UAP 7000 Policy

Categorization of Reserves (CAR)

Overview

August 01, 2016
What is UAP 7000?

- University Administrative Policy 7000 (UAP 7000): Budgets and Reserves
  [http://policy.unm.edu/university-policies/7000/7000.html](http://policy.unm.edu/university-policies/7000/7000.html)

- Policy 7000 applies to budget management and use of reserves for Current Unrestricted funds

- Reporting requirements
  - Each year, Main Campus departments prepare a UAP 7000 report, in accordance with Regents’ Policy 7.20: Budgets and Fund Balances (Reserves), that is then compiled by each VP unit and forwarded to the Office of Planning, Budget, & Analysis for presentation at the October Regents’ meeting.
UAP 7000, Sec. 2: Reporting and Review of Current Unrestricted Fund Reserves

- Each department responsible for Current Unrestricted Funds must categorize their reserves and submit categorization reports to their dean or director during August after the close of each fiscal year.

- Categorization reports must be completed using the LoboWeb Finance Categorization of Reserves (CAR) application, ePrint, and MyReports and should include committed, dedicated, and net discretionary reserves for the fiscal year just started.
Positive reserves must be categorized according to the following definitions:

- **Committed**: Includes funds where a formal, written commitment has been made for their use, for example:
  - Signed offer letters for start-up funds
  - Documented cost-share requirements
  - Direct state appropriations for special projects
  - Institutional bond debt service payments, etc.
Dedicated: Includes funds that have a clear, focused purpose with a documented description and identify the entity/individual making the dedication, for example:

- F&A reserves dedicated by the dean to fund a lab renovation
- A non-endowed gift amount that has been dedicated by the chair for faculty travel
- Student-paid course fees being accumulated and dedicated by the dean to fund equipment purchases
- Dedicated items must be approved and signed off by a Main Campus EVP, VP, or Dean
Discretionary: The remaining reserves after accounting for all committed and dedicated funds.

For a complete listing and description of all Committed and Dedicated category types, please see OPBA’s SOP CAR 102, Category and Category Type Definitions at:

Prior to fiscal year end:

- Department heads must immediately notify their dean or director of estimated deficits as soon as they are aware of the projected deficit.
- The dean or director must identify funds to cover deficits, reduce current year budgets, or complete a Deficit Reduction Plan as outlined below.
- The department head must also submit a plan for resolving the cause of the deficit.
Deficit Reduction Plans:

- May involve reducing the current year expenditure budget, funding the deficit from another index, or a combination of both strategies.
- The deficit reduction can be achieved in one year or over several years as detailed by the Deficit Reduction Plan.
- Are entered into the CAR application under the Dedicated category.
- Exemption from this process requires written approval from the cognizant VP with a copy to OPBA.

The FY17 UAP 7000 Sec. 4 Deficit Compliance Exemption Template is available on OPBA’s website, http://budgetoffice.unm.edu/categorization-of-reserves/index.html.
Deficit Reduction Plans entered into the CAR application must be budgeted and posted in Banner as proposed in the final approved Deficit Reduction Plan.

Per the approved Deficit Reduction Plan, a negative reserve:

- Must be budgeted using a negative 1901 entry and/or
- Cleared by moving funds from another index using a 1903 if within the same fund and program, or with a transfer if from a different fund and program.
UAP 7000, Sec. 6: Monitoring

- Each VP area will follow-up with its respective units to ensure UAP 7000 compliance.
- Please discuss proposed transfers with your VP unit representative before entering them into the CAR application as part of your Deficit Reduction Plan.
- More information on budgeting a negative 1901 or processing a transfer can be found on OPBA’s website on the SOP tab.
System Access

- Department General Inquiry
- Department Budget Developer role
  - Self-Service (LoboWeb) Finance
  - CAR Application
  - Banner ePrint and MyReports

Reports are NOT real time—they are updated nightly!
System Deadlines

- **8/1/2016**: CAR System Opens
- **8/19/2016**: Department Deadline
- **8/26/2016**: College/Student Affairs/Branch/Foundation Deadline
- **9/2/2016**: EVP Deadline
System Checklists

Follow the checklists on OPBA’s SOP tab

- **Department Checklist** (explains steps required to complete departmental CAR process)
- **College/Student Affairs/Branch/Foundation Checklist** (explains steps required by Colleges, Student Affairs, Branches, and UNM Foundation to complete CAR process)
- **EVP Checklist** (explains steps required by EVP offices to complete CAR process)
Categorization of Reserves

Overview

UAP 7000 Categorization of Reserves coming soon

FY 2014-15 Reports
Main Campus Current Unrestricted Ending Reserve schedules

Main Campus/Branch Campuses

FY17 UAP 7000 Policy Section 4 Deficit Compliance Exemption Template
Department FY17 UAP 7000 Policy Summary Memo
Student Affairs/Foundation/Colleges/Branches - FY17 UAP 7000 Policy Summary Memo
EVP Provost Office/EVP Administration Office - FY17 UAP 7000 Policy Summary Memo

FY17 Categorization of Reserves Deadlines

- Departments August 19, 2016
- Student Affairs/Foundation/Colleges/Branches August 26, 2016
- EVP Provost/EVP Administration September 2, 2016

Standard Operating Procedures (SOPs)

- Categorization of Reserves (CAR) NAVIGATION
- Category and Category Type Definitions
- Department Checklist
- Student Affairs / Foundation / Colleges / Branch Checklist
- EVP Provost/EVP Administration Checklist
- Deficit Compliance and Balance Reports
- Categorization of Reserves (CAR) E-Print Reports
CAR System

Live Demonstration...
Helpful Resources

**UAP 7000**
http://policy.unm.edu/university-policies/7000/7000.html

**OPBA website**
http://budgetoffice.unm.edu/

**OPBA’s Categorization of Reserves**
http://budgetoffice.unm.edu/categorization-of-reserves/index.html
CAR Working Sessions

- **Date:** August 9, 2016  
  **Time:** 10:00 AM - 12:00 PM  
  **Location:** TEC (Build. 64), Room 260

- **Date:** August 11, 2016  
  **Time:** 1:00 PM - 3:00 PM  
  **Location:** TEC (Build. 64), Room 260
Important Contacts

Main Campus Budget Office
- Natalia Koup  
  nkoup@unm.edu
- Deb Johnston  
  djohnsto@unm.edu

VP Office Representatives
- Natalia Koup, President & Admin.  
  nkoup@unm.edu
- Kim Kloeppel, Student Affairs  
  kimmerly@unm.edu
- Nicole Dopson, Academic Affairs  
  nicole14@unm.edu
- Barbara West, Research & Economic Dev.  
  bwest@unm.edu
Any Questions?

Please contact OPBA for future questions at 277-6465

Thank you!