



Office of the Chancellor
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December 9, 2021

Dear Members of the Campus Community,

While I have only been at Henderson for a few weeks, I already feel that sense of community that we call the Reddie Spirit. This spirit is real and exemplified in the faculty and staff who, along with leaders from the Student Activities Board, made Break for Breakfast a success on Tuesday night. We'll celebrate that spirit again on Friday as 250 students receive their college degrees, representing the culmination of the Henderson experience. Thank you for your work to make these experiences possible. Know that your dedication to Henderson, especially in these tough and uncertain financial times, is seen and appreciated.

Even as we approach the holiday break, we continue to navigate a multi-year financial recovery process. Today's communication focuses on ***three immediate priorities to restore our fiscal integrity, implement actionable stewardship, and improve cash position***. To elevate this focus, we have reconstituted the current executive council for the purpose of getting started and are transitioning to a future-focused senior leadership team to gather the essential data and focus our collective efforts on the following institutional priorities in January:

1. ***Development of a modified cash budget.*** The university will follow a revised monthly budget beginning in January to be utilized through the summer to align expenditures (all institutional expenditures) with available revenue/cash. This roadmap for operations and the foundation for our financial sustainability will position the university to curb spending to improve fiscal integrity/accountability and our overall cash position.
2. ***Reframe key processes.*** The university will adopt active management plans for accounts payable and receivable. A purchasing and procurement process will be implemented to improve and manage spending to improve our cash position, and accounts receivable will be recalibrated to accurately reflect expected cash collections, known revenue, and debt. We will continue the work underway to strengthen our utilization of financial aid while improving its impact on enrollment and net tuition revenue.
3. ***Expenditure controls and data dashboards/performance metrics.*** The university will implement expenditure controls—including position management, travel and purchasing policies—and develop data dashboards to track and measure progress toward an improved cash position.

As we move forward together, you will receive regular communications relevant to these priorities. ***This is the beginning of a process to restore financial strength to Henderson that will require our collective efforts during the next six months and beyond.*** In the meantime, I ask that you take two specific actions to prepare for the new year:

- Verify that all current invoices are submitted for approval/payment and that expected expenses are encumbered before December 20.
- Mark your calendars for a Campus Conversation on January 13 at 12:15 p.m. to discuss the three priorities in detail.

These priorities represent a focus on the university's approach to fiscal integrity, responsibility, and stewardship. An improvement in fiscal processes and cash position throughout the remainder of this fiscal year will yield a more realistic starting point for strategically positioning Henderson for the future and for the development of our FY 2023 budget. I look forward to accelerating our work together in the new year to imagine what's possible as we create the future Henderson State University.

My hope for you and your family is that your holidays are enjoyable and meaningful.

Joining you in service,

Chuck Ambrose
Chancellor