



Montana University System
Office of the Commissioner of Higher Education

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TO: Amy Carlson
Legislative Fiscal Analyst

FROM: Shauna Lyons, MUS Director of Budget & Planning

DATE: August 23, 2023

SUBJECT: Report to the Legislative Finance Committee: FY 23 Montana University System Inter-Entity Loans [17-2-107(5), MCA] and Negative Cash Balance [17-2-107(6), MCA]

Inter-Entity Loans Authorized to the Same Fund for 2 consecutive fiscal years

Loans to the Restricted Funds – Restricted funds account for sponsored activity, such as research or specific federal grants or contracts. Sponsored grants and contracts expenditures are generally made in advance of the cost reimbursement. An inter-entity loan bridges the timing of the expenditures and the subsequent receipt of cash from the sponsoring agency to maintain a positive cash balance. Due to the recurring nature of reimbursement grant expenses, inter-entity loans are used throughout the year. The outstanding loans to the restricted fund at fiscal year-end 2023, are shown on the attached worksheet as items 1 through 4.

Negative Cash Balance for 2 consecutive fiscal years

The Montana University System did not have any negative cash balances for 2 consecutive fiscal years in any SABHRS level fund at fiscal year-end 2023.