

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
January 17, 2013**

SUBJECT: University Fund Balances

PROPOSED COMMITTEE ACTION

For Information

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

During the September 2012 meeting the Committee reviewed and approved the 2012-2013 operating budgets for each university. During this review the Committee heard a presentation from staff on the status of university fund balances and how the universities were covering their share of the \$300 million reduction.

The universities are statutorily required to set aside at least five percent of their fund balance as a reserve. In addition, some university Boards of Trustees have required additional funds be held in reserve for emergencies, i.e. hurricanes. Universities also strategically reserve funds for a variety of other reasons; updates to their Enterprise Resource Planning systems, faculty recruitment packages, anticipated utility increases, etc.

There was discussion between the Committee, university presidents, and staff about further identifying in greater specificity those funds that are held in reserve for various university initiatives or long-term faculty commitments. Staff committed to working with the Council for Administrative & Financial Affairs (CAFA) to develop a format that better identifies that portion of fund balances that are true commitments that must be maintained to meet an obligation.

The university Budget Officers, CAFA and Board Staff have developed a modified template along with definitions that will provide reporting consistency.

Supporting Documentation Included: Definitions and Draft Template

Facilitators/Presenters: Tim Jones