

**Responsibility Center Management (RCM) Model, Updated for Fiscal Year 2004 and After
POLICIES & PROCEDURES REGARDING FUND USAGE**

Fund Number	Fund Name	Purpose	Notes	Carryforward Permitted? *
000000	General Unrestricted Fund	The purpose of the General Unrestricted Fund is to record all ordinary unrestricted activity that does not need to be segregated in any other unrestricted fund.		No. Year-end deficits in a Responsibility Center's General Unrestricted Fund must be eliminated utilizing either: (1) transfers between the 000000 Fund and one of the Responsibility Center's other funds; or (2) loans (or, in rare instances, grants) to the Responsibility Center's 000000 Fund from General University Resources. (In general, the central University administration will not be prepared to make loans or grants to cure a Responsibility Center's year-end General Unrestricted Fund deficit if that Responsibility Center possesses expendable surpluses sufficient to cure that deficit in one or more of the Responsibility Center's own funds.) Year-end surpluses in the 000000 Fund must be transferred to a Center Specific Fund, to a Center's Renewal & Replacement Fund, or to its account in the University Bank (000013) Fund.
000001	Anticipated Resources Fund	The purpose of the Anticipated Resources Fund is to provide a place for the budgeting and recording of expenditures that a Responsibility Center plans to charge against grants which the Responsibility Center expects to receive, but has not yet received. Note: Where possible, Responsibility Centers should use "Advance Accounts," not the 000001 Fund. A Sponsored Program "Advance Account" can be established if the name of the sponsor, the amount of the grant, and the name of the P.I. are known. Note: The Anticipated Resources Fund can only be utilized for current year budgeting (and the recording of related expense). It is not used in five-year Responsibility Center budget planning. In the five-year plans, in cases in which the fund number is not yet known, surrogate funds are used that aggregate into the appropriate fund group.	Responsibility Centers should budget both expenditures and matching anticipated revenues in the 000001 Fund. However, no actual revenues should ever be recorded in this fund. Actual expenditures may be recorded in this fund only prior to the establishment of the anticipated Sponsored Program Fund that will be the permanent "home" fund for those expenditures. This fund should normally only be used for salaries, and not for current expense or equipment. Ideally, only salary budgets and encumbrances would ever be posted to this fund, and the "home" fund would be established before actual salaries are ever posted. Once the "home" fund is established, and the "anticipated" grant is actually available to be charged against, any budgeted and actual expenditures in the 000001 Fund must be reallocated to their permanent "home" fund. Budgeted revenues must also be reallocated to their proper "home" fund. Any expenditures left in the 000001 Fund that are not related to documented receivables will be transferred to the 000000 Fund at the end of the fiscal year.	No. If at year-end there are expenditures remaining in a Responsibility Center's 000001 Fund that could not be reallocated to a 6xxxx Fund prior to year-end due to timing problems, but a chargeable grant exists and can be documented that can be utilized to cover those expenditures, then the appropriate receivable will be booked and the 000001 Fund will be recorded as balanced at year-end.
000002	URF Fund (University Research Foundation)	The purpose of the University Research Foundation (URF) Fund is to provide an account in which URF grants may be credited, and expenditures charged against those grants. Note: In the "General University" Responsibility Center, the URF Fund is where uncommitted URF balances are initially credited from the University's URF funding sources, prior to the disbursement of those funds to the Schools.	URF Grants are "Project-to-Date." When a URF grant is awarded, it will be credited in the URF Fund of the appropriate School by the central University administration. Awards and awardees will be identified by CREFs provided to the Office of the Vice Provost for Research by the recipient School.	Not applicable. URF Grants are "Project-to-Date."

