



Fiscal Procedure

Intent:

The purpose of this procedure in keeping with the UW System Policy is to ensure the financial health and stability of UW-Whitewater as a whole, and to communicate an accurate fiscal condition. The policy balances prudent fiscal management with adequate levels of resources to carry out the University's missions, programs, strategic goals, and objectives in an effective and efficient manner.

Scope:

This procedure addresses program revenue account balances, appropriate reserve levels, and the methodology for calculating these levels at UW-Whitewater.

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Program Revenue:

Program revenue balances must be calculated subsequent to year-end reconciliation. Balances will be calculated starting with the prior year's ending cash balance, adding revenues received, and deducting expenditures made during the fiscal year. This produces the budgetary fund balance at the end of a given fiscal year. Balances will not reflect accruals for advance deposits received for future academic terms, accounts payable, or accounts receivable.

Year-end program revenue balances will be calculated for:

| Unrestricted Funds | |
|--------------------|--|
| 1. | Tuition (Academic Student Fees and Extension Student Fees) |
| 2. | Auxiliary Operations |
| 3. | General Operations |
| 4. | Other Unrestricted Program Revenue |
| 5. | Federal Indirect Cost Reimbursement |

| Restricted Funds | |
|------------------|----------------------------------|
| 6. | Gifts |
| 7. | Nonfederal Grants and Contracts |
| 8. | Federal Grants and Contracts |
| 9. | Other Restricted Program Revenue |

UW-Whitewater will maintain an accurate record of program revenue funds that are encumbered (meaning a PO is open), committed (by completing the [Fiscal Request for Project Code and Revenue Transfer to Commit Cash Balances](#)), or available.

Committed Funds: *Funds (any source) may be committed for specific projects or initiatives using a Funding Charter. Up to 12% of program revenue funds (total not to exceed 12% of actual expenses from the prior/fiscal year) may be committed to reserve for sudden shortfalls in revenue and extraordinary events, and to protect against unbudgeted future expenses and losses. A [Fiscal Request for Project Code and Revenue Transfer to Commit Cash Balances](#) must be completed and approved and a project set up in the budgeting system.*

Semi-annually as a part of the Campus Budget Planning Process the Division Heads, in conjunction with the office of Administrative Affairs, will determine if these funds are encumbered (meaning a PO is open), committed (meaning budgeted in WISDM), or available.

1. Review of all departments cash balance funds.

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| A. | Finance Department will identify all of the open PO's associated with these funds and provide #, \$, description (see attached doc) that are encumbering these cash balance funds. |
| B. | Budget Department will identify committed funds as recorded in the WISDM system and create reports. |
| C. | Report is shared with Division Heads and Budget Managers for accuracy. |
| D. | Administrative Affairs reports findings to the Chancellor. The Chancellor determines the best strategy for reallocating available funds based on compliance with UW policy and with prioritization based on factors such as: life safety, student success, enrollment and retention, value creation and alignment with the strategic plan. |

2. Funds that are not encumbered or committed will be centralized and available for re-allocation.
3. To request an allocation, a [Fiscal Funding Charter Form](#) must be completed.
4. For Facilities Capital Projects, a Project Evaluation Request must be completed and submitted. Please see the [Project Evaluation Request Practice Directive](#) for more information.
5. The Budget Department will regularly review the progress of the initiatives supplied before the encumbrances and commitments progress.

Tuition Revenue and State GPR:

This procedure in keeping with UW System Policy addresses how expenditures will be allocated between tuition revenue and state general-purpose revenue by UW-Whitewater.

Annually, the UW System receives a block allotment of expenditure authority from the state that reflects the amount of GPR appropriated by the legislature, modified by any adjustments made by the executive branch within its authority. This GPR block allotment is used to support core operating expenses within the UW System. Tuition revenue is also used to supplement GPR dollars to support core operations. For ease of administration, UW-Whitewater charges all core-operating expenses to GPR funds. Then, the UW System must periodically transfer a certain amount of expense to the tuition fund.

It is further the policy of the Board of Regents that the UW System and UW-Whitewater will use both tuition revenue and state GPR for expenses related to core activities, including salaries, fringe benefits, utilities, supplies and expenses, and student technology costs. UW-Whitewater will charge these expenses directly to GPR funds.

In any given year, the actual tuition collected by UW-Whitewater may exceed its tuition revenue target because of fluctuations in enrollment level or student mix (part-time/full-time or resident/non-resident). Such tuition revenue remains at UW-Whitewater to cover any unbudgeted expenses, or if its unexpended is added to the institution's year-end fund balance. If UW-Whitewater exceeds its tuition revenue target on a recurring basis, it may request additional budget authority. The additional authority will be added to UW-Whitewater's GPR/Fee allocation and to its revenue target.

