designed in accordance with GAAS, which provides for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. As a part of our audit, we obtained an understanding of internal control sufficient to plan our audits and to determine the nature, timing, and extent of testing performed.</td>
<td></td>
</tr>
<tr>
<td>Significant Accounting Policies and Appropriateness of Accounting Policies</td>
<td>Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the System are described in Note 1 to the financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies. As described in Note 1, the System adopted the provisions of Governmental Accounting Standards Board Statement No. 39, <em>Determining Whether Certain Organizations are Component Units</em> as of June 30, 2004. This resulted in a change in the format and content of the basic financial statements by showing component units of the System in a discrete presentation.</td>
</tr>
<tr>
<td>The initial selection of and changes in significant accounting policies or their application, as well as any new accounting and reporting standards adopted during the year must be reported.</td>
<td></td>
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</tbody>
</table>
### Required Communications (continued)

<table>
<thead>
<tr>
<th>Management Judgments and Accounting Estimates</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>The preparation of financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management’s expectations.</td>
<td>Management’s judgments and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management’s estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the financial statements. We believe management has selected and applied significant accounting policies appropriately and consistently with those of the prior year. Significant management estimates impacting the financial statements include the following: The amount of the accumulated depreciation at June 30, 2004. The amount of compensated absence accrual at June 30, 2004. The allowance for doubtful accounts and notes receivable at June 30, 2004.</td>
</tr>
</tbody>
</table>

### Significant Audit Adjustments

For the purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected expect through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the System’s financial reporting process (that is, cause future financial statements to be materially misstated). We proposed no adjustments that, whether recorded or unrecorded by the System, either individually or in the aggregate, indicate matters that could have a significant effect on the System’s financial reporting process. In addition, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Moss Adams concurs with management’s conclusion.

### Disagreements with Management on Financial Accounting and Reporting Matters

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.
### Required Communications (continued)

<table>
<thead>
<tr>
<th>Required Communications</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Issues Discussed with Management Prior to our Retention</td>
<td>There were no major issues, including the application of accounting principles, auditing standards or financial reporting, that were discussed with management in connection with our retention as the System's independent accountants.</td>
</tr>
<tr>
<td>Consultation by Management with Other Accountants</td>
<td>None of which we are aware.</td>
</tr>
<tr>
<td>Serious Difficulties Encountered in Performing the Audit</td>
<td>No significant audit difficulties were encountered.</td>
</tr>
<tr>
<td>Material Errors or Fraud or Possible Material Illegal Acts</td>
<td>We are not aware of such matters.</td>
</tr>
<tr>
<td>GAAS requires us, within the inherent limitations of the auditing process, to plan our audit to search for errors or irregularities that would have a material effect on the financial statements.</td>
<td></td>
</tr>
<tr>
<td>Material Weaknesses in Internal Control</td>
<td>No material weaknesses were noted.</td>
</tr>
</tbody>
</table>

In planning and performing our audit, we considered the System's internal control for the purposes of expressing our opinion on the financial statements and not to provide assurance on internal control. Our consideration of internal control would not necessarily disclose all matters that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control element does not reduce, to a relatively low level, the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.
OREGON UNIVERSITY SYSTEM
Summary of Unposted Adjustments
June 30, 2004

<table>
<thead>
<tr>
<th>Description (Nature) of Audit Difference</th>
<th>Statement of Net Assets</th>
<th>Statement of Revenues, Expenses &amp; Change in Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Assets Dr (Cr)</td>
<td>Total Liabilities Dr (Cr)</td>
</tr>
<tr>
<td>Summer term deferred revenue</td>
<td>$ 2,669,210</td>
<td>$ (2,930,217)</td>
</tr>
<tr>
<td>Understatement of unamortized bond discount</td>
<td>$ 1,000,000</td>
<td>$ (1,200,000)</td>
</tr>
<tr>
<td><strong>Total Current Year Differences</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 3,669,210</strong></td>
</tr>
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</table>
2004 Audit Results
Report to the Oregon State Board of Higher Education
February 4, 2005

Management Letter

MOSS ADAMS LLP
February 4, 2005

Oregon Secretary of State Audits Division
Salem, Oregon

Oregon State Board of Higher Education
Eugene, Oregon

In planning and performing our audit of the financial statements of Oregon University System for the year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency. The attachment that accompanies this letter summarizes our comments and suggestions regarding those matters. We would like to mention that though these matters are not materially significant to the financial statements, they may be significant to the public and should be considered accordingly. This letter does not affect our report dated September 30, 2004, on the financial statements of Oregon University System.

We have discussed these comments with Oregon University System personnel, and would be pleased to discuss them in greater detail at your convenience, to perform any additional study of these matters, or to assist you in implementing these recommendations.

This report is intended solely for the use of the Oregon Secretary of State Audits Division, the Oregon State Board of Higher Education, management and others within the System and is not intended and should not be used by anyone other than these specified parties.

Very truly yours,

Mary Case
For Moss Adams LLP
## Moss Adams Team

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</table>
Audit Findings and Recommendations

System Wide

Optional Retirement Plan Structure

In the course of our audit, we noted a condition giving rise to potential conflicting interests. The Optional Retirement Plan has a Retirement Committee which consists of four members who are responsible for administration of the Plan and two trustees who have been designated to hold and maintain the assets of the Plan. The Controller of the Oregon University System is a trustee of the Plan. He is also the direct supervisor of the other trustee of the Plan. Furthermore, another employee, who is a member of the Retirement Committee, responsible for administering plan assets, reports to both trustees of the Plan. Due to his position as their supervisor, the Controller has the potential ability to influence the decisions of the other two employees engaged in managing the Plan. The second plan trustee also has the potential ability to influence the decisions of the third employee who is a member of the Retirement Committee.

In order to prevent conflicting interests, we recommend that employees who are appointed as trustees or members of the Retirement Committee be independent of each other to the extent possible and consideration be taken with regard to their positions within the organization. The basic premise of this comment is to prevent a situation where there could be a real or perceived conflict of interest associated with administration of the Plan.

Accounting Personnel Infrastructure

During our audit, it came to our attention that certain financial functions, have been transitioned from the Controller's Division to the individual institutions. It is also our understanding that an examination has been initiated that could result in a greater number of financial responsibilities being transitioned to the institutions. An infrastructure of appropriate financial personnel, in terms of education and experience, as well as staff size, is essential to a strong control environment.

We recommend OUS make a comprehensive review of staffing for the performance of central business functions at the institutions and at the Chancellor's Office. The purpose of this review would be to ensure that expertise is in place and that staff size is appropriate. This is particularly important as additional financial responsibilities are transitioned from the Chancellor's Office to the institutions.
Audit Findings and Recommendations

System Wide Cont.

Transition of Bank Reconciliation Functions

During our audit, we noted that the bank reconciliation functions for Portland State University and the University of Oregon were transitioned from the Controller's Division to the individual universities. We also noted from review of recent Board Minutes that the focus of the Chancellor's Office, including the Controller's Division, is intended to move away from a processing function (such as preparation of bank reconciliations) and towards an analytical function. The bank reconciliation functions and other processing functions currently being performed by the Controller's Division are critical controls that impact the accuracy of the OUS accounting records and its financial statements.

We found that the transition of bank reconciliation functions to PSU and UO was accompanied by:

- a comprehensive training program to ensure appropriate knowledge and understanding of bank reconciliations,
- consideration of proper segregation of duties, and
- a review function in place to ensure the bank reconciliations are reviewed and approved by a suitably skilled employee.

Internal Audit Staffing

Over the past few years, we have noticed the staffing levels within the Internal Audit Department have been declining. In addition, we have noted the number and scope of internal audits conducted has been reduced commensurate with the staffing levels.

