

Reserve Analysis Project FAQs

Updated: 10/12/2017

Templates

- Make sure to download the templates and open them in excel; they won't work properly if opened as a google sheet.
- Don't add or delete rows or columns.
- Don't refresh the SmartView tabs.
- The BAIRS Support Schedule has been filtered for zero balances in the FY18 column; you do not need to provide detail for the hidden rows.
- Sample pivot tables have been created by L3; the expectation is that Divisions/Departments will create similar pivots for each L4 if they are distributing them out to their Departments. However, if the DFL is completing the template for the entire division it is okay for them to fill in the information in the L3 versions of the BAIRS Support Schedule and FFE Data Schedule and submit one L3 SmartView schedule as long as they are reflecting the departments' perspectives when classifying the funds.
- Be sure to fill out the BAIRS Support Schedule and FFE Data Schedule tabs before updating the Pivot tables.
- Use the "Notes" column in the BAIRS and FFEs data tabs to explain different categories for large balances; centrally, we will create any additional rows needed to split these balance out.

Clarifications

- **This is not budgeting**, we're asking you to explain what your 06/30/2017 ending balances represent - you don't need to explain all existing commitments if they are not expected to be covered by your 06/30/2017 balances.
- When reviewing balances in the **FFE Data Schedule**, focus on classifying the intended use, if any, for the "**Est. Market Value June 2017**" column which represents the principal balance of the FFE. If there is not an approved intended use for this balance, it should be classified as "Available Funds". If it is your understanding that the principal balance of this fund is never to be touched as the expectation is that it will provide a payout in perpetuity, then classify it as "Unusable" and it will be included in the list of funds provided to UDAR for review.

Classification Specific Questions

- **Can you provide more detail on the difference between internal and external committed obligations category categories?** The main difference is related to whether or not the balance is intended for an external vendor (including an employee of the university or another campus) and it is clear to the fund balance holder (through the commitment/agreement documents) that the funding is held for an external vendor. If the fund is intended for an identified external vendor, then it should be classified as a Committed Obligation - External.
- **How should deficit balances that have been cleared against other funds in the L4 or funds that net to zero be treated?**
 - If you have **fund balances that net to zero** within the L4 and/or DeptID and just need to be cleaned up, be sure to classify both balances the same so they net to zero in the summary and include detail in the notes.
 - Similarly, if a **deficit balance** has been **cleared against another fund** in the L4 and will not be reversed, classify the deficit and the remaining positive balance the same (based on the what the remaining balance will be used for) and include details in the notes.
 - If the **deficit balance will not be reversed**, then categorize the deficit as a "Known Obligation".
- **How should recharge fund balances be classified?** Although recharge units are typically required to operate on a break-even basis, an "allowable tolerance" amount can be carried over. Additionally,

recharge units with large surpluses or deficits must have a clear plan, approved by the Controller's Office, for reduction as soon as possible. Regardless of whether the 06/30/2017 recharge balances are "allowable tolerances" or large balances with an approved plan, they would both be captured as "Known Obligations" since there is an approved obligation for its use though all of the details may not yet have been figured out.

- **How should Course Material Fee fund balances be classified?** Course Material Fee funds should have a zero balance at the end of each fiscal year. Surplus or deficit balances must be explained and a plan outlined to return the fund to a zero balance. The accumulation of surpluses must be resolved by a reduction in the fee. As such, Course Material Fee fund balances should be captured as "Known Obligations" as there should be an approved plan for reduction.
- **If we were approved to use a portion of our ending balances (includes "below the line" or "reserve" investments, as well as approved structural deficits) as part of the FY18 Budget Process, how should we classify the fund balances related to this use?** The fund balances will qualify as approved obligations as their use was approved by the Chancellor in the budget process. Which category they fall under within approved obligations (Committed Obligations - External, Committed Obligations - Internal or Known Obligations) will be based on the specific situation of the plan to spend these funds and where the funds will go. As a reminder, any expenses related to "below the line" or "reserve" investments should be tagged with the new Management CF1 code 3I00MC.

General Questions

- **Should the templates be sent to DFL Concierge, uploaded back up to the Division Folders or sent to Maya?** They should be sent to Maya Woodson Turman at mwoodson@berkeley.edu.
- **Should there be planning around usage chartstring?** There is not a plan to coordinate chartstring usage in BFS as part of this project.
- **Will this project happen again?** There is currently no plan to repeat this project. We have received feedback from some Divisions that they have found this exercise helpful. We will take that into consideration when evaluating the overall project.