

# UBPP 7000 POLICY

## CATEGORIZATION OF RESERVES

AUGUST 3, 2011



Presented by the Office of Planning, Budget & Analysis (OPBA)

# Changes for FY12

- Categorization of Fund Balances (CAFB) is now Categorization of Reserves (CAR)
- Balance Forward = Carryforward
- UBPP 7000 was revised effective July 1, 2011. The latest policy revisions do not include any changes to the fund balance terminology.

# What is UBPP Policy 7000?

- University Business Policies and Procedures 7000 (UBPP Policy 7000) <http://www.unm.edu/~ubppm/ubppmanual/7000.htm>
  - Policy 7000 applies to budget management and use of fund balances for Current Unrestricted funds
- Reporting requirements
  - Each year Main Campus departments prepare a UBPP 7000 policy report, in accordance with Regent policy, that is then compiled by each VP unit and forwarded to the Office of Planning, Budget and Analysis for presentation at the November Regents' meeting

## UBPP Policy 7000, Section 2 - Reporting and Review of Current Unrestricted Fund Balances

- Board of Regents' Policy 7.20 requires that each department responsible for Current Unrestricted funds categorize their fund balances and submit categorization reports to their dean or director at the end of each fiscal year.
- The categorization reports can be completed using Banner, ePrint and Hyperion and should include carry-forward, commitments, dedications, and net discretionary balance for the fiscal year just started.

## UBPP 7000 Policy, Section 2 - Positive Carryforwards

- Positive Carryforwards
  - Positive carryforwards must be categorized according to the following definitions
    - Committed – Includes funds where a formal, written commitment has been made for their use, for example
      - Signed offer letters for start-up funds
      - Documented cost-share requirements
      - Direct state appropriations for special projects
      - Institutional bond debt service payments, etc.

## UBPP 7000 Policy, Section 2 - Positive Carryforwards

(cont'd)

- Dedicated – Includes funds that have a clear, focused purpose with a documented description and identify the entity/individual making the dedication
  - F&A reserve dedicated by the dean to fund a lab renovation
  - A non-endowed gift amount that has been dedicated by the chair for faculty travel
  - Student-paid course fees being accumulated and dedicated by the dean to fund equipment purchases
  - Dedicated items must be approved and signed off by the chancellor of Health Sciences Center, or a Main Campus executive vice president, vice president or dean.

## UBPP 7000 Policy, Section 2 - Positive Carryforwards (cont'd)

- Discretionary – The remaining reserve after accounting for all committed and dedicated funds
- For a complete listing and description of all Committed and Dedicated category types, please see OPBA's SOP CAR-102 – *Category and Category Type Definitions* at [http://www.unm.edu/~budget/sop/UBPP7000\\_CategorizationofReserves/CARCategoryDefinitionsSOP.pdf](http://www.unm.edu/~budget/sop/UBPP7000_CategorizationofReserves/CARCategoryDefinitionsSOP.pdf)

## UBPP 7000 Policy, Section 4 - Negative Carryforwards

- Negative Carryforwards
  - Department heads must immediately notify their dean or director of estimated deficits as soon as they are aware of the projected deficit
  - The dean or director must identify funds to cover deficits or the next fiscal year's budget will be reduced by the amount of the deficit
  - The department head must also submit a plan for resolving the cause of the deficit
- Deficit reduction plans
  - A deficit reduction plan may involve reducing the current year expenditure budget, funding the deficit from another index, or a combination of both strategies.

## UBPP 7000 Policy, Section 4 - Negative Carryforwards (cont'd)

- The deficit reduction can be achieved in one year or over several years as detailed by the deficit reduction plan
- Deficit reduction plans are entered into the categorization application under the Dedicated category
- Exemption from this process requires written approval from the cognizant vice president with a copy to OPBA
- The FY12 UBPP 7000 Policy Section 4 Deficit Compliance Exemption Template is available on the OPBA website, <http://www.unm.edu/~budget/UBPP7000/>.

## UBPP 7000, Section 6 - Monitoring

- Deficit reduction plans entered into the categorization application must be budgeted and carried out in Banner per the approved deficit reduction plan
- OPBA will generate a deficit compliance report 3 times a year that will be issued to each VP representative. Each VP area will follow up with its respective units to ensure compliance with UBPP 7000
- Per the approved deficit reduction plan, a negative carryforward
  - Must be budgeted using a negative 1901 entry and/or
  - Cleared by moving funds from another index using a 1903 if within the same fund and program, or with a transfer if from a different fund and program

## UBPP 7000, Section 6 – Monitoring (cont'd)

- Please discuss transfers with your VP unit representative before entering them into the categorization application as part of your deficit reduction plan
- More information about budgeting a negative 1901 or processing a transfer can be found on the OPBA website on the SOP tab

# System Access

- Department General Inquiry
- Department Budget Developer role
  - Self-Service (LoboWeb) Finance
    - Categorization of Reserves Application
  - ePrint and Hyperion Reports:

Reports are not real-time—  
they are updated nightly!!

# Department Checklist

- Print and review Hyperion Report FOH0007 – Unrestricted Reserves and Savings Summary for UBPP 7000 as of 6/30/11 for your department
  
- Finance Self-Service (LoboWeb Finance) – Categorization of Reserves System opened 8/1/11
  - Categorize department FY12 carryforwards
  - Input Deficit Reduction Plans (if applicable)
  
- Print and Review Banner ePrint Reports
  - FZRFBDT – Categorization of Reserves Detail
  - FZRFBSM – Categorization of Reserves Summary
  - FZRFBDR – Categorization of Reserves Deficit Reduction (if applicable)

## Department Checklist (cont'd)

- Fill out FY12 UBPP 7000 Policy Section 4 Deficit Compliance Exemption (if applicable) <http://www.unm.edu/~budget/UBPP7000/>
- Fill out Department FY12 UBPP 7000 Policy summary Memo template <http://www.unm.edu/~budget/UBPP7000/>
- Department Head/Department Chair reviews material and signs memo
- Submit memo and attachments (if applicable) to Dean/Director by [8/26/11](#)
- Submit Banner JV entries (if applicable) by 9/30/11



# CAR SYSTEM

\* LIVE DEMO \*

# Resources

- **Policy 7000**

- <http://www.unm.edu/~ubppm/ubppmanual/7000.htm>

- **OPBA (Budget Office) website**

- <http://www.unm.edu/~budget/>

- OPBA (Budget Office) SOPs <http://www.unm.edu/~budget/sop/>

- OPBA (Budget Office) UBPP 7000

- <http://www.unm.edu/~budget/UBPP7000/>

- OPBA (Budget Office) System Alerts

- <http://www.unm.edu/~budget/Alerts/>

# Working Sessions

- Categorization Working Sessions

- 8/11/11      1:00 – 3:00 pm (EOD Rm. 1019)
- 8/16/11      9:00 – 11:00 am (EOD Rm. 1019)
- 8/24/11      10:00 – 12:00 noon (EOD 1019)

# Contacts

## Main Campus Budget Office

Norma Allen nallen@unm.edu	277-7630
Regina Dominguez rmunoz@unm.edu	277-7632
Deb Johnston djohnsto@unm.edu	277-6466
Karen Vickers kvickers@unm.edu	277-2052

## VP Office Representatives

Regina Dominguez, Administration rmunoz@unm.edu	277-7632
Kim Kloeppe, Student Affairs kimmerly@unm.edu	277-0957
Kate Moore, Academic Affairs moorek@unm.edu	277-7119
Nicole Dopson, Academic Affairs nicole14@unm.edu	277-8126

END