Likewise, UW-Whitewater may also request additional budget authority for revenues from institution-specific programming/initiatives. These include tuition differentials, tuition from students in self-supported programs, tuition generated from enrollment growth, tuition above the regular graduate rate for students in professional schools, tuition from nonresident students enrolled via the Midwest Student Exchange, the Tri-State, or the Return to Wisconsin programs, and growth in application fee revenues. This additional authority will be added to the UW-Whitewater's GPR/Fee allocation and to its tuition revenue target.

If the actual tuition collected by UW-Whitewater falls short of its tuition revenue target, UW-Whitewater will need to reduce expenditures or reallocate revenues from another appropriate source. If UW-Whitewater falls short of its tuition revenue target on a recurring basis, it may request a reduction in budget expenditure authority. The reduced authority will be removed from UW-Whitewater's GPR/Fee allocation and the tuition revenue target will be lowered.

UW-Whitewater will maintain an accurate record of tuition revenue funds that are encumbered (meaning a PO is open), committed by completing the [Fiscal Request for Project Code and Revenue Transfer to Commit Cash Balances](#), or available.

Semi-annually as a part of the Campus Budget Planning Process the Division Heads, in conjunction with the office of Administrative Affairs, will determine if these funds are encumbered (meaning a PO is open), committed (meaning budgeted in WISDM), or available.

1. Review of all departments cash balance funds

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| B. | Budget Department will identify committed funds as recorded in the WISDM systems and create reports. |
| C. | Report is shared with Division Heads and Budget Managers for accuracy. |
| D. | Administrative Affairs reports findings to the Chancellor and determines the best strategy for reallocating available funds based on compliance with UW policy and with prioritization based on factors such as: life safety, student success, enrollment and retention, value creation and alignment with strategic plan. |

2. Funds that are not encumbered or committed will be centralized and available for re-allocation.
3. To request an allocation, a [Fiscal Funding Charter Form](#) must be completed. Please see the [Project Evaluation Request Practice Directive](#) for more information.
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Auxiliary:

UW-Whitewater has the flexibility to transfer surplus funding from one auxiliary activity to another. Transfer requests will be made to System Administration and will be considered at the time of the Board of Regents' deliberations on the annual operating budget.

Upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the auxiliary transfer policy creating guidelines for transferring surplus moneys from auxiliary enterprises for the purpose of funding the one-time, fixed duration costs of any student related activity and for transferring surplus moneys from one auxiliary to another.

Upon recommendation of the President of the University of Wisconsin System, the development of policies relating to the financial management of auxiliary operations is delegated to the Vice President for Finance, in consultation with UW-Whitewater.

| Auxiliary Budget Procedure | |
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| 1. | Cost factors are distributed. |
| 2. | System Budget Office sends out auxiliary templates, timeline, and instructions. |
| 3. | Estimated Segregated Fees and Room & Board rates submitted to System Budget Office. |
| 4. | Auxiliary transfer requests from Fund 128 are submitted to the System Budget Office. |
| 5. | Comprehensive institution budgets submitted to System Budget Office. |

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| 6. | System Budget Office reviews budget submissions and completes the auxiliary budget tables that will be presented to the Board of Regents. |
| 7. | System Budget Office sends auxiliary budget tables that will go to the Board of Regents out for institutional review. |
| 8. | Board of Regents act on the Annual Operating Budget. |

Resources:

[Fiscal Procedure](#)

[Fiscal Request for Project Code and Revenue Transfer to Commit Cash Balances](#)

[Fiscal Funding Charter Form](#)

[Project Evaluation Request Practice Directive](#)

Administration:

Approval Details

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| Approval Authority: | Regents Policy Document(s): Internal Management Flexibility 21-1 , Auxiliary Transfer Policy 21-2 , Auxiliary Reserve Policy 21-3 , Program Revenue calculation Methodology and Fund Balances Policy 21-6 , Policy on the Expenditure of Tuition Reserve and State General Purpose Revenue 21-7 , Policy on the Annual Distribution of Tuition and Fee Revenue and State General Purpose revenue 21-8 |
| | Wisconsin State Legislature: Wisconsin Statute 36.09(3)(a) |
| Approval date: | July 1, 2018 |
| Version no: | V1.0 |
| Date for next review: | July 1, 2021 |

Revision History

| Version | Revision date | Description of changes | Author |
|---------|---------------|------------------------|---------------------------------------|
| 1.0 | 07/01/2018 | Procedure established | Quality Assurance Improvement Manager |

Contact Person/Unit

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| Contact Person/Unit: | Vice Chancellor of Administrative Affairs |
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Keywords

Keywords:

Fiscal Policy, Fiscal Procedure, Administering Funds, Allocated Funds.