**Responsibility Center Management (RCM) Model, Updated for Fiscal Year 2004 and After
POLICIES & PROCEDURES REGARDING FUND USAGE**

Fund Number	Fund Name	Purpose	Notes	Carryforward Permitted? *
000003	RFDF (Research Facilities Development Fund)	<p>The purpose of the Research Facilities Development Fund (RFDF) is to provide an account in which a School's RFDF grants may be credited, and expenditures charged against those grants. (Grants may be awarded to centers and institutes that are operated within and between Schools.)</p> <p>Note: In the "General University" Responsibility Center, the RFDF Fund is where uncommitted RFDF balances are initially credited from the University's RFDF funding sources, prior to the disbursement of those funds to the Schools.</p>	<p>When a RFDF grant is awarded, it will be credited in the RFDF Fund of the appropriate School by the central University administration. Projects will be identified by "Program" codes provided to the Office of the Vice Provost for Research by the recipient School.</p> <p>Note: In many cases, an RFDF grant will be utilized by a School as a funding source for a Capital Project. In such a case, the award will still be deposited initially to the RFDF Fund of the recipient Responsibility Center, but the Responsibility Center will then need to certify the grant amount to the appropriate 000010 Fund project account during the project certification process.</p>	Yes.
000004	Technology Transfer Fund	<p>The purpose of the Technology Transfer Fund is to record the deposit of royalties that are made available to Schools, and to Departments and Labs within Schools, so that expenditures may be made by the Schools, Departments and Labs utilizing these resources.</p> <p>Note: A portion of royalty income provides one of the funding sources for the University Research Foundation. These royalty dollars are transferred from the Center for Technology Transfer's 000004 Fund account to the General University 000002 Fund account. (See above.)</p>	<p>Royalties are initially deposited in the Center for Technology Transfer's 000004 Fund account, and then transferred by CTT to the appropriate School 000004 Fund account.</p> <p>Schools will need to work with CTT to identify the appropriate account codes to be utilized in these transfers.</p> <p>Note: Payments of royalties owed to P.I.s are made directly to the P.I.s, and are not effectuated through transfers to University accounts.</p>	Yes, for unspent surpluses. Deficits must be transferred to 000000 Fund.
000005	Renewal & Replacement Fund (previously the "Deferred Maintenance Fund")	<p>For all Responsibility Centers except Facilities Management Division, the purpose of the Renewal & Replacement Fund is to provide a holding account for reserves that will be utilized in a future period to fund the renewal or replacement of the Responsibility Center's capital assets. Responsibility Centers may only accumulate Renewal and Replacement Fund reserve balances for the following purposes: Investment in new facilities; renewal and/or replacement projects in existing facilities; and large-scale purchases of equipment. The 000005 Fund may not be used to support regular, ongoing Responsibility Center operational expenses.</p> <p>For Facilities Services, the purpose of the Renewal & Replacement Fund is to provide a holding account in which all of Facilities' "Facilities Renewal Program" reserves and transfers may be recorded. (Note: The "Facilities Renewal Program" was previously referred to as the "Deferred Maintenance Program")</p> <p>For the "General University" Responsibility Center, the purpose of the Renewal & Replacement Fund is to provide a fund into which all "Facilities Renewal Program" funding may be initially deposited.</p>	<p>Responsibility Centers may transfer resources from their 000005 Funds to the 000010 Fund to provide a funding source for a particular capital project. For smaller projects that do not meet the University definition of a capital project, Centers may transfer resources back to a General Purpose Fund using "Renewal & Replacement" (7801) as the Program, and the project as the CREF. They may then expend the funds there, using the building code (9400-9999) as the Program, and the project as the CREF.</p> <p>Responsibility Centers may not otherwise transfer resources deposited in their 000005 Funds back to any of the funds that comprise the General Operating Budget.</p> <p>Facilities Services may transfer resources from its 000005 Fund to the 000010 Fund to provide "Facilities Renewal Program" funding for a particular capital project. For smaller "Facilities Renewal" projects that do not meet the University definition of a capital project, Facilities may transfer resources to their own 019704 Small Project Fund using the 9200 as the Program, and the project as the CREF. They may then use those resources to fund "Customer Work" projects where Facilities Renewal is the "Customer".</p> <p>The central University administration will continue to establish and maintain funding sources for the "Facilities Renewal Program," and will transfer funds as appropriate from the GU 000005 Fund to the Facilities 000005 Fund each year. The Budget Office is responsible for the "General University" 000005 Fund.</p> <p>Interest will be paid on R&R account balances at the TIF rate, as determined periodically by the Finance Division.</p>	Yes.

