



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL -RELATED AUDIT

The University of Montana (All Campuses)

For the Two Fiscal Years Ended June 30, 2009

SEPTEMBER 2009

09-12

REPORT SUMMARY

The University of Montana serves almost 17,000 full-time equivalent students each year; 77 percent are Montana residents. Student tuition and fees are reduced through General Fund support. Many students also qualify for federal aid or scholarships.

Context

The University of Montana is one of the state's two universities, offering two-year technical and occupational education and training courses, four-year undergraduate programs, and masters and doctoral graduate programs.

The University of Montana consists of four campuses. The Missoula campus is considered the center of liberal arts education and operates the only law school in the system. This campus offers a wide variety of four-year, masters and doctoral graduate programs, including professional schools and significant research activities. Located in Butte, Montana Tech's focus is mineral, geological, environmental, petroleum, mining and other engineering and science programs. Dillon is the home of Western. Originally established as the state's school for teacher education, it now provides degrees in a number of liberal arts, professional, and pre-professional areas. The Helena College of Technology is a two-year institution of higher education, offering a variety of occupational, technical and training specialties. Combined, the campuses have approximately 3,557 employees.

The university is responsible for distributing federal aid and private scholarships to qualified students. Scholarships are financed through donations and endowments gifted directly to the campuses or their foundations.

The Missoula and Butte campuses conduct significant research operations financed by the federal government, other state agencies and private parties.

Results

The report contains a disclosure issue on the investment of funds gifted directly to the university. The university's endowment-related investments totaled \$15.2 million at June 30, 2009. The Montana Constitution and state law place restrictions on the investment of public funds. Because it is unclear whether these gifts are public funds subject to the restrictions, we requested an Attorney General's opinion on this matter.

The audit report addresses cash management practices associated with the student aid and research activities. Between July 2007 and January 2009, all campuses experienced extended periods of negative cash.

The audit report also describes instances where the Missoula campus did not follow procedures designed to ensure federal research requirements are met. Similar issues were addressed in the past two audits.

Recommendation Concurrence	
Concur	2
Partially Concur	0
Do Not Concur	0

Source: Agency audit response included in final report.

For a complete copy of the report or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the website at <http://leg.mt.gov/audit>. Report Fraud, Waste, and Abuse to the Legislative Auditor's FRAUD HOTLINE Call toll-free 1-800-222-4446, or e-mail lad@mt.gov.