1.0 APPLICATION OF THESE FINANCIAL POLICIES

These Financial Policies of the Board of Trustees of the Colorado School of Mines (hereinafter, the “Mines’ Financial Policies” or “Policies”) shall apply to all operations under the control of the Board of Trustees. Throughout the document, the terms Colorado School of Mines, Mines, and University all refer to the Colorado School of Mines.

2.0 BACKGROUND AND PURPOSE

In the 2010 legislative session, Senate Bill 10-003, referred to as the Higher Education Flexibility Bill, was passed by the General Assembly and signed by the Governor that allowed, among other things, institutions of higher education to be excluded from certain sections of C.R.S. §24-30-202.

Specifically, C.R.S. §24-30-202 (13) (b) was changed as follows (text in all CAPS added):

(b) It is the intent of the general assembly that fiscal rules promulgated by the controller shall be applicable to any institution of higher education; notwithstanding any specific grant of authority to the governing board of such institution of higher education EXCEPT THAT THE GOVERNING BOARD OF AN INSTITUTION OF HIGHER EDUCATION THAT HAS ADOPTED FISCAL PROCEDURES AND HAS DETERMINED THAT THE FISCAL PROCEDURES PROVIDE ADEQUATE SAFEGUARDS FOR THE PROPER EXPENDITURE OF THE MONEYS OF THE INSTITUTION MAY ELECT TO EXEMPT THE INSTITUTION FROM THE FISCAL RULES PROMULGATED BY THE CONTROLLER PURSUANT TO THIS SUBSECTION (13), INCLUDING ANY PROCEDURES OR FORMS REQUIRED BY LAW TO BE PROMULGATED BY THE CONTROLLER AND ANY REVIEW OR APPROVAL REQUIRED TO BE PERFORMED BY THE CONTROLLER, AND SHALL NOT BE REQUIRED TO COMPLY WITH RULES PROMULGATED PURSUANT TO THIS SUBSECTION (13) OR WITH THE PROVISIONS OF SUBSECTION (1), (5) (b), (20.1), (22), OR (26) OF THIS SECTION. THE PROVISIONS OF THIS PARAGRAPH (b) SHALL ALSO APPLY TO THE BOARD OF DIRECTORS OF THE AURARIA HIGHER EDUCATION CENTER WITH REGARD TO THE EXPENDITURE OF MONEYS OF THE AURARIA HIGHER EDUCATION CENTER.

This flexibility was authorized in recognition of the extraordinary reduction in state support for higher education institutions as well as the increasingly divergent operating needs of colleges and universities relative to other State agencies.

It is the intent of the University’s management to adopt and implement financial policies for the University that provide the needed flexibility to conduct University operations in the most
efficient and effective manner while ensuring adequate safeguards for the proper expenditure of University resources. Adoption of such University specific financial policies will result in immediate efficiency gains through the elimination of the time and effort required to obtain State Controller approval for both routine and unique University transactions. It will also result in staff timesavings by the gradual elimination of duplicative and unnecessary steps in approving expenditures and processing payments and contracts.