

## Categories

Ending Balance and FFEs as of June 30th					Future
Unusable	Approved Obligations			Available	Risks
“Unusable” Balances	Committed Obligations – External	Committed Obligations – Internal	Known Obligations	Available Funds	Future Liabilities
<ul style="list-style-type: none"> <li>▪ Restricted fund balances that are not readily available for use by the university in the foreseeable future (within the next 5 years) because they are highly restrictive</li> <li>▪ Funds that are difficult to spend due to administrative burdens (small payouts or existing balances)</li> <li>▪ Campus can work with individual units to monitor and take steps to reduce these balances (review fund terms, if possible)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Funding that has already been committed and set aside to cover planned operating and capital expenses associated with <b>external vendors, another campus, an employee or a faculty member (startup &amp; retention)</b></li> <li>▪ Commitments that are legally binding and approved by the Chancellor/EVCP, Dean or Vice Chancellor, or equivalent, and is clearly documented</li> </ul>	<ul style="list-style-type: none"> <li>▪ Funding that has already been committed and set aside to cover an obligation of funding owed to an <b>internal Department or Division of the campus</b> for general use (not ultimately associated with a commitment to an external vendor)</li> <li>▪ Commitments that have been approved by the Chancellor/EVCP, Dean or Vice Chancellor or equivalent and is clearly documented</li> <li>▪ Obligations included in this category are not necessarily legally binding, but represent a commitment between units to provide funding to the other unit for general use.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Funds that have been set aside for future use for items that are estimated, but not yet final or funds that are being accumulated for a specific purpose</li> <li>▪ Approval to accumulate or set aside these funds has been granted by the Chancellor/EVCP, Dean or Vice Chancellor or equivalent and is clearly documented</li> <li>▪ Known obligations can be for external or internal recipients.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Whatever “useable / spendable” balances are left are included here</li> <li>▪ These balances are available to be spent on strategic projects, at the campus, division or department level or can be used to provide funding for ongoing operations in the event of disruptive revenue and/or expense “shocks”</li> <li>▪ May include funds that are free to spend, but may be restricted by the type of spend by account like graduate student support (ability to free-up future unreserved funds)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Future dated commitments for which funds have not yet been secured</li> <li>▪ Includes commitments or capital projects expected to be covered by future fundraising efforts or future ongoing revenue streams</li> </ul>

## Examples

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Unusable	Approved Obligations			Available	Risks
“Unusable” Balances	Committed Obligations – External	Committed Obligations – Internal	Known Obligations	Available Funds	Future Liabilities
<ul style="list-style-type: none"> <li>▪ Current fund balance that has been \$5.16 for years and the Department has been unable to use</li> <li>▪ A fund that is for a Department, Center, area of study, purpose, etc. that no longer exists</li> <li>▪ Accumulated funds from the payout of an endowment or FFE that is larger than you can spend within a year; funds in the ending balance represent the funding from the payout that you are unable to spend</li> </ul>	<ul style="list-style-type: none"> <li>▪ Any funds allocated to an existing faculty member under a CF2 (includes endowed chair funds, startup &amp; retention funds, BEAR Grants, Private Gifts to a faculty member for research, other approved commitments)</li> <li>▪ Funding for Approved Joint Funded Programs</li> <li>▪ Funding to a Student Association</li> <li>▪ MOU with an external vendor</li> <li>▪ Purchase Orders</li> <li>▪ Cost-Share arrangements when there is a signed letter from the Dean or equivalent committing the funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Funds committed to another department to support an initiative</li> <li>▪ MOU between departments to split Self-Supporting Graduate Professional Degree Programs fees or other revenue sources</li> <li>▪ Departmental funding for Golden Bear Orientation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Funding received from a State or UCOP initiative</li> <li>▪ Internal departmental multi-year projects</li> <li>▪ Funding for capital improvement projects</li> <li>▪ Saving for Cost-Share arrangements where there is not a signed letter from the Dean or equivalent</li> </ul>	<ul style="list-style-type: none"> <li>▪ Student support funds for Graduate Division and Financial Aid &amp; Scholarships Office</li> <li>▪ Non-committed general Funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unfunded Future Commitments: \$2.5M of faculty startup funds over 5 years. Years 2-5 are expected to be funded from ongoing revenue streams (salary savings, PDST/SSGPDP Revenue and gift funds); portion related to years 2-5 would be a risk to the 06/30/2019 ending balance if the ongoing funds don't materialize</li> <li>▪ Pledges based on matching funds based on future revenue streams</li> </ul>

## Questions To Ask

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<ul style="list-style-type: none"> <li>▪ Has this fund been in my ending balances for a number of years and I have not been able to use it because you feel you are not able to use it due to donor restrictions?</li> <li>▪ Would it be too much work for me to combine this fund’s balance with other similar funds to be able to use it?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Is there an approved agreement (by the Chancellor/EVCP, Dean or Vice Chancellor, or equivalent) that legally binds the usage of these funds for a specific purpose?</li> <li>▪ Is the amount owed defined and final?</li> <li>▪ Is the ultimate recipient of these funds (either paid by my Department or someone else’s Department) an external individual or entity and it is clearly documented?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Is there an approved agreement (by the Chancellor/EVCP, Dean or Vice Chancellor, or equivalent) <b>between two divisions</b> to transfer funds for a specific purpose?</li> <li>▪ Is the amount owed defined and final?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Is there an approved agreement (by the Chancellor/EVCP, Dean or Vice Chancellor, or equivalent) to accumulate or set aside these funds for a multi-year project, capital improvement or initiative?</li> <li>▪ Is the amount owed estimated, but not yet final?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Is this a fund that does not meet the definitions of “Unusable” funds or “Approved Obligations”?</li> <li>▪ Is there a desire to use these funds for a future purpose, but it has not been formally approved as a commitment?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Are you looking at future commitments to try to categorize your ending balances?</li> <li>▪ Are future liabilities expected to be paid by future revenue sources and not existing balances?</li> </ul>