

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 07-02

COMMITTEE DATE: December 6, 2006

BOARD DATE: December 14, 2006

EXPENDITURE AND REVENUE REPORTING

MOVED: The Board of Higher Education hereby recommends a revision to Chapter 15A: Section 15C Expenditures and Revenue; management and accounting reporting system by striking out Section 15C as appearing, and inserting in place thereof the following section:

“Each institution within the system of public higher education shall annually produce audited financial statements in accordance with generally accepted accounting principles (GAAP), generally accepted auditing standards, and generally accepted governmental auditing standards. Said statements shall be in accordance with procedures for timeliness and for disclosures as proscribed by the Office of State Comptroller and approved by the State Auditor. The statements shall include all expenditures and revenues from all appropriated and non-appropriated funds and be filed with the Governor, Office of State Comptroller, the Board of Higher Education, House Ways and Means, and the Chairs of the Joint Committee on Higher Education no later than October 15.

The State Comptroller shall take appropriate corrective action toward any institution that fails to meet specified requirements, including but not limited to, a requirement for utilization of the state accounting system for all appropriated and non-appropriated funds and accounts of said institution.”

The Board of Higher Education delegates to the Chancellor the authority to do such other things and to take such other action as is necessary or desirable to carry into effect the matter authorized by this vote.

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Sue Wolfe, Director, Fiscal Policy

Background

Currently, Section 15C states: “The public institutions of higher education shall report monthly by subsidiary all expenditures and revenues from all appropriated and non-appropriated funds on Massachusetts management and accounting reporting system, so-called, by July thirty-first, nineteen hundred and ninety-three.”

The revision recommended for Board action, if approved, would be submitted by the Office of State Comptroller to the Legislature for enactment.