PURPOSE:
The purpose of this policy is to implement at UW-Platteville the Board of Regents policy on program revenue balances and reserves and to establish college and division carryover thresholds consistent with overall balances and reserves.

BACKGROUND:
In October 2013 the Board of Regents established a policy for the calculation of program revenue balances, implementing a minimum reserve of 10% for select funds, and a requirement that institutions justify balances in excess of 15% of total year end expenditures. Affected categories and funds are: (1) Tuition (Academic Student Fees Fund 131 and Extension Student Fees Fund 189), (2) Auxiliary Operations (Funds 128 and 228), (3) General Operations (Fund 136), and (4) Other Unrestricted Program Revenue (Funds 123, 132, and 184).

POLICY:
UW-Platteville will seek to manage balances within the 10% to 15% range established by the Board for funds 123, 128, 131, 132, 136, 184, and 189 based on the four categories of funds set by the Board. Colleges and divisions will manage cash balances at the account level based on approved budgets. Budgeted funds are anticipated to be fully expended in the implementation of the Board’s policy.

Financial Services will monitor budgets and expenditures at the account level to determine which accounts, funds and categories of funds have balances outside the 10-15% range. Plans to have balances less than 10% or in excess of 15% in any category of funds will be determined as part of the university’s multi-year financial planning and will be linked to specific components of the institution’s strategic plan, program plans, or the facilities master plan.

Reports to the Board for funds below 10% or above 15% will be at the institution level, drawing on the details of the account level budgets. Accounts with closing balances below $10,000 are excluded from this policy. For the categories Tuition (Funds 131 and 189) and Auxiliary Operations (Funds 128 and 228), the 10% year-end balance shall represent a true reserve, with no expenditures planned from it the following year.

UW-Platteville’s Financial Services will estimate balances during budget development for each account and at the fund level. Expected uses of projected balances will be identified and approved as part of the budget development process.
During each fiscal year, colleges and divisions may reallocate unspent funds to other purposes as allowed by funding source and consistent with state statutes, Board policies, and UW-Platteville policies. Allowable uses of unspent funds during the course of a fiscal year include professional development and travel, equipment, facility or infrastructure investments, one-time compensation adjustments, and software or hardware. The Department of Financial Services will set specific procedures for reallocating funds.

Management of carryover in colleges and divisions is an important component of balances under Board policy. Carryover authority may be requested for up to 80% of end of year account balances for Funds 102, 131 (TSI), and 402. Requests for college and division reserves (amounts with no associated expenditures) from 102, 131 (TSI), and 402 will not be approved. The Vice Chancellor for Administrative Services will approve, modify or deny requests based on the specifics of each request and management of overall fund balances and reserves.

**PROCEDURE:**

UW-Platteville’s Department of Financial Services will calculate balances based on the Board’s policy for each affected account for colleges and divisions, and at the fund level. These will be the official calculations of record.

Financial Services will work with colleges and divisions to establish budgets and expenditures plans consistent with Board policy. Monthly review sessions will be used to track expenditures and projected balances. Quarterly summary reports will be provided to the Chancellor to communicate current and projected financial results for the current year and multi-year planning period. These will be reviewed with the Chancellor, college deans, and division leaders. Using the first quarter report, accounts with balances in excess of 15% at the end of the prior fiscal year will be reviewed to confirm expenditure plans are being followed. Funds may be reallocated centrally after the second quarter if plans are not being followed. Using the second quarter report, accounts with projected current year closing balances in excess of 15% of expenses may have funds transferred for other institutional purposes, as allowed by state statute and Board of Regents policies.

Colleges and divisions may request carryover authority for funds 102, 131 (TSI), and 402 at the end of each fiscal year on a form provided by Financial Services. The Vice Chancellor for Administrative Services will review requests. Requests may be based on addressing salary inequities on a one-time basis, purchases of capital, equipment and supplies, investment in facilities, professional development and travel. Requests will not be approved if undocumented or in accounts where prior year carryover balances were not expended.