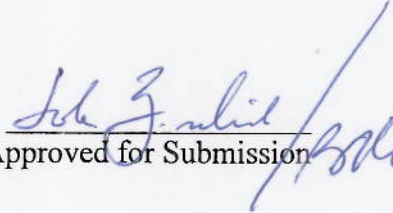


Board of Governors of the
Colorado State University System
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Approved for Submission

Stretch Goal or Strategic Initiative: Colorado State University System Goal Two: Financial Sustainability.

MATTERS FOR ACTION:

Fiscal Rules: Adoption of the Colorado State University System Fiscal Procedures and Determination of Fiscal Adequacy of said Procedures and Exempting the Colorado State University System and Institutions from Various Statutory Requirements.

RECOMMENDED ACTION:

MOVED, that the Board of Governors of the Colorado State University System hereby adopts the State of Colorado Fiscal Rules as their own and determines that any reference in such rules to the State of Colorado, its agencies, departments or political subdivisions, shall be changed to the Board of Governors of the Colorado State University System; and references to the State Controller shall be changed to controller for each institution (Colorado State University, Colorado State University-Pueblo, and Colorado State University Global Campus) or to the Chief Financial Officer for the CSU System Office, respectively. And that any other necessary conforming changes or adjustments are authorized upon approval by the respective institution's President or, for the CSU System Office, by its Chief Financial Officer.

FURTHER, the Board deems that the fiscal rules hereby adopted provide adequate safeguards for the proper expenditure of the moneys of the CSU System and its respective institutions.

FURTHER, the Board of Governors hereby delegates to the Chancellor, Presidents, and Chief Financial Officer and Controller of the Colorado State University System and its respective institutions authority to revise such rules, as appropriate, in the future to further enhance and safeguard the financial integrity of operations throughout the Colorado State University System. If the Chancellor, institutional President, or Chief Financial Officer of the CSU System determine that specific provisions within the rules hereby adopted are found to be unnecessary or inapplicable to CSU System operations, such rules or portions of rules may be eliminated.

FURTHER, that the Board of Governors of the Colorado State University System elects to exempt the Colorado State University System and its respective institutions from the fiscal rules

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promulgated by the State Controller pursuant to 24-30-202 C.R.S., subsection (13), including any procedures or forms required by law to be promulgated by the State Controller, including any review or approval the State Controller may require.

FURTHER, The Board of Governors declares that the Colorado State University System and its respective institutions shall not be required to comply with rules promulgated pursuant to 24-30-202 subsections (1), (5)(b), (13), (20.1), (22), or (26) all of which is done in accordance with section 5 (2) of Article VIII of the State Constitution and in conformance with Senate Bill 10-003 concerning Higher Education Flexibility to Improve the Financial Position of State Institutions of Higher Education.

FURTHER, that the Chancellor and Presidents may delegate the powers hereby granted to others within the organization, deemed to have appropriate and adequate training and experience in fiscal rules and procedures.

FURTHER, that the Board of Governors will receive quarterly updates on additions, deletions, and changes to the rules; and an annual audit report on the adequacy of updates and improvements made to the fiscal rules hereby adopted.

EXPLANATION:

Presented by Rich Schweigert, Chief Financial Officer of the Colorado State University System and Michael D. Nosler, General Counsel.

On June 9th, 2010, the Governor signed into law SB 10-003 which, among other things, allowed institutions of higher education to opt out of the state's fiscal rules and operate under institutional fiscal procedures that better meet the needs of a University System. This flexibility was authorized in recognition of the extraordinary reduction in state support for institutions of higher education, as well as the increasingly divergent operating needs of universities and colleges relative to other Executive Branch agencies.

Adoption of Board specific fiscal procedures will result in immediate efficiency gains through the elimination of the time and effort required to attain State Controller approval for both routine and unique university transactions. It will also result in staff time and savings by the gradual elimination of duplicative and unnecessary steps in approving expenditures and processing payments and contracts across the CSU System.

Each campus and the CSU System further have their own set of fiscal procedures, rules, and polices that enhance the State of Colorado Fiscal Rules and which will stay in place

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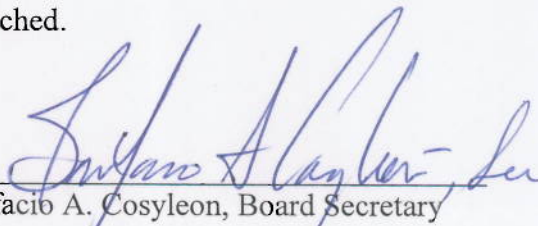
to further ensure adequate safeguards concerning Board of Governor funds across the CSU System.

The State of Colorado Fiscal Rules are attached.

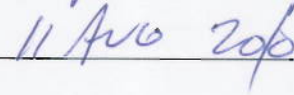


Approved

Denied



Bonifacio A. Cosyleon, Board Secretary



Date

Stretch Goal or Strategic Initiative: Colorado State University System Goal Two: Financial Sustainability.

MATTERS FOR ACTION:

Establishment of Procurement Card Program

RECOMMENDED ACTION:

WHEREAS, C.R.S. §24-101-105(1)(b) provides that the governing board of an institution of higher education may, by formal action of the board, elect to be exempt from the provisions of the state procurement code (Title 24, Articles 101-112); and

WHEREAS, C.R.S. §24-101-301(10)(a) further provides that the governing board of an institution of higher education may, by formal action of the board, elect to be excluded from the meaning of “governmental body” as defined and used throughout the state procurement code; and

WHEREAS, on December 5, 2007, the Board of Governors of the Colorado State University System enacted a resolution approving and allowing Colorado State University, Colorado State University-Pueblo, and the Colorado State University System Office to opt out of the state procurement code and rules and for each such institution to create and implement its own procurement rules in accordance with the aforesaid sections; and

WHEREAS, on August 12, 2009, the board approved the Revised Colorado State University Procurement Rules, and delegated authority to the President of Colorado State University to authorize further amendments and modifications to said Rules on behalf of the Board; and

WHEREAS, the Colorado General Assembly enacted HB10-1181, which became effective when signed by the Governor on June 7, 2010, which bill includes provisions authorizing governmental bodies, including institutions of higher education, that are not subject to the state procurement code to be excluded from the state’s procurement card (“PCARD”) program and to establish PCARD programs independently of the state’s program, provided that, institutions that earn revenues through a PCARD program are required to transfer monies to the Department of Higher Education to pay indirect cost assessments for reimbursement to the federal government for its share of any such revenues; and