We recommend the System, in coordination with the State Board of Higher Education, review the staffing levels within the Internal Audit Department to ensure they meet the needs of the System. A strong internal audit department can play a significant role in maintaining a proper internal control environment.
Audit Findings and Recommendations

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation</th>
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<tbody>
<tr>
<td>System Wide Cont.</td>
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</table>

Upgrading Accounting Software

The Chancellor's Office uses Hyperion Enterprise accounting software to summarize the financial data of all seven institutions and the Chancellor's Office. The software is critical to preparing the annual financial statements, management reports to the Board, cash management, debt management, and other cost studies such as the "cost per student" study currently underway. OUS implemented the Hyperion Enterprise software in 1996.

Although we commend OUS for its installation and use of Hyperion Enterprise software, there appear to be some shortcomings with the software on a go-forward basis. The software is limited to two dimensions, thereby requiring multiple databases to accommodate differing reporting needs. This results in database capacity issues and the need to continually reconcile the databases to each other. In addition, the Hyperion Enterprise databases are limited in access to the Chancellor's Office Controller's Division and are not accessible by university administrators. The Hyperion Enterprise databases are critical to providing the Board, Chancellor's Office and university administrators with consistent and accurate information. However, they are not ideal for transparent reporting because the information in the databases is not readily available to persons outside the Controller's Division.

We recommend OUS consider the cost-benefit of making improvements to its existing Hyperion Enterprise installation by upgrading to Hyperion Financial Management (HFM) software. HFM provides for multiple dimensions, which could allow for one, rather than multiple, databases. Additionally, it is web-based, which would provide others with ready access to the System's financial data. As a result, the use of HFM could more easily facilitate communication and thereby further improve the transparency of OUS financial information.
Audit Findings and Recommendations

Portland State University

Fixed Asset Reconciliation

During our audit, the fixed asset records at Portland State University were not complete and fully reconciled when we started our audit fieldwork. The Controller's Division spent significant time and resources to help Portland State University complete and reconcile its fixed asset records to the Banner general ledger balances. It is our understanding Portland State University had recently lost several accounting positions which impacted this situation.

We recommend the University ensure that a periodic reconciliation is made between the fixed asset records and the general ledger. This will help reduce level of effort and consumption of resources in the future should a similar situation arise. It will also help augment the University's existing control activities.

Unofficial withdrawals

In relation to unofficial withdrawals the Code of Federal Regulations (CFR) states that the school must determine the withdrawal date within 30 calendar days from the earlier of 1) the end of the payment period or period of enrollment, 2) the end of the academic year; or 3) the end of the student's educational program. It was noted at Portland State University that once grades are posted, they are reviewed and letters are sent out to students who withdrew unofficially, asking them to prove attendance. The students are given 30 days to respond. If there is no response, 100% of the student's financial aid received is then returned to the US Department of Education. The timing of return of these funds may exceed the 30 day requirement of the US Department of Education.

While there is a policy in place to evaluate unofficial withdrawals, we recommend the timeframe on the letters to the students be shortened to ensure that the return of Title IV funds is done in a timely manner.
Audit Findings and Recommendations

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Oregon State University

Unofficial withdrawals

In relation to unofficial withdrawals, the Code of Federal Regulations (CFR) states that the school must determine the withdrawal date within 30 calendar days from the earlier of 1) the end of the payment period or period of enrollment, 2) the end of the academic year, or 3) the end of the student's educational program. It was noted at Oregon State University that once grades are posted they are reviewed and letters are sent out to students who withdrew unofficially, asking them to prove attendance. Students are given 30 days to respond. After that 30 day window the University continues to track the student and tries other methods of contacting the student but will hold off on calculating the return of Title IV funds until they have communicated with the student and the withdrawal date is determined. The timing of return of these funds may exceed the 30 day requirement of the US Department of Education.

Official withdrawals

While there is a policy in place to evaluate unofficial withdrawals, we recommend the timeframe on the letters to the students be shortened to ensure that the return of Title IV funds is done in a timely manner.

When a student officially withdraws from an institution, that institution then has 30 days to perform a return of Title IV fund calculation and transmit funds back to the Department of Education. Typically the student withdraws in the Registrar's office and the return of Title IV funds is calculated in the Financial Aid office. There were two instances noted during the audit, wherein a student officially withdrew, but the return of Title IV calculation and return of funds was done after the 30 day window.

While there is a policy in place to review official withdrawals within the Financial Aid department, we recommend increased communication between the Financial Aid and Registrar's offices. Increased communication, or revision to current policy, would reduce the possibility of federal funds not being returned timely for students who officially withdraw from the University.
March 11, 2005

Moss Adams, LLP
975 Oak Street, Suite 500
Eugene OR 97401

Subject: Management Letter Resulting From FY 2004 Financial Statement and OMB Circular A-133 Audit

Thank you for the observations and recommendations in the management letter that resulted from the FY 2004 financial statements and OMB Circular A-133 audit. We recognize that the observations and recommendations are all part of the ongoing effort to continually improve the accounting and financial reporting of the Oregon University System and to ensure that our administration of Federal grants and contracts is in compliance with applicable OMB Circulars. The following responses are to the observations and recommendations noted in the management letter.

Systemwide Observations and Recommendations
Chancellor's Office – Controller's Division

Optional Retirement Plan Structure

Management concurs with the observation and recommendation. Before close of fiscal year 2005 we will compare the composition of the ORP Retirement Committee to the OUS organization structure for any real or perceived conflicts of interest. As a result of that review, we will make recommendations to the State Board of Higher Education.

Accounting Personnel Infrastructure

Management concurs with the observation and recommendation. Significant cuts have occurred within the Chancellor’s Office without corresponding increases in the administrative resources at the institutions. The role of the Controller’s Division has changed and its staff been reduced. We do not have the assurance that all the institutions have sufficient
administrative resources to be able to absorb accounting functions currently performed by the Controller’s Division. In addition, some of the accounting and monitoring functions, by their nature, must be performed by some form of a centralized office. The Chancellor’s Office is in the process of recruiting for a new Vice Chancellor for Finance and Administration and reviewing its financial and administrative functions, including those performed by the Controller’s Division and the Budget Division. The review should be completed by June 30, 2005. Recommendations for resource adjustments will be made to the State Board of Higher Education, if warranted and if resources are available.

Transition of Bank Reconciliation Functions
Management concurs with the observation and recommendation. The Controller’s Division has taken steps and has been very careful in the plans for transitioning functions from the Controller’s Division to the institutions. We recognize that the transitioning of any functions still requires that critical controls be designed within those processes, and that the critical controls be performed and monitored on an ongoing basis.

Internal Audit Staffing
Management concurs with the observation and recommendation. An updated OUS Internal Audit Charter was reviewed and approved by the Board in September 2004. A review of Internal Audit staffing will be included in the Board Docket for 2005.

Upgrading Accounting Software
Management concurs with the observation and recommendation. We agree that upgrading to Hyperion Financial Management (HFM) would allow us to provide for one database instead of multiple databases, and increase the transparency of OUS financial data. With the Chancellor’s Office support, the Controller’s Division will, by June 30, 2005, prepare a cost-proposal for making improvements to the existing Hyperion Enterprise installation. This will be presented to presidents, the chancellor, and, if appropriate, the State Board of Higher Education.

University-Specific Observations and Recommendations
OUS management concurs with the observations and recommendations pertaining to specific OUS universities. Responses from the individual universities follow:

Portland State University:

Fixed Asset Reconciliation
We concur with this observation. Accounting for real property was transferred from the Chancellor’s Office to PSU in late April of 2004. The two key staff responsible for fixed assets terminated employment in the Business Office shortly after the conversion. Although replacement staff were hired prior to year-end, there was insufficient time to train them to
ensure a full reconciliation prior to the year-end closing deadline. Both the institution and the Chancellor’s Office were aware that fixed assets at PSU would not be fully reconciled prior to year-end closing, and that subsequent adjusting entries would be necessary. Completion of these entries did not occur until late August/early September due to availability of Chancellor’s Office staff.