**Responsibility Center Management (RCM) Model, Updated for Fiscal Year 2004 and After
POLICIES & PROCEDURES REGARDING FUND USAGE**

Fund Number	Fund Name	Purpose	Notes	Carryforward Permitted? *
000006	Debt Service Fund	<p>The purpose of the Debt Service Fund is to provide a holding account for (1) mandated Debt Service Reserves that the University has agreed to establish as a condition of external borrowing; and (2) University funds that have been "pre-paid" to enable the University to make scheduled principal payments on external University debt.</p>	<p>The Debt Service Fund is only to be utilized by the "General University" Responsibility Center. The Treasurer's Office is responsible for the "General University" 000006 Fund.</p> <p>Note: While some Responsibility Center debt is supported by University working capital and some is supported by external debt taken on by the University, all Responsibility Center borrowings should be treated by the Responsibility Centers as internal debt and budgeted and accounted for as such. Beginning in FY 1999, all Responsibility Center debt will be issued at a fixed rate established by the Finance Division that will approximate the "blended" actual University cost of capital.</p>	Yes.
000007	University Fellowships Fund	<p>The purpose of the University Fellowships Fund is to provide a holding account into which the Vice Provost for Graduate Education can deposit the funds being provided to each School by the central University administration for University Fellowships, and in which Schools can then incur their expenses related to the provision of University Fellowships.</p>	<p>Prior to FY 1999, Schools did not budget these funds, making for a difference between School beginning-of-year budgets and end-of-year actuals. Beginning with the FY 1999 budget planning process, Schools will be given their University Fellowships award levels early in the budget process, and will be asked to incorporate that anticipated level of support into both the revenue and expense sides of their budget submissions.</p> <p>Funding for University Fellowships is considered a form of Subvention, and the anticipated revenue supporting these fellowships should be budgeted using the special object code that has been established for this purpose (4833).</p>	Yes, with the permission of and after consultation with the Vice Provost for Graduate Education.
000008	Research Assistantships Matching Fund	<p>The purpose of the Research Assistantships Matching Fund is to provide a holding account into which the Vice Provost for Graduate Education can deposit the funds being provided to each School by the central University administration for the matching of grant-funded Tuition Remission provided to Research Assistants, and in which Schools can then incur their expenses related to the provision of Research Assistantship matching grants.</p>	<p>Prior to FY 1999, Schools did not budget these funds, making for a difference between School beginning-of-year budgets and end-of-year actuals. Beginning with the FY 1999 budget planning process, Schools will be asked to project their Research Matching Assistantships award level during the budget planning process, and will be asked to incorporate that anticipated level of support into both the revenue and expense sides of their budget submissions.</p> <p>Funding for Research Matching Assistantships is considered a form of Subvention, and the anticipated revenue supporting the Tuition Remission should be budgeted using the special object code that has been established for this purpose (4833).</p> <p>Research Matching Assistantships provide up to a 50% maximum match for research grant-funded Tuition Assistants that is provided to graduate Research Assistants. Current procedures for the award and recording of these fellowship funds will remain unchanged, but the University will perform the matching calculations, which were previously done only at year-end, more frequently in the future.</p>	No. Funds not utilized in a particular year will be retained by the Provost's Office and utilized in the succeeding year.

**Responsibility Center Management (RCM) Model, Updated for Fiscal Year 2004 and After
POLICIES & PROCEDURES REGARDING FUND USAGE**

