The UW internal and external state budget processes are separate, yet interdependent. These processes affect the activities of administrative and academic units throughout the year. This manual is intended to describe the processes currently in place.
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**Introduction**

The Office of Planning and Budgeting (OPB) is a division of UW Planning and Management. OPB provides analysis and information about UW’s financial and physical resources to support and enhance the University’s planning, policy formation and decision-making.

This manual is intended to provide information about the budget process at the University of Washington, including:

- Overview of State Funding and Allotment process.
- Internal Budget Development and Maintenance process.
- Various Budget Policies and Procedures.
- Overview of Financial Accounting System (FAS).

Over time, these processes have evolved and been affected by the desires and needs of multiple administrations, interests from stakeholders in Olympia and personnel changes. This manual is intended to document the current processes that the Office of Planning and Budgeting is involved in or directs on an ongoing basis. As a primer for the multiple names, codes and budget terms presented in this manual, the graphic below displays the University’s operating funds and lists all operating fund types and fund code references that are widely used internally and externally.
State Budget and Legislative Process
State Budget and Legislative Process

The Washington State Legislative Process determines:

- The level of appropriations the UW will receive from the General State Fund and any other state funding sources.
- The purpose for which the funds are appropriated (salary increases, new enrollment funding, special programs, pension and health benefit adjustments, etc.)
- The UW’s tuition-setting authority for undergraduate resident tuition (percent of change we can apply). UW has been granted the authority to set tuition levels for undergraduate non-resident, graduate and professional programs.

The Washington State Legislative Budget Process Timeline

Though some variation in the state budget process occurs during significant recessions, by and large, the following timeline is consistent year to year:

- **September** - UW submits operating and capital budget request to State. This manual only pertains to the operating budget.
- **December** - Governor submits recommended budget to Legislature
- **January-March** - Legislature in session
- **March** - Legislature passes State budget and UW receives budget information
- **July 1** - State budget becomes effective

Key Components of the Legislative Budget Process: Structure, Fund, Key Terms

There are two variations on the state budget process, which are dependent on whether the state and its agencies are entering into a biennial budget session or a supplemental session. Biennial legislative sessions occur during odd-numbered calendar years for the upcoming biennium. For example, the Legislature will pass a biennial budget for the biennium 2015-17 in Apr/May of 2015. It will affect funding for two fiscal years, FY16 and FY17. The next year, in calendar year 2016, the legislature will pass a supplemental budget affecting funding for the biennium, but especially FY17. Finally, in calendar year 2017, the Legislature may pass a third supplemental, affecting funding for the last year of the biennium, or the last few months of FY17.

- **Biennium**: Two-year fiscal period. The Washington state biennium runs from July 1 of an odd-numbered year to June 30 of the next odd-numbered year.
- **Budget**: A plan of financial operation embodying an estimate of proposed expenditures for a given period of time or purpose and the proposed means of financing them.
- **Supplemental budget**: A supplemental budget makes any legislative changes to the original budget appropriations. Depending on the circumstances of the fiscal climate, these changes may be technical changes, minor changes, or significant changes that can alter the proposed expenditures for the remaining months of the biennium.
- **Expenditure Authority Schedule (EAS)**: A listing prepared by OFM of all dollar appropriations contained in legislation, along with an assigned code for use in allotment preparation and other accounting requirements.
- **Proviso**: A Proviso is a language in the budget bill that places conditions and limitations on the use of appropriations. A Proviso can be funded from any account of the State’s funding sources.
The budget also contains assumptions about automatic funding levels and is primarily an incremental budget, making appropriations from funds above carry-forward and maintenance budget levels.

- **Carry-forward level**: The “biennial” cost of continuing the workload or services already authorized through legislative budget decisions.
- **Maintenance level**: The carry-forward level plus the cost of additional mandatory caseload, enrollment, inflation and other legally unavoidable costs. UW usually makes requests for operations & maintenance funding (O&M).
- **Policy (Performance) Level**: Maintenance level plus other proposed changes in funding.
The Legislature makes appropriations from a variety of funds, but the UW typically receives appropriations from the general fund state and education legacy trust fund for its general university operating resources (GOF).

- **Appropriations**: A legal authorization to make expenditures and incur obligations for specific purposes from a specific account over a specific time period. Appropriations typically limit expenditures to a specific amount and purpose within a fiscal year or biennial timeframe. Only the Legislature can make appropriations in Washington State.

- **Fund or Account**: A self-balancing set of accounts, segregated for specific purposes in accordance with laws & regulations or specific restrictions and limitation.

- **Fund 001, General Fund State**: The fund for all financial resources of the state except those required to be accounted for in another fund. The general fund is the principal state fund supporting the operation of the university.

- **Fund 08A, Education Legacy Trust**: This fund is used only for support of the common schools and for expanding access to higher education through funding for new enrollments and financial aid, and other educational improvement efforts.

- **Near General Fund**: The near general fund includes general fund state and education legacy trust.

Other funds are relevant for purposes of considering both the State’s and UW’s accounting systems, but are listed on Page 38 under fund by fund group in this manual.

Once the Legislature passes a final budget, the Governor exercises section veto authority, and the budget is recorded as final. The legislative staff load expenditure authority by fund into WINSUM, Office of Financial Management (OFM’s) budget system. Support staff within OFM produce an expenditure authority schedule, or EAS. The EAS records allowable expenditure limits for appropriated funds, 001, 08A and proviso’s. Provisos can be appropriated from fund 001 or from other funds such as 02R Aquatic Lands Enhancement Account or 09R Economic Development Strategic Reserve Account. The latter are categorized by the UW as “special appropriations”. Fund 149 Tuition Operating Fee Revenue and expenditure authority are also recorded in EAS even though fund 149 is not appropriated.

**Note**: Revenue comes from the Summarized Revenue Report called “B9” that the UW submits with the biennial state budget request. The B9 is a tool that legislative staff have to evaluate our fund projections on a biennial basis.

### The Allotment Process

The allotment is defined by OFM as an agency’s plan of estimated expenditures, revenues, cash disbursements and cash receipts for each month of the biennium. However, the allotment is also meant to be a mechanism by which the state controls its outflow of money by fund to avoid over expending. According to OFM, allotments represent detailed spending plans that also do the following:

- Conform to the terms, limits, or conditions of legislative appropriations. OFM approves the allotment “packets” submitted by the agencies.
- Reflect the priorities of the agency’s strategic plan and make progress towards achieving those goals.
- Serve as the agency’s best estimate of how their authorized expenditures will be spent and the revenue it will earn each month of the biennium.
- Provide a monthly best estimate of the agency’s cash flow.

For each appropriated fund in EAS and for fund 149, the UW is required to submit monthly revenue and expenditure allotments by program code and object codes. Monthly cash receipts and disbursements are allotted by fund. Both executive
and legislative staff monitor actual spending compared to allotments. Actual spending is reflected in the State’s Agency Financial Reporting system (AFRS). Allotments are amended when expenditure assumptions change significantly and every time a budget is passed, so for every biennial & supplemental budget.

Since 2010, the UW has worked with executive and legislative staff to improve its allotment process, according to different needs and expectations. A summary of these changes is included below for historical purposes.

**Before FY11**, the UW employed a process called State Local Allocation Process “SLAP” method, which recorded expenses in salary and benefits to fund 001 in the first several months of a biennium. After funds were exhausted, these expenses were recorded to fund 149. To allow this process to work, non-proviso GOF budget numbers were set up with dual funds (001 and 149). Refer to appendix for more information on SLAP Process.

**2010 (Changes affected the FY11 recast of the 2009-11 biennial allotment)**

In cooperation with the Office of Financial Management (OFM), UW accounting and budget staff agreed that the UW should restructure the allotment, or expenditure plan, in several key ways:

1. State funds would be exhausted throughout the year, instead of during the first several months of the fiscal year.
2. Monthly expenditures in allotted funds 001 and 08A should match the allotment schedule.

The UW manages this process to ensure that these basic agreements are followed. To do this, the only expenses directly charged to fund 001 are provisos. For non-proviso expenses, the UW prepares and submits a Journal Voucher (JV) once a month to transfer expenses from fund 149 to Funds 001 and 08A in an amount equal to that month’s allotment. This will result in our allotment matching exactly to expenditure in AFRS for funds 001 and 08A.

For Fund 149, there is a variance between the allotment and actuals, as projections of tuition revenue and expenditures are never perfect. In addition, actual expenditures can vary from allotted expenditures and revenues. Under ABB, Fund 149 revenue is trued up at the end of each fiscal year based on actual tuition revenue. The true-up is distributed to units as budget authority in the following fiscal year. This can cause variances because expenditures lag revenue projections.

**Note:** Activity based Budgeting (ABB) is a budget model that allocates net tuition revenue to the units conducting the activity generating new revenue. More details on the revenue allocation methodology are specified on page 19 in this manual.