PSU worked closely with Chancellor’s Office staff to ensure this was an isolated event. Following year-end closing fixed assets were fully reconciled, key personnel were trained, and procedures for fixed asset administration were developed and implemented. The new procedures required that fixed assets be reconciled on a monthly basis, and reconciliations for fiscal year 2004-05 are current.

Unofficial withdrawals

Response: We concur with this observation. Portland State University is in the process of reviewing business processes related to the administration of Federal Title IV assistance. This review includes the procedure used to determine unofficial withdrawals and subsequent required follow up and resolution. The university will take into consideration the above recommendation when revising procedures as a result of this review.

Oregon State University:

Unofficial withdrawals

We agree with the recommendation and note that the timeline for student and faculty responses regarding last date of attendance was shortened for winter and spring terms in 2003-04 to ensure timely return of Title IV funds. This practice is in place for 2004-05 as well. Additionally, if a student does not respond by the requested date, the 50% point of the term is used for calculating the return of Title IV funds.

Official withdrawals

We agree with the recommendation and are receiving a report from the Registrar’s Office which has increased the frequency and timeliness of communication between the Registrar’s Office and the Office of Financial Aid and Scholarships.

Thanks again for the opportunity to respond to the observations and recommendations. Should you have any questions or concerns regarding the above management responses, please let me know.

Sincerely,

George Pernsteiner
Acting Chancellor
BOARD DISCUSSION AND ACTION:

Director Lorenzen turned to OUS Controller Michael Green to discuss the 2004 Annual Financial Report. Before turning the discussion over to the Secretary of State Audits Division, Green mentioned that he would briefly review four items within the financial statements: major changes to the financial statements, comparative financial analysis, key ratio analysis, and review procedures subsequent to the end of the fiscal year.

Green noted the major change in the financial statement was the implementation of Governmental Accounting Standards Board (GASB) Standard 39. It required the inclusion of the university foundation financial information as a separate component unit of financial statements. Although Green reminded the Committee that foundations are legally separate, Chair Blair asked what the Board's reporting responsibility was considering it did not control the foundations. Chair Blair reiterated his questions and asked OUS General Counsel Ben Rawlins for comment. Rawlins noted the relationship between the foundations and the OUS institutions and acknowledged the scope of the reporting relationship was not clear. He noted the responsibility was to report the foundation's financial information. Director von Schlegell echoed Chair Blair's question and Chair Blair asked Rawlins to report back on his interpretation of the standard.

Green observed the financial analysis of the report and turned the Committee's attention to the financial highlights sheet of the report. Chair Blair asked Green if the numbers were consistent with the summary report from the fall and Green replied, with audit adjustments, they were. Green turned to the statement of net assets and observed increased cash balances, accounts payable, deposits, and deferred revenue. He continued with the increase in securities lending, noting the state, and not OUS, controls that activity. Director von Schlegell asked for clarification and Green noted the Oregon State Treasury makes the decisions for the short-term investment pool. Director von Schlegell asked how much money was in the fund and Green continued by noting OUS did receive some interest on some funds, but there were significant cash balances, perhaps $50 million, on which OUS did not receive interest.

Green turned to the statement of revenues, expenses, and changes in net assets, observing expenses remained relatively flat and that the resulting operating loss was expected due to the GASB requirement to classify state appropriations as non-operating. He continued with cash flow statements, noting gifts and private contracts increased and revenues decreased due to deferral of revenue. Chair Blair asked if Green was concerned about the decline in net assets from OIT, SOU, and WOU. Green replied it was due primarily to construction spend-down. Chair Blair clarified his question and Green replied he would look into it.

Green turned next to the ratio analysis. He observed many other entities were exploring how to do ratio analysis in the higher education context and noted four essential ratios: primary reserve ratio, return on net assets ratio, net operating revenues ratio, and viability ratio. Green started with the primary reserve ratio and noted it attempted to answer the question whether there were resources sufficient to support the mission. It is
calculated, he observed, by figuring expendable net assets over total expenses. Director von Schlegell asked if it was similar to a current ratio and Green noted it was more like a fund balance ratio. Green observed the three-year average indicated adequate reserves and Director von Schlegell asked Green when he would have campus-by-campus numbers. Director Lorenzen observed the relationship between this ratio and the fund balance policy and Green noted the ratio was a broader measure. Director von Schlegell reiterated that the measure would be more valuable at the campus level and Chair Blair questioned if the Systemwide application of the ratio was useful. Green mentioned the need to add narrative.

Green continued with an explanation of the second ratio: the return on net assets ratio. He observed the ratio was intended to answer whether financial asset performance supported strategic direction, calculated with change in net assets over total net assets. Green noted the three-year average return on net assets indicated return better than inflation and growth of the asset base in real dollars and that averages over time will be more important. Director von Schlegell asked Green the extent to which OUS is responsible for the investment return and Chair Blair clarified that investment return was a misnomer because the ratio simply measured growth of assets as a percent of the base.

Green proceeded with the third ratio—net operating revenue—and described it as net operating revenues over total revenues with the objective of measuring whether the institution is living within available resources. Green noted the three-year average showed improvement primarily due to expense reductions resulting from budget uncertainties. Chair Blair asked why the denominator of the ratio was total revenues as opposed to total expenditures and Green replied it was an attempt to recognize the volatility of the revenue stream. Chair Blair asked questions about the percentage calculations and Green explained adjustments, including recognition that some non-operating revenues are actually operating revenues. Chair Blair asked for additional information and education on this ratio and Director von Schlegell echoed the sentiment and noted the need for more discussion on how ratios are presented.

Green concluded with the fourth ratio of viability. He noted it measured whether debt is managed strategically to manage the mission, calculated with expendable net assets over long-term debt. Green observed a relatively low level of leverage because the increase in long-term debt was outpacing the growth in expendable net assets. Director Lorenzen asked for clarification on the definition of expendable net assets and long-term debt. Director Lorenzen asked what the ratio told the Committee and Green summarized it told how much debt could be paid off if operations stopped. He also observed the reason long-term debt was outpacing expendable net assets was because the System does 100 percent financing. Green asked the Committee if further work was necessary on the ratios based on comments during the meeting. Chair Blair added that another approach that might be useful is to define metrics with a more granular approach that would only surface exceptions. Green echoed his intention to get the ratios down to the campus level and Director von Schlegell noted it would be useful.
Director Lorenzen turned attention to Portland State University's purchase of the Doubletree. He noted the purchase was made under a set of assumptions and the assumptions did not come to fruition. Director Lorenzen added, when matters are approved by the Board with underlying assumptions, it is important to update the Board when the assumptions do not come to fruition. President Bernstine apologized and offered continued work with campus officers. Chair Blair asked President Bernstine how much of the shortfall was due to lower income and how much was due to higher expenses from renovation and refurbishment. Interim Vice President Cathy Dyck offered the year of debt service was the primary problem. Chair Blair asked if the cash requirements to refurbish the facility were consistent with expectations. Vice President Dyck reiterated the primary problem was the debt service obligation, noting the OUS policy to put a year's worth of debt service away. Director Lorenzen asked the variance between what it cost to refurbish the facility and the anticipated cost to do so. Vice President Dyck noted the estimated cost of refurbishment was $250,000 to $300,000 and that, at this point, the refurbishment has cost approximately $750,000. Director Lorenzen inquired about the financial impact of restructuring the deal and, in light of Vice President Dyck's discussion of the debt service, clarified he was asking about the income side. Vice President Dyck replied PSU received approximately $1.2 million less due to lost rent and the assumption of operation expenses.

Green added that the OUS received a gold star certification for excellence in financial reporting for the fiscal year ending June 30, 2004. Director Lorenzen commended the Controller's Division. Green turned the floor over to the Secretary of State's Audits Division and the external auditors from Moss Adams.

