



## Massachusetts Department of Higher Education

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Carlos E. Santiago  
*Commissioner*  
Chris Gabrieli  
*Board Chairman*

December 10, 2020

[FARM Contact Name]  
[Title]  
[Institution]  
[Address line 1]  
[Address line 2]

**RE: An Act to Support Improved Financial Stability in Higher Education**

Dear [FARM Contact Name]:

I am reaching out to follow up on my June 29, 2020 letter to your institution's president and to provide you with some important updates on the Massachusetts Board of Higher Education's ("BHE") implementation of the Commonwealth's new law<sup>1</sup>, particularly the sections addressing the posting of audited financial statements and the training requirements for private institution trustees. You are receiving this letter because you have been designated as your institution's institutional contact for communications relating to this law.

1. **Posting of Audited Financial Statements.** One requirement of the new law is that each institution must "post on its website a copy of the institution's annual financial report or statement...and a summary of the report, however termed, that is written in terms that are understandable by the general public." M.G.L. c. 69, s. 31B(f).

In my June 29 letter, I informed you that the Department of Higher Education ("DHE") would be developing an online portal for electronic certification of compliance with this provision. I am pleased to inform you that this portal is now available and can be found at: <https://www.mass.edu/foradmin/academic/AnnualReport/Farm/login.asp>. Your institution's log-in information is as follows:

Username: [FILL]  
Password: [FILL]

As I stated in my June 29 letter, the BHE is requiring institutions to post audited financial statements no later than 6 months after the end of its fiscal year. To that end, I am requesting that all institutions whose fiscal year ends between January and June post their FY20 audited financials and report using this online portal by December 31, 2020. For institutions whose fiscal year ends between July and December, you may post your

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<sup>1</sup> The new legislation – "[An Act to Support Financial Stability in Higher Education](#)" – was signed into law in November 2019.

audited financials and report accordingly if they are ready; if not, I am requesting that you still submit a report using this online portal by December 31, 2020 (you will have an option to provide the later date by which you anticipate posting your FY20 audited financials).

If you have any issues with accessing the online portal, please contact Dave Stewart at [dstewart@dhe.mass.edu](mailto:dstewart@dhe.mass.edu).

We have also received questions from institutions regarding how many years of audited financials an institution must keep posted on its website. The BHE's current position is that an institution must post at least 3 years of audited financial statements, starting as of the date of the enactment of the new law. At this time, that means that institutions should post FY19 and FY20 (if available); when FY21 financials are complete, those should also be posted. When FY22 financials are final, they can be posted and FY19 can be removed. We believe that keeping the most recent 3 years of audited financial statements available aligns with the new law's goal of transparency around institutional finances and will provide members of the public with sufficient data to make informed decisions.

- 2. Required Training for Institutional Trustees.** The new law mandates that "each member of an institution's governing body shall receive instruction and training in higher education financial metrics, legal and fiduciary responsibilities and applicable standards for accreditation at least once every 4 years." M.G.L. c. 69, s. 31B(e).

At its recent October meeting, the BHE adopted guidelines for implementing this requirement, which can be found on our website [here](#) and [here](#). Importantly, the guidelines include a recommendation that all sitting trustees in key leadership roles – board chairs, vice chairs and chairs of committees, including audit and finance committees – receive training within one year of the date of the BHE's approval of the guidelines, or by November 1, 2021.

One way that your institution's key trustees can meet this training deadline is through participation in a training that was developed by [The Boston Consortium](#), in consultation with the DHE and the Attorney General's Office. The Boston Consortium is planning to offer this training virtually, free of charge, to private institution trustees on January 26, 2021 from 3-6:30pm. Representatives from The Boston Consortium will be reaching out directly to your institutions in the coming weeks to offer your trustees the opportunity to register for the January 26 training, and the DHE will post additional information on its [website](#). You are also welcome to explore or develop other options to satisfy this training requirement, provided that the training complies with the minimum standards set forth in the BHE-approved guidelines.

Because there is no requirement that any private institution trustees be trained before November 1, 2021, there is no need for any compliance reporting on this element of the new law at this time. However, next year the online portal referenced above will also

contain a section through which your institution can report on the training to date of its trustees. Additional details will be provided.

Please continue to visit our [website](#) periodically for updates on these matters as well as for other information related to the new law.

Thank you in advance for your continued cooperation and understanding as we implement the provisions of this new law. If you have any questions on either of the above topics, please contact Constantia Papanikolaou, Chief Legal Counsel, at [cpapanikolaou@dhe.mass.edu](mailto:cpapanikolaou@dhe.mass.edu).

Sincerely yours,

Carlos E. Santiago  
Commissioner of Higher Education

CC: [REDACTED], [IHE] President  
Patricia Marshall, DHE Deputy Commissioner for Academic Affairs and Student Success  
Constantia Papanikolaou, DHE Chief Legal Counsel  
Thomas Simard, DHE Deputy Commissioner for Administration and Finance