**March 2012**

The following procedure guide was produced during the beginning of the 2011-13 biennium:

OPB calculates, prepares and submits allotment packets to OFM using the following methodology:

1. Program and object code distributions for each appropriated fund and Fund 149 are generally based on average GOF spending patterns from the previous biennium.
2. Monthly distribution percentages for each program code and object code are provided to OPB by Financial Accounting (FA).
3. Institutional Analysis provides actual FTE based on previous fiscal year by fund and program.
Once OFM approves the allotment packets, the Budget Office (BO) will send a copy of the approved packets to Financial Accounting (FA). Because OFM, the legislature, and the public monitor actual spending against allotments, we do our best to match spending levels against what was allotted. Again, state appropriated Funds 001 and 08A’s allotments will match exactly to spending. (It is important to note that any state appropriated fund that is not spent reverts back to the state) Fund 149 (net operating fee) allotments—which are essentially planned expenditures—will always vary from actual expenditures. Proviso expenditures match allotted amounts in annual total, but can vary on a monthly basis.

As agreed between FA and OPB, each month FA will initiate transfers of actual expenditures and FTEs from Fund 149 to Fund 001 (Program codes 011 and 012 only) and 08A to align with allotment levels:

- The expenditures need to be transferred by appropriation, program code, and major object code.
- The FTEs need to be transferred by fund and program code—FTE’s are shown as the full number of FTEs to be paid each month; cumulative FTEs per year will equal monthly FTE’s multiplied by 12.
- The monthly cash draw from the State Treasury needs to follow the cash disbursement schedule for each fund.

Implementation of this procedure started in Accounting month 09 of the 2011-13 biennium. The Budget Office worked with Financial Accounting to design a spreadsheet to populate the JV with all the required components. For the medical centers allotments, the Budget Office sends additional instructions regarding detailed allocations to UW Medical Center and Harborview Medical Center. If there are subsequent allotment amendments, changes are applied going forward. The Budget Office sends Financial Accounting the revised allotment schedules.

**February 2013**

After discussions with OFM, the UW decided to add more nuance to the allotment process. We planned expenditures for three major object codes by each program code. So, not only is the allotment cast by program code, but the allotment is also cast according to planned expenditures for salaries/wages, benefits and goods and services.

To meet the monthly allotment amount as approved by OFM, there were new manual adjustments which had to be addressed. In some months, we may have to move more expenses out of a sub-object than are available, which would cause it to show a negative balance in AFRS. At the end of the fiscal year, the cumulative negative balance would need to be adjusted in AFRS by moving expenses from one object code to another.

OFM agreed to this process in February 2013; it was applied to the FY13 packet.

At that time, the UW noted for OFM that we would continue working to improve our allotment projections in an effort to smooth out the variances between actuals and allotment—although such inconsistencies will never be removed entirely.

**April 2014 (changes for FY13 final cast and FY14/FY15)**

During summer 2013, UW and OFM budget staff decided to increase the revenue figures in the allotment for Fund 149 to match the UW’s projections of net operating fee revenue. In the past, the UW had used the Expenditure Authority Schedule (EAS) figure for net operating fee revenue in the allotment. The EAS is created by OFM using figures from legislative staff. However, legislative staff may not always incorporate tuition revenue drivers into their projections. For example, when legislative staff do not ask about the full complement of tuition rates, actual enrollment changes, etc. before these adjustments are made, the EAS is produced without these factors contemplated and, thus, they project revenue to be lower than it may ultimately be. Even when these questions are asked (as they are annually) the EAS is not adjusted to reflect changes in enrollment, tuition rates, etc.
In the FY14 supplemental budget session, the allotments were amended for Fund 149 at the request of OFM to reflect updated tuition revenue projections which were furnished by Institutional Analysis group. This same methodology was used for FY15 as well. Note: It seems as though the updated revenue projection for Fund 149 was used and the FY14 tuition true-up was added to this figure. This is in error. The true-up figure is already in the new projected value.

Communication between OFM, legislative, and agency staff should continue to improve and EAS, allotment, expenditure, and revenue assumptions should be aligned to the extent possible in order to ensure that interested parties understand when an apparent variance is actually just an artifact of different definitions or assumptions.

The allotment is due 45 days after the Governor signs the bill into law. The sum of state funds appropriated to the UW is recorded in the budget that the Regents ultimately take action on.

**How Education Legacy Trust (ELT), FUND 08A, Appropriations were Allocated and Spent**

In FY 2006 the state created Fund 08A ELT account. Estate taxes and interest earnings are the source of revenue for this fund. For purposes of allocation and spending, Fund 08A was treated as non-proviso general fund and its allotments and transfers were calculated using the same methodology as Fund 001 salary expenses.
Direct Support for Teaching Hospitals

Harborview Medical Center (HMC) and University of Washington Medical Center (UWMC) receive a portion of the state general fund appropriation to support their teaching effort. This amount is adjusted annually for any salary/benefit increases/decreases and changes in the state budget policy level and is reflected in the allotments under program code 07 (hospitals). UWMC receives its allocation by monthly transfer of expenses (equating the allotment amount) from Fund 505 to Fund 001 (thereby reducing fund 505 total expenses). HMC allocation is drawn from the state according to the allotment schedule and wired to HMC with a corresponding charge to Fund 001.

The following historical budget information was pulled for external audit in summer 2014:

Medical Center Notes

Purpose: to determine what, if anything, needs to be added to the Bdgt vs Act file for auditors. This would be in addition to the fund 149 worksheet in that file where we had to add fund 001 expenses in order to make the variances more reasonable and more accurate.

file is "Funds 148 & 149 Bdgt vs Act Biens 2007_2011 for SEC" @i:\groups\opb\users\mary cofel\OFM info\state audit\funds 148 and 149

Historical Budget # info from the Budget Index table:

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</tbody>
</table>

Notes:

(1) #08-7990 is dually funded 149/001. Therefore, the budgeted amount is already included in fund 149 in the Bdgt vs Act file for auditors.
(2) Budget #’s NOT dually funded, so not included in fund 149 info on Bdgt vs Act file for auditors.
(3) Not sure if I have included all of the expense budgets because, theoretically, budget should = actuals

* Bien totals per Budget Summary in myFD
UW Internal Budget Development and Maintenance Process
Budget Formulation Process Overview

The Office of Planning & Budgeting (OPB) is responsible for the development and monitoring of the University’s annual operating budgets. The budget is the primary instrument of fiscal control and contains all income and expenditures of the University. The University Budget Office (BO) assigns a budget analyst to assist every college, school, campus or administrative unit on budgetary matters. The BO staff is available to answer questions, record transfers, provide assistance with the annual budget submission, and work closely with the units toward their financial goals.

The UW budget process is governed by the Provost of the University, who is the chief academic and budget officer.

- Though the State provides a budget on a biennial basis, UW prepares and reviews a budget on a fiscal year basis from July 1 to June 30 of the following year.
- OPB gathers budget projections from all subject matter experts to put together the annual budget.
- The budgeting cycle reflects our shared governance model and at the same time, units have authority to spend funds allocated to them within logical parameters.
- The University’s budget model is an activity based budget model (ABB). Units are not required to justify their base budgets annually to receive an equivalent amount. Changes are incremental and made permanently or temporarily to base budgets.
- Activity Based Budgeting – UW implemented a soft launch of the ABB model at the beginning of FY 2012. Full launch was completed in FY13. Under ABB 70% of net tuition operating revenue is allocated to units based on the student credit hours (SCH) generated by the units. More details on ABB are listed below.
- Currently, OPB initiates a process on behalf of the Provost to gather and consider tuition rate recommendations every two years, generally every odd-numbered year. Tuition rates are presented to the Board of Regents for their approval.
- The Board of Regents is comprised of 10 members who review, modify and approve the annual budget that is created by OPB (Office of Planning and Budgeting) after broad consultation from academic leadership, students, faculty, and staff. The Provost and the President drive significant budgetary policy and deliver their budget proposals to Regents for consideration in May and for action in June.

Functional pieces of the University’s Budget

1. University Operating Resources: The University Operating Resources are the bread and butter of core university operations. These are the funds employed to hire and pay faculty, enhance the student experience support the university service missions, and run the administrative infrastructure that supports the University. This is the area that is governed by the principles of activity based budgeting.
   In FY15, the operating resources budget was approximately $1.2 billion, or 19% of the UW budget of $6.5 billion. Listed below are the revenue sources and their percentage of total core operating revenue:
- Near general fund (State Appropriations) – 21 percent, however the state appropriations is only 4% of the overall university budget.
- Tuition operating fee – 50 percent
- Indirect Cost Recovery -20 percent
- Institutional Overhead – 2 percent
- Designated Operating Fund (without ICR and institutional Overhead) – 7 percent

2. **Research Enterprise**: Estimate of revenue from direct expenditures against grant and contract budgets.

   Research Enterprise budget is around 17 percent of the total budget.