Nancy Young of the Secretary of State's Office (SOS) explained the SOS was the constitutional auditor of public accounts and it had contracted with Moss Adams to conduct the OUS financial audit. She introduced partner Mary Case and senior audit manager Scott Simpson.

Ms. Case started with a review of the GASB Standard 39 discussion, noting GASB can compel reporting standards, but could not dictate legal responsibility. She acknowledged the positive efforts to coordinate reporting and information for the financial statement audit. Case observed more interpretation on GASB Standard 39 would come and that OUS Controller Green should be commended for bringing ratio analysis to the table. Director Lorenzen asked if there was a national database to compare ratio results and Case replied that it was not well developed at this point. Case outlined that the SOS contracted with Moss Adams to conduct the financial statement audit and two major compliance audits. She noted the compliance audits of student financial aid and research and development are conducted every other year. Case and Young both explained the process and legwork completed in order to move forward with the audits. Case specifically observed the consideration of fraud in a financial statement audit, explaining the brainstorming sessions and process used to comply with Statement on Auditing Standards #99. After all process and fieldwork, Case noted that Moss Adams issued two reports: an opinion on the fairness of financial statements and a report on the internal control and compliance under government auditing standards.
She noted if there were reportable conditions or material weaknesses, they would be addressed in the report. Case offered there were no material weaknesses. Chair Blair asked if there were any significant deficiencies and Case replied there were none, although there were a few issues included as management letter comments. Chair Blair asked about the standard for significant deficiency in a material weakness and the comparison between governmental and private entities. Case mentioned that standards for governmental entities might be stricter than private entities because of accountability. Chair Blair observed the letter regarding internal controls, but nothing in the bound version regarding internal controls. Young noted that there was nothing that rose to the level of being included in the statewide report "Internal Control and Compliance."

Ms. Case turned next to the required communications. She noted the cover letter outlining the audit process and the letter outlining their independence from OUS. Case reviewed the required communications, including discussion of who is responsible for what in the audit, outline of management’s responsibilities, accounting estimates, significant accounting adjustments, and disagreements on financial accounting and reporting matters, of which there were none. Case also noted that no issues were discussed with management prior to retention and that no other accountants were consulted by management over the course of the audit. Case concluded the required communications by noting there were no material errors, fraud, material illegal acts, or material weaknesses in internal control.

Case proceeded with a review of the management letter. She started with the Systemwide observations, first observing a potential conflict of interest regarding the administration of the Optional Retirement Plan. Chair Blair asked for clarification regarding the potential exposure and Case explained it was mostly a perception regarding the reporting structure among those responsible for administering the Optional Retirement Plan. Chair Blair asked why it took four months to develop a recommendation to fix the segregation of duties issue and Green replied OUS needed to understand the rules and where it could turn to identify a resource to fix the problem. Chair Blair stressed the need to move on the request with all possible speed. Young added that the SOS felt the OUS response time and questions were appropriate. Case noted the OUS response and continued with her discussion of accounting personnel infrastructure and transition of bank reconciliations. She stressed the importance of strong accounting skills and policies in an environment of increasing decentralization. Chair Blair replied that even in the environment of decentralization, it was never the intention to create seven separate systems of procedures or infrastructure. He stressed that the move to increased accountability would be undermined without strong internal controls. Chair Blair stated that he felt the Chancellor's Office should not lose the ability to ensure a strong system of internal control. Young noted that the scope of the audit would change if there were indeed seven separate procedural systems. Director Lorenzen added it might be necessary to get some of the Chancellor's Office reorganization savings back in order to augment these efforts.
Case continued with internal audit staffing and observed the importance of strong financial support and adequate size. Case concluded with observations on accounting software. She suggested an upgrade to enhance System efficiency and effectiveness, and made specific comments regarding individual institutions, including fixed asset records at Portland State University and unofficial withdrawals at Portland State University and Oregon State University.

Case ended with additional information regarding new accounting standards. She noted GASB Standard 40 that relates to disclosures about investment risk, credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk. Young added that the OUS Financial Statements are rolled into the Consolidated Annual Financial Report. Young clarified discussions of the federal program review and commended OUS Controller Green for the work created by GASB Standard 39. Chair Blair and Director Lorenzen commended the auditors for their work.

Director Lorenzen called for motion to accept the annual financial report and audit report. Director von Schlegell moved acceptance of the annual financial report and audit report and Chair Blair seconded the motion. All in favor: Lorenzen, Von Schlegell, and Blair. Opposed: none. Motion passed.

b. Real Property, Facility, and Campus Planning: Amendment to OAR 580-050-0001; Temporary Adoption of Rules related to Contract Administration (Roll call vote)

**DOCKET:**

**Staff Report to the Board:**
Oregon Administrative Rules 580-050-001 through 580-050-0100 contain the governing rules implementing OUS authority for competitively procuring construction contracts and related services. These rules were last amended in 1996. In June 2004, staff proposed extensive revision and the Board approved temporary rules. Subsequent analysis by staff, university attorneys and questions from the Board led to a decision to permit the temporary rules to lapse and to initiate a more thorough examination of construction processes. That examination is underway.

The current rules represent minimal, but crucial changes deemed essential for the administration of construction until the more extensive examination is complete. These temporary rules will also add the new ability to consider facsimile and electronic offers and to authorize a campus to negotiate when offers exceed cost estimates.

**Changes to Current Rules:**
580-050-0000 – Provides definition of terms used throughout Division 50.
580-050-0020(2) – Extends renewal of retainer agreements from one to two years.
580-050-0020(3) – Increases from $25,000 to $75,000 authority for the vice chancellor for finance and administration (VCFA) or designee to award contracts to consultants on
retainer list; allows VCFA to award contracts between $75,000 and $200,000 to consultants pursuant to specified procedure; and for contracts over $200,000, permits award after competitive bidding.

580-050-0032 – Increases maximum amount under retainer agreement to $500,000.

New Sections:
580-050-0350 – Permits negotiation when offer exceeds cost estimates.
580-050-0360 – Permits offers by facsimile and electronic means.

Recommendation to the Board:
Staff recommends the Board approve amendments to OAR 580-050-0001 through 580-050-0100 as described above and approve 580-050-0350 and 580-050-0360 (as cited above), all as temporary rules.

(Board action required.)

580-050-0000
Definitions
All capitalized terms in chapter 580, division 50 have the meanings set forth below, unless otherwise defined in the chapter 580, division 50 rules.
(1) Construction Trade Services: Construction services that are not personal services on projects that are not Public Improvements.
(2) Consultants: Architects, engineers, planners, land surveyors, appraisers, managers and related professional consultants.
(4) Emergency: Circumstances that were not foreseen that create a substantial risk of loss, damage, interruption of services or threat to the public health or safety that require prompt execution of a Contract to remedy the condition.
(5) Entity: A natural person capable of being legally bound, sole proprietorship, corporation, partnership, limited liability company or partnership, limited partnership, profit or nonprofit unincorporated association, business trust, two or more persons having a joint or common economic interest, or any other person with legal capacity to contract, or a government or governmental subdivision.
(6) Institution: One of the universities that is part of the Oregon University System, including the Board's Chancellor's Office.
(7) Institution Facilities Planning Official: The Vice Chancellor or, pursuant to OAR 580-050-0032(1) and (2), designee at an Institution with the authority to enter into Contracts. (8)
(8) Invitation to Bid or ITB: A Solicitation Document calling for Bids.
(9) Offer: A Bid or Proposal as applicable.
(10) Offeror: A Bidder or Proposer as applicable.
(11) Proposal: A competitive Offer submitted in response to a Request for Proposals or a request from an Institution Facilities Planning Official to respond to a proposed assignment under OAR 580-050-0020(3)(b) or (c).
(12) **Public Improvement:** Projects for construction, reconstruction or major renovation on real property by or for an Institution where the Contract Price exceeds $25,000, other than projects for which no funds of a public agency are directly or indirectly used except for participation that is incidental or related primarily to project design or inspection. "Public Improvement" does not include Emergency work, minor alteration, ordinary repair or maintenance necessary in order to preserve a Public Improvement or projects where the total Contract Price is less than $25,000.

