

May 28-30, 2008

ITEM 139-111-R0508

**Negative Fund Balances Policy Clarification**

**THAT:**

The Board of Regents of the Montana University System approves a clarification that negative fund balances need to be reported in the aggregate.

**EXPLANATION:**

Fund balances may be negative as a result of required generally accepted accounting principles (GAAP) adjustments. The revised policy will require negative fund balance reporting in total, after combining the GAAP adjustments with the appropriate funds. The policy clarification will report relevant information and simplify reporting.