3. **Restricted Funds**: Gift income, endowment distributions and state restricted funds from state accounts, or funds, that are not general fund state or education legacy trust (e.g. medical aid, accident, geoduck, shellfish bio toxin, economic development strategic reserve, and ocean acidification accounts)

   Restricted Funds budget totals 4 percent of the total budget.

4. **UW Medicine Health System**: The revenue and expenses from the University’s hospitals and clinics, which currently include UW Medical Center, Valley Medical Center, Harborview Medical Center (though HMC is run by the UW and reports its finances to King County), Northwest Hospital, Airlift NW, UW Physicians and UW Neighborhood Clinics.

   UW health system totals 47 percent of the total budget.

5. **Auxiliary Activities**: These activities include the University’s large, self-sustaining business enterprises such as Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking & Transportation Services.

   Aux Activities totals 13 percent of total budget.

**UW Funding Sources (Fund Types)**

The University of Washington classifies fund sources into four major fund types (GOF, DOF, ROF, and OOF). Each type varies in the degree of discretion for its use, ranging from restricted to essentially full discretion. GOF and DOF are Universities operating Funds and ROF and OOF are restricted funds. These fund types are defined below along with examples of the sources used to support them.

1. **General Operating Funds (GOF):**
   Funds over which UW has significant discretion. Composed of:
2. **Designated Operating Funds (DOF)**
   Funds over which the UW has unlimited discretion, though the university, as a matter of internal policy, may restrict their use. Composed of:

   - **Indirect Cost Recovery (ICR)** - Indirect Cost Recovery (ICR) is the allocation of funds back to units that generate indirect costs from grants and contracts. ICR is a component of activity-based budgeting and is taxed at 65 percent. Units retain 35 percent of the indirect cost recovery generated. The remaining 65 percent is used by the provost to allocate out to units based on initiatives and other criteria. Calculation of ICR is based on the grant activity of the prior twelve-month period April 1 – March 31.
Once the allocation is made to the unit, internal policies in the unit will dictate how departments and employees may receive ICR funding for their work.

- **Interest Income** - Interest Income is a DOF revenue derived from the investments funds.

- **Summer Quarter Revenue** - Educational Outreach manages the summer quarter program for the university. There is no state support for summer quarter, and it is not part of the activity based budget model. Educational Outreach submits a budget for summer quarter to the Provost each year which is approved before the start of the quarter. Based on this budget, all three campuses pay the estimated expenses to EO via a revenue transfer. These are the funds used to manage the quarter. At the end of the quarter, any remaining revenue is refunded to the campus which sent the funds originally.

Demand for SQ has been relatively stable over the past five years, with student credit hours growing only slightly (mainly UW Bothell and Tacoma), yet the UW Summer Quarter ranks as one of the largest amongst public universities.

The summer quarter has 2 sessions Summer A (starts in June and ends in July) and Summer B (starts in June and ends in August). Since summer quarter falls in two fiscal years the revenue is also split between two years. A small portion, usually about 8-10 days, belongs in June and is recorded in the fiscal year that ends on June 30. The remainder belongs to the next fiscal year. Educational Outreach prepares a JV to reclassify a significant portion of summer quarter tuition that is received before June 30th from tuition revenue to unearned revenue (a liability because we owe services to the students). This unearned revenue balance is then trued up the next fiscal year end and the changes are recorded as tuition revenue. So tuition revenue recorded in FAS should reflect tuition earned from July 1 to June 30.

- **Institutional Overhead** - Institutional overhead is calculated by the Budget Office to reimburse the University for costs paid centrally such as maintenance of buildings, roads and grounds, custodial services, utilities and support services such as data processing, risk management, human resources etc. All Seattle fee-based programs are charged UW institutional overhead unless the activity has been awarded an exemption. More details on institutional overhead policy are explained in later sections.

- **Administrative Overhead** - Administrative overhead is the equivalent of institutional overhead but is charged to UW Bothell and UW Tacoma. This overhead is also calculated by the Budget Office to reimburse the University for costs paid centrally on behalf of these two campuses.

- **Student Technology Fees** - The student technology fee is a fee charged to provide funds for the improvement of technology used by students. A student-led committee allocates money for technology resources for general student use.

- **Miscellaneous Fees** - Miscellaneous fees are a group of fees which contribute to the DOF revenue base. Some of these fees are charged directly to students such as application fees, library fines, late registration fees and others. Other fees are for such things as trademarks and licensing, insufficient funds for return check fees, staff registration fees, etc.

3. **Restricted Operating Funds (ROF)**
   Restricted operating funds are funds over whose use the University has little or no discretion. Examples of various ROF Funds are explained below,
• Grant Funds: - The UW receives grants and contracts whose use is restricted to the purposes outlined in the grant or contract.

• Gifts, Endowment: - UW schools, colleges and units receive gifts and earnings from endowment funds whose use is limited to the donor’s intent. Schools and colleges have local gift funds which allow more flexibility for units in terms of use.

• Discretionary Funds: - Most units have discretionary funds which are given to the Dean to be used at the Dean’s discretion. These funds are less restricted than gift funds, and are typically used for hosting and entertaining.

• Self-Sustaining and Fee-Based Funds: - Many UW units have self-sustaining operations and fee-based programs whose revenues may derive from services provided both internally and externally to the UW.

• Royalties: Many units have developed patented discoveries that have resulted in royalties and other income through the UW CoMotion which may have various restrictions.

4. Other Operating Funds (OOF)

OOF is a mixture of other funds that do not fit into the other categories listed above. Examples of certain other funds that cannot be categorized are listed below:

• True Agency
• Deposits
• Internal lend/Invest
• Depreciation
• Capital Projects
• Other

Budget Building Process - Step by step procedure

The “budget building process” starts during mid-March of every year by first pulling together the upcoming fiscal year straw budget workbook. This workbook ultimately produces the major tables that comprise the Regents’ budget, which is acted on every June. In addition, the straw budget workbook focuses on incremental changes from two major budget communities: GOF and DOF.

GOF and DOF incremental revenue projections are catalogued in the revenues tab of the straw budget workbook.

Revenues Tab

• State appropriations (matching the final, enacted near general fund appropriations total) is included.
• Indirect Cost Recovery (ICR) revenue for the upcoming biennium is included. The period used to calculate the ICR is April1 through March 31.
• Institutional Overhead is estimated by analyzing the collections during the previous fiscal years.
• Investment Income from invested earnings is budgeted in the Regent’s budget. Projection is based on prior year base + interest Income. A report is generated in Treasury with this amount.
GOF and DOF expenditures are budgeted to match the GOF and DOF projected revenues.

Budget building spreadsheet – is located at I:\groups\opb\Office\BO\Budget Building\Budget Building xxxx-xx\Master – FYxxxx BGT BLDG. Update the budget building spreadsheet with June month end BGT data. When completed, this spreadsheet will provide an up-to-date view of balances in all GOF/DOF revenue, department budgets, and reserves. This spreadsheet is created at the beginning of each fiscal year showing beginning values and is updated every month showing the progress and movement of the funds.

Using the incremental changes from the Regent’s budget a spreadsheet called Regents Budget Summary in the folder I:\groups\opb\Office\BO\Budget Building XXXX-XXXX\FYxx Regents Bgt Summary is prepared. This file is used to show the distribution of the incremental changes to the budget and where (in which budget reserves) the changes will be input into the BGT system.

Laying out the budget in this spreadsheet will identify if there is a need to move any funds from DOF to GOF or vice versa. If there is a need for more DOF funds than what will be available for allocation, this will be handled in the input into BGT. This shift of funds is handled by using the fixed cost budgets. Many fixed cost budgets have companion budgets (both a GOF and a DOF budget number) used for the same purpose. To meet an increased need for GOF funds, there would be a shift out of the DOF fixed cost budget (freeing the funds for allocation) and an increase in the GOF comparison budget where the increased revenue would actually reside. This would change the split of budget authority in the GOF/DOF companion budgets for the fixed costs and allow for a higher reserve amount in a GOF budget to be allocated out to the university.

Execution of Regents Budget in the University’s Budget System (BGT):
In order to build BGT for the upcoming fiscal year for GOF/DOF, changes in revenue are input to the appropriate revenue budget and account code with an offset to the unallocated budget in the corresponding budget type/class. Once all the revenue is budgeted, any changes to debt services or transfers are then budgeted. These are positive values in the revenue budgets. In effect they are removed from the available revenue so the funds are not spent for other purposes. New incremental funds are identified in the Regent’s budget and part of the preparation for building BGT is to note what unit will be receiving the new funds or if the funds will be part of the Provost’s reserves. Once this is determined, revisions will be done to move the funds from the unallocated budget, mentioned above, to the appropriated reserve. Once completed, the
unallocated accounts should have a zero balance and the reserves should be ready to make allocations out to the units once the system opens and the allocation reports are sent out.

**Note:** BGT represents revenue as negative values and budget authority as positive values.

**Annual budget development calendar**

**September – October**
- The Provost sends out a letter about the budget process for the coming fiscal year, including budget related deadlines, required information for submission, and the priorities informing the process.
- OPB submits operating budget request to State.
- Budget baseline spreadsheet is developed.
- Projections are completed for changes in salaries & benefits.

