

Academic Affairs Fund Balance Process

NOTE: This process was implemented in the fall of 2007 and updated in the spring of 2010. June 2007 operating balances were distributed according to this process. Due to subsequent budget limitations in the State of California and the CSU, the University has since held balances to mitigate the impact of budget reductions and preserve campus flexibility.

With the advent of the CSU Resource Management Program, funds are now held in trust by each campus and year-end balances stay with the campus. At Channel Islands, it was determined that 75 to 90% of division balances will be returned to the division. This fund balance policy for Academic Affairs provides the framework for the Provost to make allocations within the division. The fund balance for each unit is any amount of operating fund budget (including base and one-time allocations) that is not spent out at year-end (by June 30).

Use and Priority of Division Fund Balance

- CO Allocations – Balances remaining from special allocations from the Chancellor's Office may be requested for return to those programs.
- Encumbrances – A portion of the fund balance may be reserved for encumbrances on purchase orders that were not paid out during the fiscal year; requests should be for individual encumbrances that are significant (\$5,000 - 10,000) in scope and be the amount actually charged in the new fiscal year.
- FPC Recommendations – Fiscal Policy Committee (FPC) recommendations that are one-time in nature should be considered when allocating balances. This is documented in the FPC recommendation to the Provost during the budget process.
- Specific and Special Requests – Other items from academic administrators may be considered. This may include a request for return of balances that were reserved for a specific purpose, or a special request for allocation of one-time funds for a designated purpose of importance to the division.

Requests for allocations from the Division's Fund Balance

Requests are made for return of balances from special CO allocations; specific, significant encumbrances; specific items for which unit funds were reserved but not yet expended; and/or special items of import to the division.

- Requests should be for items that are one-time in nature and include an amount, short description, and justification.
- Requests should come to Academic Resources through appropriate academic administrators. Individual units and programs should make requests to their AVP.

Process and Timeline

- Each unit calculates the balances it anticipates at year-end. Projections should consider all salary, benefits, and operating expenses to be posted against budget by June 30.
- Projections and requests are submitted to Academic Resources.
- Academic Resources collects requests, summarizes projections, and verifies actual balances. A summary of fund balance projections is provided to members of the Provost's Council.
- The Provost uses this information to review requests, prepare a preliminary distribution plan for consultation with the FPC, and informs the division of the distribution of fund balances according to the following schedule:

- Apr 1:** Academic administrators submit unit fund balance projections to Academic Resources; Academic Resources distributes summary to Provost Council as soon as available.
- Jun 1:** Academic administrators submit to Academic Resources requests for fund balance allocations.
- Sep 1:** Provost communicates the preliminary distribution plan to members of the FPC.
- Sep 15:** FPC provides feedback to the Provost
- Oct 1:** Provost finalizes allocations; Academic Resources makes transfers