(13) **Request for Proposals or RFP:** A Solicitation Document calling for Proposals.

(14) **Request for Qualification or RFQ:** A Written document that: (a) Provides a general description of a proposed project; (b) Indicates the type of Consultant services needed, including, if deemed necessary or appropriate, a description of the particular services needed for part or all of a proposed project or projects; and (c) Requests each prospective Offeror to provide a Written response setting forth the Offeror's specific experience and qualifications of performing the type of services required.

(15) **Signed, Sign, or Signature:** Any mark, word or symbol executed or adopted by a person on behalf of an Entity evidencing an intent to be bound.

(16) **Solicitation Document:** An Invitation to Bid or Request for Proposals or Request for Qualifications including all documents incorporated by reference.

(17) **Specification:** Any description of the physical or functional characteristics, or of the nature of a supply, service or construction item, including any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery and the quantities or qualities of materials to be furnished under the Contract. Specifications generally will state the result to be obtained and may, on occasion, describe the method and manner of doing the Work to be performed.

(18) **Written or Writing:** Conventional paper documents, either manuscript or printed, in contrast to spoken words. It also includes electronic transmissions or Facsimile documents when required by applicable law, or to the extent permitted by the Solicitation Document or Contract.

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**Capital Construction**

580-050-0020

Appointment of Professional Consultants

The Vice Chancellor for Finance and Administration or designee is authorized to select and employ architects, engineers, planners and related professional consultants (collectively called "[c]Consultants" in this rule) energy management, [construction,] construction management, facilities planning, [improvements, repairs, deferred maintenance,] technical services and related activities in accordance with the following standards and procedures:

1) **General Standards; Selection Factors.** The purposes of this rule are to assure that [c]Consultants are considered fairly for professional service [c]Contracts; that those selected will be highly qualified; and to encourage excellence and cost consciousness on the part of [c]Consultants. The following factors shall be considered in evaluating and selecting [c]Consultants:
(a) Experience, design talent and technical competence, including an indication of the planning process expected to be used in the work;
(b) Capacity and capability to perform the work, including any specialized services within the time limitation set for the work;
(c) Past record of performance on contracts with governmental agencies and private owners with respect to such factors as cost control, quality of work, ability to meet schedules and contract administration;
(d) Availability to and familiarity with the area in which the work is located, including knowledge of design and construction techniques peculiar to the area;
(e) Proposed cost management techniques to be employed; and
(f) Ability to communicate effectively.

(2) **Procurement of Consultant Services Under Retainer Agreements.**

(a) At least biennially, in a trade periodical or an Oregon newspaper of general circulation, or on the Oregon University System’s procurement website, and in at least one trade periodical or newspaper geared towards minority, women and emerging small businesses, the Vice Chancellor for Finance and Administration or designee shall publish a notice stating in substance that copies of this rule may be obtained from the Office of Finance and Administration and that consultants are invited to submit qualifications to the Vice Chancellor for Finance and Administration or designee for consideration. The Vice Chancellor for Finance and Administration or designee shall also provide a copy of the above notice to the Office of Minority, Women and Emerging Small Business. A list of the names and addresses of the institution facilities planning official(s) designated by the institution president shall be provided to any consultant upon request.

[[3) Retainer Agreements:]]

((a)[b]) Following the procedures set out in section (2)(a) of this rule, the Vice Chancellor for Finance and Administration or designee will prepare a list of potential [c]Consultants. An [i]Institution that wishes to enter into retainer agreements [will]may convene a committee as described in paragraph ((4)[3])(d)[e](C) of this rule. Such committee shall review the list prepared by the Vice Chancellor for Finance and Administration or designee and any of the [c]Consultants who have expressed an interest and will select [c]Consultants who appear to have the qualifications for and interest in performing professional services for the [i]Institutions. The Institution [f]Facilities [p]Planning [o]Official shall recommend to the Vice Chancellor for Finance and Administration or designee the selected [c]Consultants.

((b)[c]) Each selected [c]Consultant shall be invited to enter into a retainer agreement for a two-year period with the option to extend for [one]an additional two-year term, utilizing a form of agreement approved by the Vice Chancellor for Finance and Administration. [Such si]Services of the selected [c]Consultants shall be available to all [i]Institutions requiring such services upon request of any [i]Institution [f]Facilities [p]Planning [o]Official. The Office of Finance and Administration, on its own initiative, selects consultants for retainer agreements. The Vice Chancellor for Finance and Administration or designee may enter into interagency agreements to permit other public agencies to utilize the services of [c]Consultants selected for retainer agreements pursuant to this subsection.
(d) Each institution facilities planning official will maintain a current roster of all consultants chosen for institutional retainer agreements by all institutions as well as a roster of retainer agreements entered into by the Office of Finance and Administration.

(e) The names of interested Consultants not selected under subsection (b) of this rule shall be maintained on a current roster and provided to the Institution Planning Official at each Institution.

(3) [Contracting for General Procurement of Consultant Services: The procedures to be followed when contracting for professional consulting services will depend upon a combination of factors including the total anticipated fee and whether or not the Consultant has entered into a retainer agreement pursuant to section (2) of this rule.

(a) For professional services contracts where the anticipated professional fee, including Consultant fees and reimbursable expenses and all amendments and supplements, is $27,500 or less, the Vice Chancellor for Finance and Administration or designee may authorize an appropriate Institution Planning Official to contract for such professional services with any Consultant selected in subsection (a) or (b) of this rule or such other Consultant as the Institution Planning Official may choose who appears to have the qualification for and interest in the proposed assignment.

(b) For professional service contracts involving an anticipated professional fee, including Consultant fees and reimbursable expenses and including amendments and supplements, between $27,501 and $1200,000 or in an emergency situation the Vice Chancellor for Finance and Administration or designee may authorize the Institution Planning Official to select a Consultant to perform the needed services using the following procedure:

(i) select a Consultant; from those on retainer who appear to have the qualifications for and interest in the assignment; or

(ii) select at least three Consultants not on a retainer agreement who appear to have the qualifications for and interest in the proposed assignment and invite each Consultant to submit a written proposal;

(iii) The Institution Planning Official shall negotiate a Contract with the selected Consultant, and if a mutually satisfactory contract cannot be agreed to, the Institution Planning Official may select another Consultant from the recommended consultants and enter into contract negotiations.

(c) For professional service contracts with an anticipated professional fee, including Consultant fees and reimbursable expenses over $1200,001, except in emergency situations, the Institution Planning Official shall select Consultants for consideration using the following procedure:

(A) Announcement: The Institution Planning Official will give notice of intent to contract for professional services in a trade periodical, or newspaper of general circulation, on the Institution's procurement website and in at least one trade periodical or newspaper geared towards minority, women and emerging small businesses. The notice shall include a description of the proposed project, the scope of
the services required, and a description of special requirements, if any. The notice will invite qualified prospective [c]Consultants to apply. The notice will specify where the [s]Solicitation [d]Document may be obtained and the [c]Closing [date]. The [i]Institution [f]Facilities [p]Planning [o]Official shall also provide a copy of the above notice of intent to the Office of Minority, Women and Emerging Small Business.

(B) Application: The application or [c]Consultant's qualification must include a statement that describes the prospective [c]Consultant's credentials, performance data and other information sufficient to establish the [c]Consultant's qualification for the project, as well as any other information requested in the announcement.

(C) Initial Screening: The [i]Institution [f]Facilities [p]Planning [o]Official shall appoint a [c]Consultant screening committee consisting of no fewer than two individuals to review, score, and rank the [c]Consultants according to the solicitation criteria. The [c]Consultant screening committee will evaluate the qualifications of all applicants and select [no fewer than five] prospective [c]Consultants whose applications demonstrate that the selected [c]Consultants can best fulfill the provisions of section (1) of this rule.