**November – December**
- OPB distributes growth plan, carryover use, and budget request templates for Provost’s budget meeting with units.
- OPB receives budget development/request spreadsheet from units.

**December – March**
- Provost meets with the School/College heads regarding the budget request.
- Provost develops a priority lists of projects/initiatives to support in the upcoming fiscal year.
- Governor submits his biennial budget during this time to the legislature.

**February – March**
- Tuition projections occur.
- Summer quarter projections, fixed costs and ICR (indirect cost recovery) projections occur.
- Administrative and Institutional overhead figures are calculated.
- Unit space needs and requests are compiled and released.
- Provost Reinvestment funds are estimated.

**April – May**
- Auxiliary/self-sustaining unit revenue/expenditure projections are obtained.
- True-up values for tuition operating fees are calculated for ABB purposes.
- Medical center projections are obtained.
- Grants/contracts budgets are obtained.
- Endowment and cash gifts projections are obtained.
- Final adjustments are made to the revenue/expense tables based on final data.
- Budget is submitted to the Board of Regents as an action item.

**June – July**
- Regents approve the new fiscal budget.
- New fiscal year begins in July.
- Previous fiscal year is closed in July (month 12A or 25).

**August – October**
- OPB finalizes budget allocation in budget letters to units.
• Units claim funds.
• Budget development cycle continues.

Activity Based Budgeting (ABB)

ABB is a budget model that allocates new, net tuition revenue to the unit(s) that conduct the activity and generate the new revenue. This allocation is done using a predetermined calculation and model created for just this purpose. In addition to the net operating fee portion of tuition, the indirect cost recovery is allocated to units based on an approved formula. ABB provides opportunities to align activities with objectives, streamline costs and improve business practices.

Note that the ABB framework involves the provision of a supplement, or residual permanent GOF and DOF base as a beginning balance. When ABB was fully implemented, units held their permanent base but received additional revenue allocations based on enrollment and generation of student credit hours. The residual permanent base is modified as new investments are made or permanent reductions are enacted; these actions reduce or increase a unit’s supplement.

ABB Tuition Calculation Methodology:
There are two component parts of the calculations used to distribute tuition revenue under ABB:

1. Calculation of Tuition Pool
   There are two types of revenue calculations required for ABB:
   • Estimation of net operating fee revenue given known or estimated enrollments and waiver awards for a completed or partially completed academic year,
   • Projection of net operating fee revenue for a future academic year.

   The two calculations are very similar, but there are differences, which are described below.

   Estimation
   At this time, UW’s information systems do not provide sufficient information about net collections by tuition category; rather, the only values that tie to both the financial and student information systems are the values of net collections by campus. In the meantime, we rely on the calculated net tuition revenue from each tuition group to track expected versus actual performance in a given year and to “true-up” distributions at the end of a year. At the close of each fiscal year, the calculated net tuition revenue from each group is calibrated so that it equals the sum of net collections by campus.

   Net operating fee revenue is calculated by taking the calibrated gross operating fee less waivers representing foregone revenue less 3% need based and 1% merit based waivers less the mandated financial aid set-asides.

   Projection
   The estimation of net tuition revenue described above requires actual numbers for headcount and waiver awards. Projecting revenue for a future year requires the following additional items:
   • An assumption about the operating fee that will be charged to a student in a particular tuition and residency category taking a given number of credit hours.
   • The projection of the annual average headcount for each tuition/residency category by credits taken.
   • A projection of the number of waivers, by type, to be awarded to students in each tuition and residency category.
   • A projection of the average value of waivers, by type, to be awarded to students in each tuition and residency category.
2. Distribution of ABB Net Operating Fee Revenue

This section details the methodology by which the amount of tuition revenue to be distributed to each unit is determined. Since only the Seattle campus is involved in the ABB distribution, this section pertains only to Seattle.

Under activity based budgeting, the net tuition operating fee revenue (here called tuition revenue) collected from each tuition category is “pooled”. That is, the tuition revenue from both resident and nonresident students in each tuition category is summed before it is distributed.

Following ABB policy, this revenue is distributed on the basis of:

- The proportion of total student credit hours (SCH) for a particular tuition category that is generated by each college.
- The proportion of degree majors (for undergraduates) produced by each college.
- The proportion of major enrollments (for graduate and professional students) produced by each college.

Time Periods Used for Distribution Calculations:

Data from the most recently available completed year is used to determine the distribution of tuition revenue. Each spring quarter, after census day, two sets of calculations are made. They are:

1. The final calculation of:
   - The total amount of revenue generated in the current year.
   - The calculation of how that revenue will be distributed.

2. The calculation of the:
   - The projected revenue for the coming year.
   - The calculation of how that revenue should be distributed.

Both of those sets of calculations are based on the same data:

- Student credit hours and major enrollments are those from the current year. For example, calculations done in spring 2014 for the final distribution of FY14 revenue (that is, for the FY14 true-up) and the distribution of projected revenue for FY15 will be based on SCH and major enrollments from 2013-14.
- Degree major information is from the most recent year for which complete information is available; thus calculations done in Spring 2014 will be based on degree awards from 2012-13.

Though projected tuition revenue for the coming year will be distributed on the basis of student information from the current academic year, some modifications will be made:

- Information about the creation of new tuition categories (or the elimination of tuition categories if, for example, a program is converting to a fee-based program) will be included.
- Assumptions about changing enrollment of undergraduates, based on knowledge of past admissions numbers and planned admissions for the coming year will be incorporated.
- Expectations of substantial growth or decline in graduate programs will be incorporated after discussions of such changes in the annual budget meeting between the Dean and the Provost.

The choice of data points used to calculate the distribution of tuition revenue means that there are two potential causes of a positive or negative “true-up” of tuition revenue:

- The actual net tuition revenue may be different than the projected tuition revenue (we expect this to be the case and build a “risk pool” into the tuition revenue projection),
- Units may have generated a different percentage of total SCH, major enrollments, or degree majors than was expected based on data from the prior year.

Current ABB Distribution rules:
70 percent of net tuition operating fee revenue is distributed to schools and colleges on the Seattle campus; 30 percent is retained by the Provost and is used to support the basic functions of the University, including administrative functions and other shared services, the cost of utilities, and strategic investments in academic initiatives.

1. Of the 70 percent of net operating fee revenue from undergraduates that is distributed to units:
   - 60 percent is distributed based on Student Credit Hours (SCH).
   - 40 percent is distributed based on degree majors.

2. Of the net revenue from graduate and professional students that is distributed to units:
   - 20 percent is distributed based on SCH.
   - 80 percent is distributed based on major enrollments.

3. SCH are attributed to units not on the basis of the faculty member’s department; rather, they are attributed to units on the basis of the department(s) associated with a course’s responsible curriculum.

4. A single major, degree, or curriculum may be attributed to one or more units:
   - For example, a bioengineering major will count as one major for Engineering and one major for Medicine.

5. SCH from courses that are jointly listed by two departments will be attributed differently depending on whether the joint course offering is a “permanent” joint course or an “ad hoc” joint course section:
   - “Permanent” joint courses are recorded in the student information system as courses that are offered jointly, and one course is designated as the responsible course. SCH from this type of course will be attributed to the department(s) associated with the curriculum of the responsible course.
   - “Ad hoc” joint courses are courses that may be offered jointly, perhaps on an occasional basis. No responsible course is designated in the student information system for these courses, and SCH will be attributed to units on the basis of the curriculum under students enroll in the course.

**ABB Tuition Revenue Distribution Principles:**
The ABB Steering Committee has established a number of principles that describe how the tuition revenue generated by, and thus distributed to, a unit is determined.

1. Which fees are distributed under ABB,
2. Which programs are included in the ABB tuition distribution,
3. What the tuition categories are.

1. **Tuition Basics**
   There are several components of the total tuition and fees charged to students. ABB is used only to distribute net tuition operating fee revenue.
   Net tuition and operating fee revenue represents the actual revenue received by the University and is distributed, once any discounts, largely waivers and financial aid, are taken into account. The reduction of actual charges “gross revenue” to net revenue is explained below.

2. **Tuition-Based vs. Fee-Based Programs**
   Tuition-based programs are those that charge tuition at a level that is approved by the Board of Regents, using tuition-setting authority given to the Regents by the Legislature. Since declining state support of higher education means that students are paying an increasing portion of the cost of all instruction, programs that have historically been called “state-supported” are referred to here as “tuition-based”.
University of Washington offers some programs that have historically been called “self-sustaining.” Because they use University resources, these programs are not entirely self-sustaining. The term “fee-based” is used in this document to describe such programs.

The ABB methodology for distributing tuition revenue described herein pertains only to the distribution of net tuition operating fee revenue from tuition-based programs. It does not include fee-based programs.

