

**BOARD OF REGENTS
BRIEFING PAPER**

1. AGENDA ITEM TITLE: Handbook Revision: Financial Policies – Self-Supporting Budget to Actual Report
MEETING DATE: December 1-2, 2022

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

At the September 2022 Business, Finance and Facilities Committee meeting staff presented a revised Self-Supporting Budget to Actual Report template and guidance for feedback from the Committee. As the new template and guidance was developed with the institution Budget Officers and Business Officers, a minor revision to the Board of Regents Handbook is requested. The current language indicates the report needs to “highlight those activities that vary from the original budget by \$250,000” – the proposed change would make the required variance reporting for activities that vary from the original budget by the greater of \$250,000 or 10%. The rationale for the change is that \$250,000 is a meaningful variance at a smaller institution, it is often not material at the larger institutions such as the universities. This proposed change focuses the report on the areas in which the variance between budget and actuals is material without the clutter of relatively insignificant differences.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Business, Finance and Facilities Committee provided positive feedback on the proposed report revisions at the September 2022 meeting. The proposed Handbook change is necessary to fully implement the new report.

4. IMPETUS (WHY NOW?):

The SA Finance team is bringing this proposed revision forward at this point in response to discussion by the Business, Finance and Facilities Committee at the December 2021 meeting.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

This proposed report supports all the strategic goals as it will provide greater clarity, transparency, and accountability regarding the source and use of non-state resources.

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

This revised report will provide higher quality information and increase the consistency among institutions in how this information is reported to the Board.

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

N/A

8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

N/A

9. RECOMMENDATION FROM THE CHANCELLOR’S OFFICE:

Recommend approval of the proposed Handbook revision.

10. COMPLIANCE WITH BOARD POLICY:

<input type="checkbox"/> Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
X Amends Current Board Policy: Title # <u>4</u> Chapter # <u>9</u> Section # <u>C.2.11</u>
<input type="checkbox"/> Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
<input type="checkbox"/> Other: _____
<input type="checkbox"/> Fiscal Impact: Yes _____ No _____ Explain: _____

NSHE Handbook

TITLE 4, CHAPTER 9, SECTION C., SECTION 2.11

Financial Policies

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 2. Financial Policies

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11. Budget to Actual Report

The System Administration will develop annually a report that compares the original budget to actual revenues and expenditures for Self-Supporting Budgets as defined under Policy 3 the review will include all self-supporting budgets that exceed annually \$250,000 in projected annual expenditure activity. The report will summarize and highlight those activities that vary from the original budget by ***the greater of \$250,000 or 10%***.

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