



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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TO: Amy Carlson
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FROM: Shauna Lyons, MUS Director of Accounting & Budget
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DATE: September 1, 2021

SUBJECT: Report to the Legislative Finance Committee: FY 21 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 2021, 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 2021.

MONTANA UNIVERSITY SYSTEM INTER-ENTITY LOANS/ADVANCES AUTHORIZED TO THE SAME FUND FOR 2 FISCAL YEARS

Item	Unit	Fund	Fund Type	Purpose of Loan	FYE 21	
					Receivable	Payable
1	University of Montana	33100 32100	Designated Restricted	Grants & Contracts timing of reimbursements	\$ 8,850,000	\$ 8,850,000
2	Montana State University	33200 32200	Designated Restricted		\$ 17,000,000	\$ 17,000,000
3	Montana Tech	33500 32500	Designated Restricted		\$ 1,000,000	\$ 1,000,000
4	University of Montana - Western	33600 32600	Designated Restricted		\$ 145,000	\$ 145,000