3. Tuition-Based Programs – Tuition Categories
Each tuition-based program is associated with a particular tuition category. A student’s tuition category, along with the student’s residency, determines the tuition rate the student will be charged. Examples of tuition categories are Undergraduate, Graduate Tiers I-III, MBA, and Dentistry. Resident and Non-resident students in each tuition category pay differing amounts of tuition. In calculating the revenue to be distributed, revenue from resident and non-resident students in each tuition category is pooled. The revenue from each tuition category is then distributed according to the SCH, graduate/professional major enrollments, and (for undergraduates) degree majors of both resident and non-resident students in that tuition category. In other words, tuition revenue is pooled within tuition categories but is not pooled across tuition categories before it is distributed.

The Difference between Gross and Net Revenue
The amount of revenue that is distributed under ABB is not the total amount charged to students. It is only the operating fee portion of tuition. See the breakdown of fees in the Fee Setting Policies & Guidelines section below.

The sum of tuition operating fees charged to all students in tuition-based programs is called “gross operating fee revenue”. The factors that reduce gross revenue to net revenue:

- Some students are entitled, based on University policy or Washington statute, to have some portion of their tuition waived. In these instances, the waiver represents foregone revenue. Examples of such waivers are those granted to graduate teaching assistants and those for veterans.
- University policy also dictates that 4 percent of the total resident portion of tuition charged be used to pay for tuition waivers rather than for operations: 3 percent for students demonstrating need and 1 percent for those demonstrating merit.
- RCW 28B.15.820 requires that 5 percent of net collections be set aside for financial aid for students demonstrating need. Additionally, UW Regents may decide to increase the minimum set-aside. Any decision by the Regents to use tuition revenue to increase financial aid is included in these calculations; that is, such commitments to financial aid are subtracted from gross revenue.

ICR – Indirect Cost recovery allocation under ABB
Under ABB, 100% of ICR will be distributed to the units that generate it less 65% tax. This tax reflects the centrally funded share of general administrative and facilities cost. After the ABB tax, units will retain 35% of ICR generated.

- All indirect cost recoveries will be taxed at a rate of 65 percent.
- Distribution of ICR will be calculated in the April before the budget year begins based on the 12 months from April 1 to March 31 of the prior year.
- The calculation will be based on the actual rate – that is the Facilities & Administrative (F&A) recovery actually received on the unit’s grants.

Time Period Used for Calculations
ICR collected from April 1 of the prior year through March 31 of the current year provides the basis for the permanent change to the amount of ICR allocated for the coming year.

The owner of the budget at the time of March month end close will be used to attribute ICR to a unit.

**Miscellaneous Fees allocation under ABB**

Under ABB, the revenue from many of these fees will increasingly be distributed to the units that manage the process the fee is meant to pay for. The Office of Planning and Budget may designate other fee types as Miscellaneous fees in consultation with units affected.

- Transfer miscellaneous fees to non-central units (self-sustaining budgets in the unit).
- Apply the Institutional Overhead charge to miscellaneous fees revenue transferred to non-central units.
- Central allocations to units will be adjusted to reflect the net impact of receiving the fee income directly.
- Additional fees may be added to this list and handled in the same manner.
- Course and class fees currently charged by units directly and not considered miscellaneous fees under ABB.
- Will retain the Building fee centrally since this helps fund facilities costs for which central units retain responsibility.

### Examples of Miscellaneous Fees are

<table>
<thead>
<tr>
<th>Budget</th>
<th>Budget Name</th>
<th>Proposed Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-1250</td>
<td>Graduate Student on leave Inc</td>
<td>Retain centrally</td>
</tr>
<tr>
<td>50-1373</td>
<td>Undergraduate Application Fee</td>
<td>Student Life</td>
</tr>
<tr>
<td>50-1374</td>
<td>Graduate School Application Fee</td>
<td>Grad School</td>
</tr>
<tr>
<td>50-1375</td>
<td>Law School Application Fee</td>
<td>Law School</td>
</tr>
<tr>
<td>50-1378</td>
<td>Pharmacy School Application Fee</td>
<td>Pharmacy</td>
</tr>
<tr>
<td>50-1380</td>
<td>WAMI Fee</td>
<td>SOM</td>
</tr>
<tr>
<td>50-1396</td>
<td>Returning Student Application Fee</td>
<td>Student Life</td>
</tr>
<tr>
<td>50-1510</td>
<td>Library Fines</td>
<td>Library</td>
</tr>
<tr>
<td>50-2591</td>
<td>Dental School Application Fee</td>
<td>Dentistry</td>
</tr>
<tr>
<td>51-1614</td>
<td>Miscellaneous Receipts</td>
<td>Retain centrally</td>
</tr>
</tbody>
</table>

The hyperlink to [ABB manual](#) will provide more details on ABB and its methodology.
Budget Policies and Procedures
**Setting Policies & Guidelines**

University of Washington fees are varied not only in definition and application, but also in the process used to set or increase them. This manual covers educational & academic fees exclusively, and the process by which those fees are established or changed.

State law gives the UW Board of Regents broad authority to set various fees that are necessary to run the University. However, any fee that would apply to all students is within the statutory definition of tuition unless it is within one of the specific categories of charges that are expressly excluded from that definition (such as the Services and Activity fee, the Technology fee, and others as noted below). As a practical matter, this means that any fee imposed on all students has to be explicitly approved by the Legislature.

As part of their budget submissions to OFM and the legislature, higher education institutions must submit proposed percentage increase limits for various fees, by category. Language authorizing the Board of Regents to increase various categories of fees is included in the operating budget bill; this language authorizes the Regents to increase fees by amounts that the Board determines to be “reasonable and necessary.” The Regents approve the general fee increase limits proposed by the UW as part of its approval of the university’s state budget request; these fee increase limits are also approved by the Board of Regents as part of its approval of the UW’s annual budget.

Below are fee categories, linked with statutory definitions, approval procedures, and general funding purposes.

<table>
<thead>
<tr>
<th>Name</th>
<th>Purpose</th>
<th>Approved By</th>
<th>Statutory Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Fees</strong> (Primary component of core tuition fee)</td>
<td>Fee charged to students to cover expenses related to instruction</td>
<td>Board of Regents after consultation with President, Provost and OPB</td>
<td>Operating Fees are meant to cover educational expenses, but not expenses for:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Short courses.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Self-supporting degree programs and courses.</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>• Individual instruction student deposit or rentals.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Disciplinary and library fines, which colleges and universities shall have the right to impose.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Laboratory, gymnasium, health, technology and student activity fees.</td>
</tr>
<tr>
<td><strong>Building Fee</strong> (Secondary component of core tuition fee)</td>
<td>Fee Designated to pay for bonds, preventative maintenance, etc.</td>
<td>Board of Regents</td>
<td>By Statue, a specific percentage of operating fees is credited to the UW building account and shall be used exclusively for the purpose of erecting, altering, maintaining, equipping or furnishing buildings.</td>
</tr>
</tbody>
</table>
| Services & Activities Fee | Pays for Registered Student Organizations (RSO), Hall Health Services, other student services | Board of Regents, after consultation with President, Provost, OPB and student leadership. | In Statute, S&A fees are meant to recover expenses for:  
• Funding student activities & programs of their particular institution, or  
• The payment of bonds issued for or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing or installing any lands, buildings or facilities. |
| **Technology Fee** | Money designated to pay for technology services/software etc. on campus | Board of Regents, student technology committee | Revenue from this fee must be used exclusively for technology resources for general student use. |
| **Application Fee** | Charged to students applying to the University of Washington undergraduate or graduate programs | Board of Regents in consultation with Admissions | Application fees might be waived in a case by case basis and are considered “Other academic fees” expressly unrelated to the expenses encumbered by the university to provide instruction. |
| IMA bond fee, UPASS Fee | Fee charged for debt service or specific expenses | Student, Board of Regents approval | Allowed under Services & Activities statute. |
| **Course Fees** | Fees directly related to the cost of operating a specific course | If less than $50, the fee is approved by the President, who has designated course fee approval to the OPB. | In 2011, course fees ranged from $5 to $3,173; the average fee was $85. About 4% of classes have course fees. There is an |
This hyperlink will lead to the Fee Setting and Course Fee policy in detail.

**Deficit Policy**

**Policy Statement**
All funds must be spent in accordance with University policy. Authority to spend funds brings with it the responsibility for effective fiscal management. All units should meet operating needs within their available budget. All deficits in University of Washington budgets must be cleared in a timely way. Depending on the type of budget, deficits must be cleared at either the close of the biennium, the close of the fiscal year, or the end of a grant/contract period.

The procedures available to resolve deficits will vary depending on the type of budget involved. For budgets other than grant, contract and gift budgets, deficits may be resolved by transferring budgeted funds between budgets within the same fund type, or by transferring expenditures between fund types (if allowable).