(D) The Final Selection Procedure:

(i) Interviews: Following screening and evaluation, the [i]Institution [f]Facilities [p]Planning [o]Official and [c]Consultant screening committee [will]may invite to interview, in person, [a minimum of five] finalists selected from the initial screening.

(ii) Award of Contracts: The [i]Institution [f]Facilities [p]Planning [o]Official will make the final selection based on such factors as applicant capability, experience, project approach and references; recommend the [c]Consultant to the president or designee; and notify the selected [c]Consultant of such selection.


(5) Following selection of a consultant, a report of all appointments under subsections (4)(a), (4)(b), and (4)(d) of this rule shall be made to the Board through the Vice Chancellor for Finance and Administration.

(6) The president or designee of the [i]Institution may execute amendments, modifications or supplements to executed professional service [c]Contracts within the scope of the original [c]Contract and the limits prescribed in this rule.

(7) Any [c]Consultant who has submitted a [p]Proposal as outlined in subsections (3)(a,b), (4)(a), (4)(b) of this rule and claims to have been adversely affected or aggrieved by the selection of a competing [c]Consultant, and unless a different deadline is specified in the notice of intent to contract for professional services, shall:

(a) Have seven (7) calendar days after receiving notice of selection to submit a [w]Written protest of the selection to the [i]Institution [f]Facilities [p]Planning [o]Official. The [i]Institution [f]Facilities [p]Planning [o]Official shall not consider a selection protest submitted after the time period provided in this subsection, unless a different deadline is provided in the notice of intent to contract.

(b) The [i]Institution [f]Facilities [p]Planning [o]Official, in consultation with the Vice Chancellor for Finance and Administration or designee, shall have the authority to settle or resolve a [w]Written protest submitted in accordance with this rule. The [i]Institution
Facilities Planning Official shall respond to the protesting consultant within ten days of receipt of such written protest.

c) Judicial review of the disposition of a written protest submitted in accordance with subsection (7)(a) of this rule may be available pursuant to the provisions of ORS 183.484.

580-050-0032
Contracts for Repairs and Public Improvements

(1) The Vice Chancellor for Finance and Administration, or designee shall be the contracting officer. All contracts for the repair of facilities or for Public Improvements shall be awarded and executed by the contracting officer unless delegated by the contracting officer.

(2) The contracting officer may delegate, through the Institution president, to a specific person at each college and university the authority to execute contracts for the repair and improvement of facilities, provided that all applicable laws and rules are fulfilled. The Institution president may, by written agreement with the president of another Institution, subject to this rule, transfer such delegation to a person at such other Institution. A copy of each such contract must be filed with the contracting officer or designee who may audit the project and the contracting process.

(3) The contracting officer or designee shall award contracts valued at $25,000 or more for the repair and improvement of facilities to the lowest bidder or best proposer pursuant to appropriate competitive processes, including competitive bids, design/build competitions and negotiated procurements utilizing Requests for Proposals, including agreement for construction manager/general contractor. Criteria for award shall include price and any other factors as the contracting officer or designee deems appropriate, including, but not limited to, past performance of the contractor, experience of the contractor and the contractor's management team on projects of similar size and scope, the contractor's reputation for quality and timely completion of projects, the contractor's business and project management practices, the contractor's demonstrated commitment to affirmative action, the contractor's willingness to agree to the contract terms proposed by the contracting officer or designee and the contractor's ability to post an appropriate bond. The contracting officer or designee shall maintain appropriate records of the competitive process utilized for each contract. The president of each college and university shall determine the procedures to be used for the award of contracts valued at less than $25,000 for the repair and improvement of facilities.

(4) The contracting officer or designee may enter into retainer agreements with contractors using appropriate competitive procedures that take into account, at a minimum, the qualification and reputation of the contractors, price structure, ability and willingness to respond to requests from one or more colleges and universities, location and such other factors as the contracting officer or designee shall deem appropriate. The contracting officer or designee may utilize the services of contractors under retainer agreement for projects whose contract price is less than the maximum established by the Board of Higher Education in its budget or $2,500,000, whichever is greater[.]
(a) Supplements to the retainer agreement, describing the scope of the specific work and price for which it will be performed, must be executed prior to the commencement of any work by a Contractor.

(b) Supplements having a Price of $25,000 or less shall not be subject to the provisions of section (6) of this rule. However, projects may not be divided into more than one supplement to avoid the application of section (6).

(c) The contracting officer or designee shall maintain appropriate records of the competitive process used to select a Contractor from the list of Contractors with current retainer agreements in force at the time the selection is made and the supplement is issued.

(d) The contracting officer or designee should solicit prices from at least two Contractors under the retainer agreement, or document in the contracting file the reason for not doing so.

(5) The Institution president may declare an Emergency when he or she deems such a declaration appropriate. The reasons for the declaration shall be filed with the Vice Chancellor for Finance and Administration or designee and shall include justification for the use of any sole source or negotiated procurements for repairs and improvements within the scope of the Emergency declaration. Upon the declaration, the contracting officer or designee may negotiate a Contract with any qualified Contractor for repairs or improvements included in the scope of the declaration. The contracting officer or designee shall maintain appropriate records of negotiations carried out as part of the contracting process.

(6) All Public Improvement Contracts shall require Contractors to pay and Contractors shall pay, at least the rate of wage for labor determined by the Bureau of Labor and Industries to be the rate of wage for an hour's work in the same trade or occupation in the locality where such labor is performed for work performed under the Contract. [A public improvement contract is defined as any contract in excess of $25,000 for the construction or improvement of facilities. The $25,000 amount may be adjusted annually by the Vice Chancellor for Finance and Administration based upon the change in the building index for Portland, Oregon published in the Engineering News Record or successor publication.] The contracting officer or designee may require any Contractor to pay an amount to the Bureau of Labor and Industries to help defray costs of determining and administering prevailing wages. The method of determining any such charge shall be described in the Solicitation Document for the project.

(7) No Contractor shall be awarded to any Contractor who is not licensed to do business in the State of Oregon.

(8) The contracting officer or designee may require bidders and Contractors to post and maintain such bonds as the contracting officer or designee decides is appropriate. Requirements related to the posting, form, maintenance and return shall be included in solicitations and requests for bids and proposals.

(9) All Contractors shall maintain in force at all times during the period of the Contract such insurance as may be required by the contracting officer or designee.

(10) The contracting officer or designee shall ensure that retainage equal to five percent of the Price is withheld from payments to any Contractor. Such retainage shall be invested by the Vice Chancellor for Finance and Administration or designee in accordance with the provisions of OAR 580-040-0007. The principal
amount of such retainage and all interest or other earnings from the date of the 
establishment of a retainage account through the date of completion established in the 
Contract, less reasonable administrative costs, shall be paid to the Contractor or 
the Contractor's designee upon notification in writing by the contracting officer or 
designee that the work contemplated by the Contract has been completed 
satisfactorily.

(11) The contracting officer or designee shall perform all the duties of the owner on 
behalf of the Oregon State Board of Higher Education.

(12) The contracting officer or designee may execute change orders to Contracts as 
long as the scope of the contract is not altered materially by such change orders. 
Exceptions to this provision may be granted by the Vice Chancellor for Finance and 
Administration or designee.

(13) The Board of Higher Education or the Director of the Internal Audit Division 
may audit or investigate any Contract or retainer agreement executed under 
authority of this rule.