Fund Number	Fund Name	Purpose	Notes	Carryforward Permitted?
000009	Insurance Fund	<p>The purpose of the Insurance Fund is to provide a holding account for funds received by Responsibility Centers in settlement of insurance claims, and expenditures made by Responsibility Centers utilizing those insurance claim funds.</p> <p>In the "General University" Responsibility Center, the 000009 Fund is where central University self insurance reserves are held, as well as claims payments received by the University prior to their distribution, as appropriate, to Responsibility Centers.</p>	<p>In general, funds received by Responsibility Centers in the 000009 Fund will be utilized for one-time, non-recurring expenditure items. If Insurance Fund resources are needed to cover ongoing operational expenses, this should be done by transferring funds from a Responsibility Center's 000009 Fund to its 000000 Fund, or to whichever other General Operating Fund the ongoing operational expenses would normally be recorded in.</p> <p>The Risk Management Unit in the Finance Division is responsible for the "General University" 000009 Fund.</p> <p>Note: Disposition of differences between external claims payments and internal University claims expense will continue to be negotiated between Risk Management and affected Responsibility Centers.</p>	<p>Yes, but only if a Responsibility Center experiences a mismatch between the incurring of expenses that are supposed to be reimbursed from out of claims payments, and the actual receipt of those anticipated claims payments.</p> <p>In general, the year-end balance in each Responsibility Center's Insurance Fund should be zero if there are no open claims.</p>
000010	Capital Projects Fund	<p>The purpose of the Capital Project Funds is to provide a unique account through which each University capital project can have its funding sources matched with its costs, and its budgeted and actual project expenditures tracked during project implementation.</p>	<p>See special procedures for Capital Project Budgeting and Accounting that have been prepared by the Comptroller's Office and the Budget Office.</p>	<p>Not applicable. Projects are "Project-to-Date."</p>
000011	Service Center Activity Fund	<p>The purpose of the Service Center fund is to permit each Responsibility Center to account for its Service Center activity.</p>	<p>ONLY Service Centers may use the 000011 Fund, and Service Centers may not use any fund other than the 000011 Fund. Organizations are designated as "Service Centers" by Research Services in the Finance Division.</p>	<p>Yes.</p>
000012	General University Special Fund	<p>The purpose of the General University Special Fund is to permit the recognition of special non-recurring resources that are provided to Responsibility Centers by the central University administration.</p>	<p>Resources are deposited into this fund only by the central University administration, and may be spent only for the specific purposes for which they were provided.</p>	<p>Yes.</p>
000013	University Bank	<p>The purpose of the University Bank Fund is to provide a holding account in which Responsibility Centers may place year-end surpluses, and then use those surplus reserves for budget-balancing, or for other programmatic purposes, in subsequent fiscal periods.</p> <p>Note: Funds being accumulated for the renewal and replacement of Responsibility Center facilities are to be accumulated in the 000005 Fund, not the Bank Fund.</p> <p>Note: The new University Bank Fund replaces the "old" University Bank, which was a set of records kept by the University Budget Office outside of the University's accounting system.</p>	<p>No expenditures are to be directly charged against any Responsibility Center's University Bank account, and no revenues are to be deposited to that account, except for transferred year-end unrestricted surplus from the Responsibility Center's General Operating Funds.</p> <p>To expend any portion of its University Bank balances, a Responsibility Center must first transfer that portion either to its 000000 Fund, or to one of its Center Specific Funds.</p> <p>Transfers into a Responsibility Center's University Bank account may only be made at year-end, after it is clear that surpluses exist, and do not have to be used to cover deficits in any of a Responsibility Center's other accounts.</p> <p>Transfers of all or a portion of the available balance may be made out of a Responsibility Center's Bank account as the need for those resources is identified and budgeted.</p> <p>Interest will be paid on Bank account balances at the TIF rate, as determined periodically by the Finance Division.</p> <p>Note: At the end of FY 1999, the "old" University Bank was liquidated. Schools and Centers with outstanding repayment obligations to the "old" Bank had their Subvention adjusted downwards as of FY 1999 in lieu of making those scheduled repayments. Schools and Centers that had outstanding positive balances in the "old" Bank have had those balances recognized in the 000013 Fund accounts of those Schools and Centers as of the beginning of FY 1999.</p>	<p>Yes.</p>

**Responsibility Center Management (RCM) Model, Updated for Fiscal Year 2004 and After
POLICIES & PROCEDURES REGARDING FUND USAGE**