Under special circumstances approved by the Provost, deficits in non-grant and contract budgets may be carried forward from one fiscal year to the next if an authorized deficit resolution plan is in place and the unit is in compliance with the plan, or if the unit is in compliance with the UW recharge policy. This circumstance is expected to be rare and approval will be on an exceptional basis.

If deficits are not cleared in a timely manner, the Office of Planning & Budgeting will impose procedures for clearing the deficit as outlined in the “Deficit Resolution Procedures” section of this policy statement.

**People affected by this policy**
Administrative Officials (including but not limited to: chancellors, deans, vice provosts, vice presidents, department chairs, program directors, principal investigators and financial administrators).

**Administrators of this Policy**
- Office of Planning & Budgeting.
- Financial Management.
- Administrative officials in units who have financial responsibility and authority for one or more budgets.

**Procedures**
All funds must be spent in accordance with University policy. Authority to spend these funds brings with it the responsibility for effective management. The following are included in this responsibility:

- Avoidance of cost overruns, unallowable cost and cost transfers.
- Identification of additional funds, if needed.

Unit financial managers are responsible for monitoring financial activity and for reporting deficits to the appropriate administrative official. All institutional units are expected to operate within their budget allocations. The administrative
official is responsible for resolving any deficits in a timely manner. Generally, deficits should be resolved within 90 days or, for deficits arising in the last quarter, by the fiscal year end. Deficits less than $5,000 may not be carried forward into the next fiscal year unless the activity is covered by, and the deficit falls within, tolerance levels set by the campus recharge policy. Under certain circumstances, multi-year contract and grant funds may also carry forward a deficit. Deficits greater than $5,000 must be eliminated or reduced significantly by fiscal close and any remainder may be carried into the next fiscal year only if the campus unit has a written deficit resolution plan approved by the Vice Provost of the Office of Planning & Budgeting.

Similarly, deficits above tolerance for activities covered by the campus recharge policy, or deficits higher than total future anticipated funding for multi-year contract and grant funds, will require a written deficit resolution plan for approval by the Provost. The Provost must approve all plans to carry forward deficits into the new fiscal year; otherwise they will be cleared in accordance with the procedures described below. Chancellors, deans, vice presidents, vice provosts, and their delegated representatives are responsible for monitoring funds under their purview. They review and approve written deficit resolution plans submitted by administrative officials. They then monitor the funds in deficit to make sure the deficit resolution plan is followed.

The Provost works with chancellors, deans, vice presidents, vice provosts, and appropriate administrative officials to resolve significant deficits or deficits that will take an extended period of time to resolve.

These hyperlinks will lead to the Deficit policy and Deficit Resolution Plan in detail.

**ICR (Indirect Cost Recovery) Guidelines**

Indirect Cost Recovery rates (commonly known as F&A) are negotiated or specified by the awarding agency. These rates acknowledge and represent reimbursement to the University for infrastructure costs associated with the conduct of sponsored research.

The Federal ICR rate is divided in two portions, Facilities and Administrative. The University currently returns a portion of the ICR to the units that generate the research activity (formerly referred to as Research Cost Recovery). Under ABB 100% of ICR will be distributed to the units that generate it less 65% tax. The tax reflects the centrally funded share of general administrative and facilities cost. Units will retain 35% of ICR.

**Carryover Policy**

Carryover funds are defined for this purpose as General Operating Fund (GOF) and Designated Operating Fund (DOF) budget authority allocated in a given biennium that remains unspent at the end of the prior biennium. Under current policy, these funds are given back to units in the form of temporary DOF funds.
However, during FY15 a carryover policy was developed for administrative units. Administrative units are asked to do several things on an annual basis during autumn quarter, as part of the Provost’s budget process. A spending plan is to be submitted using the guidelines below:

1. **Reserve 10 percent of their permanent ABB base (GOF and DOF ONLY)**

   It is recommended that units hold 10 percent of their permanent base as an emergency reserve. This “emergency” reserve will be calculated annually and derived from the previous June/July’s ABB base budget information to units. These figures will be published by OPB.

2. **Set-aside “central” commitments from the reserve**

   For this purpose, central commitments are defined as those coming from OPB, the President and/or the Provost. A list of these commitments will be provided by OPB to administrative units during the budget call process. The list will come from OPB’s commitments database. If additional commitments have not been entered into OPB’s database because OPB does not have knowledge of them, then the administrative unit will provide information to OPB for this purpose.

3. **Explain any remaining temporary carryover balance by providing a list of intended use(s)/purpose(s) (i.e. a spending plan)**

   These will be differentiated according to intended use along the following lines:
   - Permanent expenditures funded with temporary funds.
   - Possible multi-year commitments.
   - Immediate, current year use.

   The detailed spending plan (item #3), will be made available to OPB and the Provost annually. OPB will provide this information to the Provost as an inventory for each unit. However, depending on the Provost’s wish to review general plans and not detailed lists, the inventory would be summarized in a high-level template by the categories listed above. We recommend that units be given the opportunity to outline how these plans align with strategic plans for their own unit as well as for the University generally. Units will be given a chance to outline the implications of not doing the work outlined in their spending plans. Spending plans should be discussed in conjunction with requests for Provost Reinvestment Funds.

For the first year of this policy’s implementation, during development of the FY16 budget, units submit spending plans for FY 15. OPB will monitor carryover balances at biennium close (summer 2015) to compare remaining balances against submitted spending plans.

Annual budget materials would henceforth require that units account for unchanged or growing carryover balances. Administrative units that fail to spend according to their spending plans would provide formal justification to the provost before the provision of additional funds for salaries, benefits, reinvestment funds, etc. Units will be asked specifically how their spending trends reflect their prior year’s spending plan commitments. Permanent and/or temporary reinvestment fund allocations may be withheld if trends don’t reflect commitments from units.
Units need to understand that if spending patterns do not change over time, the Provost may exercise her rights to not return temporary carryover balances back to the units.

This hyperlink will lead to the Carryover policy in detail.

Schools, colleges and other campuses (Bothell & Tacoma) are asked to provide their plan of carryover usage to the provost annually, and are advised to reduce their carryover to 10% of their carryover base.

**Institutional Overhead Policy**

**Overview**

Operating costs can be broken down into two categories: direct, and indirect or overhead. Direct costs are those charged to the benefiting function or organization. Costs generally applicable to a function but not charged directly to that function are referred to as indirect or overhead costs. Typically these are costs which benefit more than one function or organization and for which there is no convenient unit of measure to allocate the cost to the benefiting functions or organizations.

Overhead costs are legitimate costs of conducting the business of the University. Failure to recognize and properly apportion overhead costs results in hidden subsidies to some programs or users. While the University may wish to subsidize certain programs as a matter of policy, these subsidy decisions should be explicit and considered in the biennial budget process. This policy applies to overhead charges on cash income from sales of supplies and services and rental income.

**Overhead Costs to Be Recovered**

The University intends to recover the following types of overhead costs:

1. **Building Use**
   The costs to be recovered are: building construction and major renovation, as well as alteration costs which are centrally funded. Minor renovation and alteration costs paid by departments are not included. Note: This category excludes buildings purchased from other than General Capital funds.

2. **Physical Plant Operations and Maintenance**
   This category includes the following:
   - Maintenance of buildings, roads, and grounds.
   - Custodial services.
   - Utilities.
   - Support services such as facilities planning, energy management, environmental health, and security services.

3. **Institutional Support**
   This category includes the following:
   - Executive management.
   - Fiscal services.
   - Support services such as data processing, risk management, and human resources.
- Logistical services such as communications, purchasing, and equipment inventory control.
- Community relations.

**Method of Recovering Overhead Costs**

The standard method of recovering overhead costs is by charging a campus-wide average rate to the unit's revenue from sales of goods and services to cash customers. Overhead is **not** charged on internal billing transactions between campus units using the Cost Transfer Invoice (CTI) form or the Internal Sales Document (ISD) form. In special cases, an alternative method may be considered by determining a fixed amount of overhead to charge or by directly charging for specific overhead services.

**Overhead Rates**

Overhead rates are calculated by the Budget Office based on the proportion that the costs to be recovered bear to total University costs. The calculation produces a University-wide rate which will apply to revenue received by all campus units unless specific exemptions are provided. Special rates will be calculated for those units which provide their own overhead services or reimburse the University for those services. Campus units whose principal facilities were not constructed from General Capital funds (e.g. the Parking Division) will have the building use component excluded from the overall rate. The University of Washington has two rate categories, on-campus and off-campus. The on-off campus assignment is determined by location of the preponderance of effort.

<table>
<thead>
<tr>
<th>Self-Sustaining</th>
<th>Self-Sustaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seattle Campus</td>
<td>Educational Outreach</td>
</tr>
<tr>
<td>On-Campus</td>
<td>Off-Campus</td>
</tr>
<tr>
<td>15.60%</td>
<td>5.92%</td>
</tr>
<tr>
<td>15.32%</td>
<td>5.82%</td>
</tr>
</tbody>
</table>

**Overhead Exemptions**

The Budget Office will determine the appropriate rate for self-sustaining enterprises when the budgets are established. The full overhead rate will apply to each self-sustaining budget unless the Budget Office approves a formal request for an exemption that meets the exemption requirements of the overhead policy. The burden of proof is on campus units to show that they should be granted an exception. Exceptions will be considered in the following areas:

1. **Impact to University's Instruction Program**
   When charging overhead costs results in an unacceptable impact to the University's state-funded instruction program.