(14) The following procedures shall be used in soliciting, evaluating and rejecting or 
accepting Bids or Proposals for Contracts for repairs or Public 
Improvements:

(a) The provisions of sections (3), (4), (6), (7), (8), (10), (11), (13), (14), [(20),] (22), (23), 
(24), and (27) of OAR 137-30-000; sections (2) and (5) of OAR 137-30-010; OAR 137- 
30-012; sections (1) and (3) of OAR 137-30-013; section s (1) and (4) of OAR 137-30- 
014; sections (2) and (3) of OAR 137-30-030; sections (1), (2), and (4) of OAR 137-30- 
040; OAR 137-30-050 through OAR 137-30-085; OAR 137-30-100 through OAR 137- 
30-104; OAR 137-30-110; OAR 137-30-115(1); OAR 137-30-120; OAR 137-30-150; 
OAR 137-30-130; OAR 137-40-020; OAR 137-40-030; OAR 137-40-035; OAR 137-40- 
040; and OAR 137-40-045 effective January 1, 1995, shall be applicable to the bidding, 
awarding and administration of public contracts of the State System of Higher 
Education. (These may be found in the Oregon Attorney General's Model Public 
Contracting Rules Manual, January 1995);

(b) The State System of Higher Education reserves the right to reject any bid or 
proposal not in compliance with the Solicitation Documents, or with these rules, 
and to reject any or all Bids or Proposals upon a finding that it is in the public 
interest to do so;

(c) Low tie Bids are Bids that are responsive to all requirements and are identical 
in price, fitness, availability, and quality. Preference shall be given to the Bidder 
whose principal offices or headquarters are located in Oregon. If no Bidder is eligible 
for this preference, or if more than one Bidder is eligible for this preference, the 
Contract shall be awarded by drawing lots first among tied Oregon Bidders or, if 
there are no such Oregon Bidders, shall be awarded by drawing lots among all tied 
Bidders;

(d) Unless a Request for Proposals is used, the contracting officer or designee 
shall not negotiate with any Bidder prior to award of a Contract. This prohibition 
may be waived by the Vice Chancellor for Finance and Administration or designee 
upon a finding that it is in the public interest to do so. Documents supporting such a 
finding shall be maintained by the contracting officer or designee.]
Publications: The publication(s) referred to or incorporated by reference in this rule are available from the agency.

580-050-0350
Negotiation When Offers Exceed Cost Estimate
(1) If all Responsive Offers from Responsible Offerors on a competitively bid Project, including Offers received under OAR 580-050-0032(3) and (4), exceed the Institution's Cost Estimate, prior to Contract award the Institution may negotiate Value Engineering and Other Options with the Responsible Offeror submitting the lowest Responsive Bid or the best Responsive Proposal in an attempt to bring the Project within the Institution's Cost Estimate.

(2) The following definitions apply to this administrative rule:
(a) Cost Estimate: The Institution's most recent pre-Offer, good faith assessment of anticipated Contract costs, consisting either of an estimate of an architect, engineer or other qualified professional, or confidential cost calculation worksheets, where available, and otherwise consisting of formal planning or budgetary documents.
(b) Other Options: Those items generally considered appropriate for negotiation in the RFP process, relating to the details of Contract performance, but excluding any material requirements previously announced in the Solicitation Document that would likely affect the field of competition.
(c) Project: A Public Improvement or Construction Trade Services.
(d) Value Engineering: Those proposed changes to the plans, Specifications, or other Contract requirements which may be made, consistent with industry practice, under the original Contract by mutual agreement in order to take advantage of potential cost savings without impairing the essential functions or characteristics of the Public Improvement or Construction Trade Services. Cost savings include those resulting from life cycle costing, which may either increase or decrease absolute costs over varying time periods.

(3) In determining whether all Responsive Offers from Responsible Offerors exceed the Cost Estimate, only those Offers that have been formally rejected, or Offers from Offerors who have been formally Disqualified by the Institution, shall be excluded from consideration.

(4) Institutions shall not proceed with Contract award if the scope of the Project is significantly changed from the original Offer. The scope is considered to have been significantly changed if the pool of competition would likely have been affected by the change; that is, if other Offerors would have been expected by the Institution to participate in the solicitation process had the change been made during the solicitation process rather than during negotiation. This rule shall not be construed to prohibit resolicitation of trade subcontracts.

(5) Negotiations shall be initially undertaken with the lowest Responsive, Responsible Bidder or the best Responsive, Responsible Proposer. If the lowest Responsive, Responsible Bidder or the best Responsive, Responsible Proposer is not negotiating in good faith, the Institution may, at its sole discretion, negotiate Value Engineering and Other Options with the second lowest Responsive, Responsible Bidder or second best Responsive, Responsible
Proposer. If that Offeror is not negotiating in good faith, the Institution may, at its sole discretion, negotiate Value Engineering and Other Options with the next lowest Responsive, Responsible Bidders (Each in order of their Bid) or the next best Responsive, Responsible Proposers (Each in order of their Proposal). Records of an Offeror used in Contract negotiations do not become public records unless they are also submitted to the Institution.

580-050-0360
Facsimile and Electronic Offers
(1) Institution Authorization. An Institution may authorize Offerors to submit Facsimile or Electronic Offers when the Institution has the resources available and adequate procedures in place to handle the Offers, preserve the "sealed" requirement of competitive procurement, deliver them timely to the Opening and, if Bid or Proposal security is or will be required, provide an alternative method for receipt of the security.
(2) Provisions To Be Included in Solicitation Document. In addition to all other requirements, if the Institution authorizes a Facsimile or Electronic Offer, the Institution will include in the Solicitation Document provisions substantially similar to the following:
(a) A Facsimile or Electronic Offer, as used in this solicitation, means an Offer, modification of an Offer, or withdrawal of an Offer that is transmitted to and received by the Institution via a Facsimile machine or the worldwide web.
(b) Offerors may submit Facsimile or Electronic Offers in response to this solicitation. The entire response must arrive at the place and by the time specified in this Solicitation Document.
(c) Offerors must Sign their Facsimile or Electronic Offers.
(d) The Institution reserves the right to award the Contract solely on the Facsimile or Electronic Offer. However, upon the Institution's request the apparently successful Offeror shall promptly submit its complete original Signed Offer.
(e) If Facsimile Offers are authorized, the data and compatibility characteristics of the Institution's receiving Facsimile machine as follows:
(A) Telephone number;
(B) Compatibility characteristics, e.g. make and model number, receiving speed, and communications protocol.
(a) If Electronic Offers are authorized, the e-mail address of the Institution to be used to receive Electronic Offers.
(b) The Institution is not responsible for any failure attributable to the transmission or receipt of the Facsimile or Electronic Offer including, but not limited to the following:
(A) Receipt of garbled or incomplete documents.
(B) Availability of condition of the receiving Facsimile machine, computer or computer system.
(C) Incompatibility between the sending and receiving Facsimile machine or between the sending and receiving computers.
(E) Delay in transmission or receipt of documents.
(F) Failure of the Offeror to properly identify the Offer documents.
(G) Illegibility of Offer documents.
(H) Security and confidentiality of data.

BOARD DISCUSSION AND ACTION:

Because the proposed temporary rules were also on the full Board's docket, Director Lorenzen deferred their consideration to the full Board.

4. REPORT ITEMS

a. Fund Balance Policies—Other Funds

DOCKET:

In October 2004, the Board asked the Chancellor's Office to report on fund balance policies pertaining to the other operating funds on OUS campuses. This report pertains to the fund balance policies covering Service Departments and Designated Operations.

Service Department Fund Balance Policy

Background:
Service Departments are activities established to provide services to departments of the institution and are expected to be self-sustaining. Examples are motor pool, computer services, printing, and telecommunications systems. Service Department activity is accounted for within the “Other Funds Nonlimited” portion of the OUS legislative budget.

In the early 1990s, the Department of Health and Human Services audited the Service Department activities of OUS and recommended certain guidelines with respect to Service Department fund balances. In response to that audit, both Oregon State University (OSU) and the University of Oregon (UO) implemented fund balance policies for their Service Department activities. The University System did not adopt such a policy to govern fund balances of Service Departments Systemwide. Recent federal auditing advisories indicate that Service Departments will, once again, be an area of interest for federal government auditors. In light of this alert, our review and implementation of a Systemwide policy is timely.

