



UNIVERSITY SYSTEM of MARYLAND

Board of Regents Finance Committee Refresher

1. Introduction

This document provides an overview of the USM Board of Regents Finance Committee, including its purpose, meeting schedule, responsibilities, and the process for submitting requests. It also outlines the procedure for participants in online video meetings.

2. Meeting Schedule

The Finance Committee typically convenes six regular meetings per year. The meeting dates are scheduled in advance and typically provided in the June BOR material.

The meeting schedule is located online: <https://www.usmd.edu/regents/meetings/>
Meeting dates are subject to change.

3. Responsibilities

The Finance Committee is responsible for performing all necessary business and providing guidance to the Board to help ensure the long-term financial health and development of the University System, informed by strong fiscal and administrative policies. The Committee considers/reports/recommends to the Board of Regents on matters concerning financial affairs; capital and operating budgets; facilities; student enrollment; investments; real property transactions; business entities; procurement contracts; human resources; tuition, fees, room and board charges; and the overall long-range financial planning for the University System.

4. Submission of Requests and Deadlines

- All requests to the Finance Committee should be submitted to the appropriate department in the Office of Administration and Finance at the USM Office.
- Requests should be submitted at least four weeks in advance of the scheduled meeting date; for specific deadlines, please reach out to the relevant department at the USM Office.
- Our offices can provide you with the standard BOR summary template upon request.
- Required content for each request will vary by submission. Please reach out to the appropriate department for specific requirements (e.g., capital project authorizations require the preparation of a project cost summary Excel chart; name of vendor principal(s) is required for procurements; statement on necessary BPW action).
- Requests undergo a due diligence process by the appropriate department teams. Expect questions and comments with tight turnaround times.
- Following the initial due diligence process, the requests are provided to the Sr. VCAF's office for further refinement/comment and presented in a staff briefing with the Sr. VCAF. There may be additional questions/concerns for institutions to address.

- Following the staff briefing, the draft Finance Committee package is transmitted to the Chancellor for review and approval. Next, the package is transmitted to the Chair of the Committee in advance of a preparatory review meeting.
- **IMPORTANT.** *Capital projects and real property matters involving complex financial transactions may necessitate internal meetings with the Sr. VCAF and the ODM team—a cross-section of financial, capital, and real property staff (contact Samantha Norris); briefings of the Finance Committee Chair; and informational items presented to the Committee in advance of the action-oriented request meeting cycle. Reach out to the USM Office well in advance on these matters.*

5. Due Diligence

- After requests are submitted, they undergo due diligence by the appropriate teams to ensure that all necessary information, data, and documentation are complete and accurate.
- The due diligence process is a critical step in maintaining the integrity and effectiveness of the Finance Committee's decision-making process.
- Once the due diligence process is complete, the requests are finalized in a comprehensive and organized manner, ensuring that the leadership has all the necessary details at their disposal.
- Providing the leadership with well-prepared items for their review and approval is important as it streamlines the decision-making process and allows for informed and efficient discussions.
- Well-prepared items include all relevant financial data, analyses, and supporting documents (e.g., project budget charts, agreements, maps), enabling the leadership to make informed decisions that align with the best interests of the USM.
- The leadership's review and approval are pivotal in moving forward with the requests, as these decisions can have a significant impact on the financial matters of the System.
- It is incumbent upon the responsible parties to ensure that all requested items are presented in a clear, concise, and organized manner, enabling the leadership to make timely and well-informed decisions that align with the goals and mission of the System.

6. Assessing Financial Impact and Debt Capacity

- As part of the due diligence process, assessing the financial impact of any request is a critical component. This assessment may involve a thorough analysis of the financial implications associated with the proposed request or decision.
- The financial impact assessment is essential for understanding how the request aligns with the broader financial health and sustainability of the USM.
- One of the key concerns during this assessment is the potential impact on the System's debt capacity and fund balance.
- Maintaining a strong fund balance is crucial for the System's ability to fund capital projects, infrastructure improvements, and other strategic initiatives. Understanding how the proposed request may affect the System's debt capacity and fund balance is of great importance.

- Additionally, the credit rating is a critical consideration in this assessment. A strong credit rating is advantageous, as it allows the System to access financing at lower interest rates and on better terms, ultimately saving resources that can be directed towards its mission and objectives.
- Any request or decision that has the potential to impact the System's debt will be carefully evaluated. This applies to traditional and non-traditional financing structures.
- This analysis helps us make informed decisions that balance the need for financial resources with the responsibility of maintaining the System's creditworthiness and long-term fiscal strength.

7. Participants in Online Video Meetings of the Finance Committee

- Vice Presidents (and other institutional representatives) with an item on the agenda should plan to participate in the meeting and be prepared to address the committee/respond to questions.
- For each agenda item, we will request a list of one or more institutional participants.
 - Please provide: Names, Titles, Email addresses at least 5 days in advance of the meeting.
 - *Last minute submissions might not be accommodated (e.g., Zoom link, promoted to the on-screen panel, or recognized in the Chair's meeting notes).*
- Participants are identified in the Chair's meeting notes. If you submit someone's name, please ensure they attend the meeting on time.
- If your president plans to attend any of the BOR Committee meetings, please reach out to the USM Office staff in advance so that we can provide an appropriate Zoom meeting link.

Promoting a president to the on-screen panel from the public call-in number or someone's link is a logistical challenge and not preferred.

8. Meeting Process

- All vice presidents and institutional participants will receive a copy of the agenda and their respective item(s) via email.
- The full public meeting details, including the agenda and material, are posted online for reference. <https://www.usmd.edu/regents/agendas/>
- A Zoom link for the meeting will be provided by our office the day before the meeting, and it is for your use only.
- On the day of the meeting, participants are encouraged to join the Zoom session promptly.
- When your item is coming up on the agenda, please be attentive to any Zoom messages prompting you to be promoted to the on-screen panel.
- **Taking immediate action when prompted is crucial, as it signals your availability—on screen to the Finance Committee Chair—to address your item.**