2. **Impact on Students**
   When charging overhead results in an unacceptable impact on students receiving instruction in the University's state-funded instruction program. The University subsidizes the instructional expenses for regular enrolled students and, therefore, should likewise subsidize, at least partially, instructionally related expenses.

3. **Passthrough or Convenience Accounts**
   For passthrough or convenience accounts to the extent that cash revenue is collected and passed to a non-University service or product provider. However, an overhead charge may be collected for use of campus services.
4. **Restrictions Prevent Imposition of Overhead Charges**
   Under this exception a general overhead charge would not be assessed if clearly legally prohibited. Temporary exemptions may be granted to units which have rates fixed by contract or agreements with external parties. Where legal or other conditions constrain overhead charging, the option of charging specific transaction and/or service fees (e.g., an amount charged per payroll check) may be considered.

5. **Partial Exemptions for Passthroughs**
   Under the passthrough exemption mentioned in Section 5.c., overhead is not charged on certain revenue received and expended for the convenience of the individual making the payment, if that revenue is merely passed through the University's records to a commercial supplier or service provider. Generally a transaction is considered a passthrough if the individual customers could have purchased the product or service themselves but, as a convenience, the University purchased it for them. In effect, the revenue and expenses are "passed through" the University but are treated as transactions between the individuals and the off-campus supplier. Since the University provides very little in the way of services to the customer in these transactions, no overhead is charged. The most common partial pass-through are lodging, meals, and textbooks purchased by continuing education programs for, and included in the fees charged to, participants. This provision does not apply to situations in which the item or service provided to the customer is the major purpose of the transaction. This would be the case with film processing sold to the campus community by a campus unit but subcontracted to a commercial photographic laboratory, or supplies purchased by a campus unit for resale.

Annually, in May, the Budget Office will request passthrough information from schools and colleges. The amount of passthrough expenditures for the prior year will be compared with the revenue in each of the affected budgets for the same period. Overhead rates for the forthcoming year will be reduced by that proportion.

**Overhead Application**

Schools and colleges are notified of the applicable overhead rate by the Budget Office at the time a budget is established and thereafter when changes occur. That rate is to be added to the unit's costs in determining fees charged to users or customers.

Overhead will be charged on cash income from sales of supplies and services, and rental property. The following revenue classes contain this type of cash income:

- 9402—Income from property.
- 9420—Sales of supplies, materials, and services.
- 9424—Tuition and fees.
- 9430—Dedicated student fees.
- 9431—Miscellaneous student fees.
- 9499—Other revenue.

Quarterly, the Budget Office will prepare a Journal Voucher (JV) to charge (or adjust) institutional overhead based on the revenue received by self-sustaining budgets in the previous quarter.

**Overhead on Agency Accounts**
The full University-wide overhead rate is charged on expenditures in agency accounts. Student, faculty, and staff-related agency accounts may request an exemption from overhead charges. Exemptions are normally granted for scientific and professional journal editorship accounts.

This hyperlink will lead to the Institutional Overhead policy in detail.

**Fixed Cost charge**

A fixed cost is a cost that is charged to the units for recovering the payments made by the central University.

The cost is a fixed cost only for the units but it is actually a variable cost to the central administration. If the budgeted fixed cost level is over-expended the central administration covers the over-expenditure and if the budgeted level is under-expended, the savings accrues centrally. The unit in which the budget is housed does not suffer financially if the costs come in higher than budgeted and does not benefit financially if the costs come in lower than budgeted.

One of the most common fixed cost expenditure example is utilities budget. Other examples are:

- **Revolving Funds Budget** – These are payments that the UW makes to other state agencies (Agency’s office for Attorney expenses, department of Personnel for services provided).
- **Management Fees** are the custodial and other investment related fees that we pay to the outside entities who manage some part of our invested fund dollars.
- **Sick leave buyout** – Central budget that pays for sick leave buyout for employees who retire and buyout a portion of their accumulated sick leave.

Fixed cost budgets are coded in the system with a value of 0-7. The ones coded 2-6 are considered “Fixed Costs” and the unit they are housed in- administers them but is not responsible for overages and does not benefit from any surplus left in the budget. The budget value in these accounts is determined by historical expenditures or projections from the unit.
UW’s FINANCIAL ACCOUNTING SYSTEM
**FAS (Financial Accounting System) Introduction**

FAS is University of Washington’s primary financial accounting system and was implemented in 1974. All financial transactions flow through FAS even when the transaction originated in another system such as the eProcurement or Payroll system. Systems such as Enterprise Data Warehouse (EDW) and MyFinancial.desktop (MYFD) consume information from FAS to produce financial reports.

UW legacy systems, web based systems and other financial systems are listed below:

1. **Enterprise Data Warehouse (EDW)**
   EDW is a central repository of the University’s electronically stored institutional data. This repository is organized in a way that is meaningful for business analysis, reporting and decision-making. EDW2 represents the next generation of data available in the Enterprise Data Warehouse. Data added to the EDW2 are designed and built to support quick and easy user interaction. Business rules are reflected in the data and the data are cleaned, defined, and integrated across subject areas to represent an institutional perspective. Tools such as reports, cubes and visualizations are created to facilitate ease of interaction.

2. **Financial Index Network (FIN)**
   FIN is a component of FAS, and is a set of on-line financial accounting screens that allow the user to view financial accounting information that originates in FAS and financial indexes that are an integral part of FAS processing. This provides read-only access to revenue and expenditure transactions, index of budget numbers, and links to data on encumbrances financial coding, and payroll load rates.

3. **Budget Driver (BGT)**
   BGT is a legacy system that was implemented in 1983 and is supported by UW-IT. The Budget Driver system is an online budget building and monitoring tool. BGT is a collection of budget transactions maintained throughout the biennium to keep budgeted levels current.

4. **My Financial.desktop (MYFD)**
   MyFinancial.desktop is a web interface for the FAS. MYFD provides users a means for monitoring budget balances and reconciling transactions. MYFD users can build custom reports, use the budget worksheet to plan for future budget activity and transfer posted salary and non-salary expenses online. MYFD also includes a project cost accounting (PCA) system that allows UW departments to monitor expenditures, report revenue, and track a variety of other data.

5. **Ariba Network System**
   UW is transitioning from its legacy purchasing system (PAS) to Ariba eCommerce platform for its procurement transactions. Ariba reports are available for various categories of data and are useful to departments for reviewing eProcurement orders, tracking invoices, reviewing reimbursement payments and payments to individuals.

6. **JD Edward – Grant and Contract Accounting System**
   JD Edward was implemented in November 2004 to manage accounts receivable, accounts receivable aging, and cash management for sponsored funding. Its purpose was to enhance the billing process, improve cash flow, and increase productivity.
7. **Payroll System (HEPPS)**  
UW Payroll database system which provides information on individual faculty and staff payroll including current funding allocation and funding history by each payroll period and by budget number.

8. **Student Database (SDB)**  
Database to manage student registration, transcripts, tuition, scholarship activity and class offerings and lists.

### Key components of FAS (FUND, ORG, and OBJECT & PROGRAM Codes):

#### UW FAS FUND
All funds in the University accounting system are categorized into Major Fund Groups which are as follows:

**10 EDUC & GENERAL REG U**  
Local and appropriated operational funds including self-sustaining units, tuition, internal service units.

**11 HOSPITAL**  
Operations of UWMC, UWM ITS, and courtesy budgets for ALNW & NWH for handling intercompany transactions.

**14 AUXILIARY ENTERPRISE**  
Operations of auxiliary enterprises such as Housing & Dining, ICA, Parking, Recreational Sports, non-HFS student housing (Radford Court, Commodore Duchess & Nordheim Court).

**15 SELF INSURANCE**  
Funds to record transactions related to the Self-Insurance fund and the UW’s captive insurance company PBI.

**20 GRANT, CONTRACT, STUDENT FINANCIAL AID**  
Funds to record activity on Sponsored projects, Gifts, Royalties, Scholarships & Fellowships and discretionary Budgets.

**30 LOANS**  
Student loan fund.

**40 ENDOWMENT**  
Fund where investments managed by State Investment Board & CEF is recorded. Also includes the Metro tract.

**45 LIFE INCOME/ANNUITY**
Annuity & Life: Donors/beneficiaries agreements in which they receive income for their lifetime or for a stated Term, with the University receiving the remaining principal. The University records an asset related to these agreements at fair market value.

62 UNEXPENDED PLANT FUND
Unexpended plant – Funds set aside for creation of capital assets. These are where CPO’s 40 budgets are and the new intangible asset project budgets will be.