Fund Number	Fund Name	Purpose	Notes	Carryforward Permitted? *
Funds 01xx01 01xx02 01xx03 01xx04	Special Purpose - Center Specific Fund 1 Special Purpose - Center Specific Fund 2 General Purpose - Center Specific Fund 3 General Purpose - Center Specific Fund 4	The purpose of the Center Specific Funds is to permit each Responsibility Center to maintain one or more funds in which certain unrestricted revenues and expenses may be managed and accounted for separately from all of that Center's other unrestricted activity. Note: For many Responsibility Centers, Center Specific Funds # 1 and # 2 have taken the place of the accounts that users know as "Three Types 2" accounts in the pre-FinMIS University accounting system. These two funds are now referred to as the "Special Purpose Funds" within the General Operating Funds fund grouping.	Responsibility Centers have the option of maintaining up to four Center Specific Funds. However, they may maintain fewer than four, or none.	Yes. In general, it is expected that Responsibility Centers will not budget deficits in their Center Specific Funds, nor incur actual deficits. However, if deficits do occur in a Responsibility Center's Center Specific Funds, they will either (1) be cured through the transfer of resources from one of the Responsibility Center's other unrestricted funds, or (2) be carried forward and become a Responsibility Center's obligation to cure in the next fiscal year if no resources are available to cure the deficit in the current fiscal year, and additional revenues are anticipated to be realized in the next fiscal year that will be available to cure the prior year deficit.
020200 020201	Employee Benefits Pool	The purpose of the Employee Benefits Pool is to account for the University's expenditures for employee benefits. Effective FY2000, the costs associated with providing dependent tuition benefits are recorded separately in fund 020201.	These fund may be used only by designated central University offices. Schools and other Responsibility Centers pay for employee benefits through the EB charges that are recorded in the other funds. These charges are deposited in the EB Pool Fund.	Yes.
400000-489999	Designated Investment Income Funds	The purpose of the Designated Investment Income Funds is to account for the University's endowment funds, as well as "Funds Functioning as Endowment", and to record all income realized by those funds, both reinvested and spendable, as well as expenditures made in accordance with donor restrictions.	Year-end surpluses in other Responsibility Center Funds in excess of \$100,000 may be transferred into a 4xxxx Fund only if a Responsibility Center intends to convert those funds into "Funds Functioning as Endowment" for at least five years. For budgeting purposes, the Responsibility Centers will generally focus on the <u>spendable</u> income that each 4xxxx fund is expected to realize. However, all principal, including appreciation, and all reinvested earnings, are also accounted for in each of these funds.	Yes.
5xxxx	Sponsored Program Funds	The purpose of the Sponsored Program Funds is to maintain separate accounts for each grant and contract awarded at the University so that all financial activity related to each grant and contract can easily be monitored, expenditures related to each grant and contract can be segregated, and all required compliance with grant award constraints and conditions can be enforced.	The University only records grant and contract revenues as they are "availed of", and only eligible expenditures are expected to be charged against awarded grants. Thus, Sponsored Program accounts are always expected to be balanced.	Not applicable. Projects are "Project-to-Date." Expenditures not matched by eligible grant revenues at grant/contract close-out will be transferred to Responsibility Center's 000000 Fund.
6xxxx Funds 600000-649999 Funds 65xxxx	Designated Gift Funds	The purpose of the Designated Gift Funds is to maintain in separate accounts those gifts to a Responsibility Center that have been restricted in some way as to their use by an external donor. Capital Gifts are linked to Capital Projects by program. Funds are automatically reclassified and used to fund the project as expenditures are made in the 000010 Fund.	Resource transfers from other Responsibility Center Funds may not be made to the 6xxxx Funds. Only gifts from external donors may be deposited in the 6xxxx Funds.	Yes.

*** Note on Prior Year Carryforwards:**
Prior to FY 1999, carryforwards budgeted in Pillar were not entered into FinMIS when budgets were transmitted from Pillar to FinMIS. Instead, reports showed the actual prior year carryforward in both the FinMIS "Original Budget" and the FinMIS "Operating Budget" (i.e. the current budget) once the actual carryforward was known. Beginning in FY 1999, prior year carryforwards budgeted in Pillar by Responsibility Centers will be entered into the FinMIS "Original Budget" and will not be replaced by the actual carryforward, even after it is known. The actual carryforward will appear in the Responsibility Center "actuals," thereby permitting actual carryforwards to be compared with the carryforwards originally budgeted. The "Operating Budget" will continue to show the actual carryforward. If there are significant differences between planned and actual carryforwards, schools and centers are expected to adjust their level of budgeted expenditures as needed.