
UNIVERSITY OF WYOMING REGULATIONS

Subject: Division and College Fiscal Year End Carry Forward Policy

Number: UW Regulation 7-10



I. PURPOSE

Pursuant to Wyoming law, the Board has exclusive control over all funds of and appropriated to the University of Wyoming. This Regulation sets forth the policy and process for Divisions and Colleges within Agency 067 – University of Wyoming to fund and maintain modest unrestricted operating reserves.

II. DEFINITIONS

Total Operating Expenses: The combined total actual expenses for the following fund classes for one fiscal year: (1) Unrestricted Operating; (2) Designated Operating; (3) Restricted Expendable Operating; (4) Sponsored Projects Restricted; and (5) Government Funds Non Project.

III. PRIMARY USES FOR RESERVES

The purpose of maintaining modest unrestricted operating reserves at the Division and College level is to ensure the financial health and stability of the University, and to provide an additional measurement of the fiscal condition of the University. Generally, there are three primary uses for reserves:

- A. To provide support in the event of a sudden shortfall in revenue (e.g., unforeseen drop in enrollment or a reduction in state appropriation);
- B. To cover unanticipated expenditures (e.g., unanticipated increases in utility costs, deferred maintenance item that requires immediate attention, legal fees, faculty start-ups, minor upgrades or renovations of classrooms and labs, etc.);
- C. To fund unexpected opportunities and provide for extraordinary, one-time investments.

Reserves should not be utilized to backfill expected shortfalls in revenue unless a plan exists to either increase the respective revenue stream or reduce related expenses. The use of reserves is appropriate to assist with timing issues, but should not be relied upon for the support of on-going expenditures. The reserves also provide operational flexibility to allow for strategic-related risks and to respond to changes within the environment. Through these

reserves, the University will be able to better manage financial challenges and remain focused on strategic initiatives.

IV. CARRY FORWARD

- A.** At the end of a fiscal year, for the following budgeted fund classes, positive or negative actual net results compared to the budgeted net results will automatically roll-forward to the next fiscal year (note however that the creation and use of these fund classes requires approval from the Budget and Institutional Planning Office or Sponsored Programs Office and that the University Administration reserves the right to monitor the fund balance in these accounts and place upper limits on the amount of accumulated fund balance):
1. Designated Operating (i.e., F&A Indirect Cost Recovery, Program Fees, Tier 1 Engineering, etc.)
 2. Restricted Expendable Operating (i.e., Foundation Funds)
 3. Sponsored Projects Restricted (i.e., Grant Funds)
 4. Government Funds Non Project
- B.** At the end of each fiscal year (June 30), all unexpended budget for fringe benefits in the Unrestricted Operating Fund Class will revert to the central Fringe Benefit Reserve.

V. UNRESTRICTED OPERATING RESERVE ACCOUNT

- A.** Each Division (i.e., Administration, General Counsel, President, Academic Affairs, Student Affairs, etc.) and College will maintain a single Unrestricted Operating Reserve account with a maximum level of funding that is equivalent to 5% of the Division's or College's total actual operating expenses for the previous fiscal year.
- B.** If the balance in a Division or College's Unrestricted Operating Reserve exceeds 5% of the previous fiscal year's total actual operating expenses, the excess funds will be transferred to the University's Special Projects Reserve. Note that once funds are moved into this account the Division or College no longer has a direct claim on these funds.
- C.** A Division or College can fund its Unrestricted Operating Reserve account if it has positive actual net results compared to budgeted net results at the end of each fiscal year for the Unrestricted Operating fund class. If a Division's or College's Unrestricted Operating fund class net results are negative compared to budget at the end of a fiscal year, 100% of the deficit will be funded by the Division's or College's Unrestricted Operating Reserve balance.

- D.** The first 5% calculation will be on the Division and College FY2019 actual total operating expenses (i.e., expenses as of June 30, 2019) and will occur annually at the end of each fiscal year thereafter.

Responsible Division/Unit: Division of Finance and Administration

Source: None

Links: <http://www.uwyo.edu/regs-policies>

Associated Regulations, Policies, and Forms: None

History:

UW Regulation 7-10 adopted 5/17/2019 Board of Trustees meeting