

# Negative Fund Balance Report

*Campus:* Montana State University – Northern

*Date:* May 11, 2009

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Account Name: Unexpended Plant

Fund Group: Plant

The negative fund balance in the Unexpended Plant Fund is the result of prior overspending of the Network Service Fee account for the Banner System and related costs. MSU-Northern has been meeting its approved plan by reducing the negative fund balance yearly, and will continue to do so in FY 09. We will reduce the negative by at least the planned \$31, 592 in FY 09, anticipating the Negative Fund Balance in this fund will be (\$77,585) at the end of FY 09. We will bring the fund positive during FY 12. At the end of FY 08, there was an additional negative of \$4,921 resulting from a transfer not having been made by Fiscal Year End. This transfer has been made in FY 09.

Account Name: Auxiliaries

Fund Group: Auxiliaries

MSU-Northern has struggled with the Negative Fund Balance in Auxiliaries for a number of years. In FY 08, we were able to reduce this negative by \$41,528 – ending the year at (\$536,716). We began a five-year repayment cycle for loans obtained from MSU-Bozeman, and once we have met that obligation each year, we will use any other available funds to reduce the Negative Fund Balance. During FY 09, the Auxiliary Directors have met regularly with the Dean of Students, Director of Business Services, and Budget Officer. They are working on budgeting and financial management, as well as long-term planning. We feel we have made significant progress in training the Directors to better manage their operations. Residence Hall applications are strong for Fall 2009, and we anticipate stable revenue in this area. MSU-Northern continues to work diligently toward eliminating the debt and Negative Fund Balance in Auxiliaries.