Over the past several months, the Controller's Division, working through various inter-institutional committees, has drafted a Service Department fund balance policy that will govern these activities throughout the University System. This draft policy was derived from both the OSU and UO policies and, we believe, is in compliance with applicable federal costing requirements.

Policy Summary:
Fund balances will be monitored and analyzed on an annual basis at fiscal year end.

- **Upper Limit:** Fund balance (excluding capital assets net of any related debt) should not exceed 60 days of operating expenses, excluding capital items and
non-cash expenses such as depreciation. The 60-day upper limit is calculated as the average operating expenses for the last three years of operations multiplied by \(0.1667\) (60 days divided by 360 days).

- **Lower Limit**: If fund balance is in a deficit position equal to 5 percent or less of total annual expenses, the loss will be carried forward to the new year as an increase in rates.

If fund balance is in a deficit position greater than 5 percent of total annual expenses, the loss will be carried forward to the new year and eliminated in one (or both) of the following ways:

- A rate increase
- A transfer of adequate funding to the service center approved by the president or vice president for finance and administration

- **Exceptions**: Any exceptions will be approved by the institution’s vice president for finance and administration or designee and documentation justifying the exception will be retained for audit.

*Implementation Plan:*  
The Controller’s Division has begun an analysis of the various Service Departments within OUS institutions with respect to compliance with this policy and will be working with each institution to coordinate the measurement of policy compliance, as well as plan for full implementation of this policy by July 1, 2005.

*Designated Operations Fund Balance Policy*

*Background:*
Designated Operating Funds are used to account for self-sustaining student activities related to instruction, public service, and student aid. Examples are continuing education (non-credit), field trips, international education, non-credit workshops and seminars, testing and consulting services, camps, and financial aid funds generated from fund raising activities accounted for in Designated Operations. Designated Operating fund activity is accounted for within the “Other Funds Nonlimited” portion of the OUS legislative budget.

The fund balance policy covering Designated Operating funds (see below) was last updated in April 2004 as a result of the Accountability Framework Project.
Policy Statement:
Upper Limit:

- Carry Forwards - A limited amount of fund balances may be carried forward from one year to the next for continuation of the program or for student scholarships. Fund balances carried forward may not exceed $25,000 or 20 percent of the annual revenue credited to the fund, whichever is greater. (Note: This limitation only applies at June 30th at the end of each biennium and is optional in mid-biennium.) Any exceptions will be approved by the institution’s vice president for finance and administration or designee and documentation justifying the exception will be maintained for audit.

- Excess Fund Balances – Excess fund balances at year-end and funds designated for departmental operating expenditures are transferred to the Education and General Fund and expended from a related Educational and General expense account if within the expenditure limitation, or to an Auxiliary Enterprise fund, if appropriate. Excess fund balances transferred to Education and General Funds (fund type 11) may be returned to the source designated operating fund if approved by the institutional vice president for finance and administration or designee, as well as the vice chancellor for finance and administration or designee. Documentation justifying the transaction will be maintained for audit.

Lower Limit: Any negative fund balance as of June 30 will be eliminated through a transfer of adequate funding to the designated operating fund by the responsible department or other Education and General Funds.

Implementation:
The measurement point for the fund balances of Designated Operating funds is at the end of a biennium. We will be reviewing the ending fund balances after the current year-end close for conformance with the policy in order to provide information to campuses.

BOARD DISCUSSION:

Director Lorenzen turned for a report on the Fund Balance Policies for Other Funds. OUS Controller Michael Green noted service departments were highly regulated because of the interest of the federal government. He observed there was no Systemwide policy, but that Oregon State University and the University of Oregon had policies with the upper limit 60 days of operating expenses and the lower limit zero. Green stated that because it was a new policy, he would request the campuses submit an end-of-the-year report listing all service departments. He also recommended a report listing service departments reconciled to the general ledger. With no questions, he turned to the designated operating fund policy, and recommended a similar report to the Chancellor’s Office. Director Lorenzen cautioned about moving funds with designated purposes and Green clarified the definition of restricted.
b. Interinstitutional Loan Policy Clarification

DOCKET:

In October 2004, the Board asked the Chancellor’s Office to clarify the OUS policy surrounding inter-fund and interinstitutional loans. In response, the Chancellor’s Office worked with institutional representatives to review and update the existing loan policy, which is summarized below. This updated policy will be implemented immediately following Board review. All new inter-fund and inter-institutional loans that meet the policy definition will follow this new protocol.

Policy Statement:
It is the policy of OUS that any movement of funds between institutions or between funds that meets the definition of a loan (defined below) be accomplished by the use of a formal loan agreement, which shall be governed by the provisions herein. Inter-institutional and inter-fund borrowing should be considered only after all other sources of funds have been considered and when the loan is required to meet a pressing need or to take advantage of a special opportunity.

Loan:
For the purposes of this policy, a loan is defined as a movement of funds between institutions or between funds or fund types within an institution with a definite plan to repay the money within a specified period of time. Transfers among funds within an institution that will be repaid within 30 days are not considered loans unless the recipient fund received such transfers in successive months.

Institution:
For purposes of this policy, the term institution includes EOU, OIT, OSU, OSU-CC, each OSU SWPS, PSU, SOU, UO, WOU, and CO.

Terms:
Inter-Institutional and Inter-Fund Loans will be repaid over a specified period, generally not to exceed five years. Institutions must consult with the Chancellor’s Budget Office when considering loans from or to legislative budget categories, including Education and General Limited, and Other Funds Limited. The approval of the Chancellor is required for loans to and from Capital Projects under expenditure limitation.

Each loan agreement should be accompanied by a debt service schedule, which shows fiscal year payments for the loan and all other outstanding loans, including bonded debt (if any). This schedule must indicate a source of revenue that is of sufficient certainty to reasonably assure repayment over time and that the source of repayment is forecasted to generate sufficient revenue to cover the debt service payments as scheduled.
Loan Agreement:
A written agreement detailing the terms of the loan is required for each loan between institutions or between funds or fund types. A copy of each loan agreement is to be provided to the Controller's Division within 30 days of the transfer of funds.

Approval Authority:
For inter-fund loans within a particular OUS institution, the approval of the institution’s vice president for finance and administration is required. For loans between OUS institutions, the approval of each institution’s president and the Chancellor or vice chancellor for finance and administration is required. Loans of Chancellor’s Office resources in amounts exceeding the expenditure authority of the Chancellor require the additional approvals delineated in applicable Board Policy. All inter-institutional loans will be reported to the Board.

Interest:
Interest is required to be assessed when the source of loan proceeds is from an interest-bearing fund. In this specific case, the rate of interest to be assessed must be equal to the rate that would be earned on the lending fund. Where loan proceeds are from non-interest bearing funds, the rate of interest assessed is subject to negotiation between the borrower and lender, but should not be greater than two percentage points above the rate paid by the State Treasurer’s Short Term Investment Pool at the time of or, in the case of an adjustable rate loan, during the term of the loan.

BOARD DISCUSSION:
OUS Controller Green addressed the loan policy clarification. He noted that staff worked with campus representatives to update the policy. He outlined various elements of the policy, including that the loans are to be repaid within a specific period of time and to be memorialized by written agreement. Green noted the policy would be implemented under the authority of the vice chancellor through an administrative rule. Chair Blair asked questions regarding interest assessments. He queried whether the interest rate should be fixed rather than negotiated. He asked if the policy permitted a zero interest charge for a loan. Green replied it did and Chair Blair asked why not peg the interest rate to a published rate. Acting Chancellor Pernsteiner suggested changes to the written proposal and Chair Blair reiterated his interest in keeping the policy simple and straightforward.

5. ADJOURNMENT

Director Lorenzen adjourned the meeting at 9:40 a.m.

Donald W. Blair
Chair, FBAPRE Committee

Ryan J. Hagemann
Secretary of the Board