66 BOND RETIREMENT
Fund used to repay some external debt not in the ILP – Law school bonds, MoE, IMA bonds.

68 INVESTED IN PLANT
Fund where the completed capital asset, related accumulated depreciation and debt (external debt for capital leases & internal debt from ILP) are recorded.

70 AGENCY
Activity of entities that utilize UW systems for payroll, purchasing, etc. that are not UW. Largest agency is Harborview, a King County agency managed by UW.

81 INTERNAL LENDING PROGR
Internal lending program that aggregates financing needs for capital projects for UW departments and securitizes them in a General Revenue Bond sold on the bond market. The ILP that enters into agreements with the departments to finance capital projects.

Some UW funds might have the same fund code as OFM (Office of Financial Management). A crosswalk of Operating State Fund against the UW funds is available.

The hyperlink leads to the fund by fund group in detail.

Organization Codes
Organizational Code is a ten-digit code that represents the University organizational structure in FAS since 1975. When referenced on the Budget Index the Organization Code relates a budget number to an Organizational Unit. It is capable of identifying hierarchical relationships through six organizational levels.

<table>
<thead>
<tr>
<th>Level</th>
<th>Designation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>President/Provost</td>
<td>Top administrative areas</td>
</tr>
<tr>
<td>2</td>
<td>Dean/Vice President</td>
<td>Major organizational divisions(Colleges, Vice president divisions)</td>
</tr>
<tr>
<td></td>
<td>Major Areas</td>
<td>Programmatic or organizational divisions</td>
</tr>
<tr>
<td>---</td>
<td>-------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Departments/Offices</td>
<td>Primary Operating Units</td>
</tr>
<tr>
<td>4</td>
<td>Division</td>
<td>Sub-disciplines or sub-specialties within a department or unit</td>
</tr>
<tr>
<td>5</td>
<td>Sub-Division Level</td>
<td>Specialized research, teaching or service activities</td>
</tr>
</tbody>
</table>

- (1) President's Level (org_pres) - A broad grouping of units according to top administrative areas of responsibility or major class of programs.
  1-00-00-00-0
- (2) Dean/Vice President's Level (org_dean) - Major organizational divisions usually headed by an officer reporting to the President (colleges, schools, vice president divisions).
  1-02-00-00-0
- (3) Major Level (org_major_area) - Programmatic or organizational partitioning of major organizational divisions (organizational dependent).
  1-02-03-00-0
- (4) Department Level (org_dept) - Primary operating unit of the University, usually designated as a department in academic units and as an office in administrative units.
  1-02-03-04-0
- (5) Division Level (org_division) - Academic sub-disciplines or sub-specialties contained within a department and functional/organizational division of large administrative/service units.
  1-02-03-04-05-0
- (6) Sub-Division Level (org_division) - org_sub_division) - Specialized research, teaching or service activities, e.g., the research activities of a single Principal Investigator; the training/research/patient care activities conducted at affiliated hospitals.
  1-02-03-04-05-6

The hyperlink leads to [FinOrg Key Structure](#) in detail.

**Budget Number**

Budget numbers are assigned as FAS accounts to facilitate record keeping for entities. A six digit control number (xx-xxxx) is assigned to a particular college, department or entity in order to keep track of revenue and expenditures. Also, certain budgets are grouped to identify whether they are categorized as state, self-sustaining, or grant & gifts.

The hyperlink will lead to the [Budget Number Index](#).

**Budget Types/Classes**

Budget Type and Budget Class provide a general category/subcategory classification of budget numbers based roughly on type of funding. Budget Type is a 2-digit code that facilitates monitoring and reporting of University budget and funding.
Budget Class is a 2-digit extension of Budget Type. It adds subcategories within the Budget Type groupings. Budget Class designations are meaningful only within the context of a Budget Type; they are not used by themselves.

**Object Code**

Object Codes are six-digit numbers that are used to categorize actual expenses, budgeted amounts of expenses, and encumbrances into categories that describe the nature of goods or services purchased. For example 05-30-00 is books and pamphlets.

The first two digits (major object) represent the major groupings of expenditures. These are listed below:

| 01 Salaries and wages | 07 Employee benefits | 13 Bad debts |
| 02 Contracted services | 08 Scholarships and awards | 14 Inventory adjustments |
| 03 Other services | 09 Debt redemption | 15 Depreciation |
| 04 Travel | 10 Capital projects (construction) | 19 Intra-agency payments (within UW) |
| 05 Supplies and materials | 11 Internal overhead | 20 Inter-agency payments (between UW and other state agencies) |
| 06 Equipment | 12 Capital projects expensed (repairs) | 21 CTI’s (credit side) |

(Codes above 21 are for special use.)

The second two digits (sub-object) provide more detail within major categories. For Example, 05-30-00 means books and pamphlets, a specific type of supplies & materials.

The last 2 digits, (sub-sub-object code) are for departmental use in tracking expenditures in a more detailed way. These are codes that may be assigned by individual departments and do not carry the same meaning across departments.

All six digits of an object code must be entered; in other words, the sub-sub-object cannot be left blank. Sub-sub-object 00 is used when no particular sub-object coding is intended.

Any object code can be used on any Budget Number, unless the budget status is “revenue only” or there are specific FAS processing edits in place (there are not many of these).

Transactions will reject in FAS if the conditions above are violated, so it is important to know the “status” of the budget when coding expenses.

The hyperlink will lead to the Object Code structure in detail.

**Program Codes**

Program codes are purpose codes used to classify a financial activity by function, and are assigned to a budget number. Examples of commonly used program codes are

010 – Instruction: Consists of formal instructional activities available to students seeking to complete an academic, professional, adult basic education, vocational or occupational curriculum or desiring to continue their education through non-credit instructional programs.

013 – Special Session Instruction.
014 – Community Education.
015 – Extension Education.

020 – Research: Consists of all research-related activities undertaken within a higher education institution and conducted with separately budgeted funds, excluding grants and contracts funds. This program does not include those activities normally considered a part of professional development, such as journal reading and other independent, non-separately funded, and non-release time activities of faculty members.
- 021 – Agricultural Research Centers & Institutes.
- 022 – Other Institutes & Research Centers.
- 023 – Individual or Project Research.

030 – Public Services: Consists of activities established primarily to provide non-instructional services beneficial to groups external to the institution. Such activities include seminars, projects and various organizational entities established to provide services to particular sectors of the community.
- 031 – Community Services.
- 032 – Cooperative Extension Service.

040 – Primary Support Services: The Primary Support program encompasses those activities which directly serve the instruction, research and public service programs. It includes the retention, preservation, and display of materials and the provision of services that directly assist the academic functions of the institution. These activities are organized into the sub-programs of Academic Computing Services, Ancillary Support Services, and Academic Administration.
- 041 – Academic Computing.
- 042 – Ancillary Support Services.
- 043 – Academic Administration.

050 – Libraries: Consists of activities relating to the retention and display of materials and the provision of services which support the three primary programs of instruction, research and public service.
- 051 – Learning Resources.

060 – Student Services: Consists of social and cultural services and institutional management activities relating directly to students, but not a part of formal instruction.
- 061 – Basic Student Services.
- 062 – Educational Opportunities Programs.
- 063 – Other Special Programs and Services.

070 – Hospitals: Consists of activities associated with the operation and management of hospitals.
- 71 - University Medical Center.
- 072 - Harborview Medical Center.
080 – Institutional Support: Institutional Support consists of activities whose primary purpose is to provide operational support for the ongoing functioning of the University, excluding expenditures for physical plant operations and maintenance.

- 081 - Institutional Management.
- 082 - Fiscal Operations.
- 083 – General Support Services.
- 084 – Logistical Services.
- 085 – Community Relations and Development.

090 – Plant Operation and Maintenance: This program accounts for the activities of maintenance, repairs and services to campus buildings, grounds, and utilities; operation of the central power plant; transportation, trucking and waste disposal services; energy management; environmental health and safety; the campus police department; and the fire prevention program. Engineering design, estimating, and consulting services related to these functions are also included as well as engineering consulting services to assure compliance with the regulations of the Washington Industrial Safety Act, Department of Ecology, Environmental Protection Agency, and other federal, state, and municipal regulatory agencies. Also included are maintenance and utilities costs for state-supported facilities remote from the main campus.

- 091 - Utilities and Other Fixed Costs.
- 092 – Building and Utility Maintenance.
- 093 – Custodial and Grounds Services.
- 094 – Operation and Maintenance Support.
Appendix

SLAP Method

Before FY11, the UW employed a process called the “SLAP” method, which recorded expenses in salary and benefits to fund 001 in the first several months of a biennium. After funds were exhausted, these expenses were recorded to fund 149. To allow this process to work, non-proviso GOF budget numbers were set up with dual funds (001 & 149).

SLAP to JV History

UW IT provided detailed information about the controls used to initiate transactions rolling to various funds before the UW transitioned to its new allotment and spending methodology. The process used by UW before biennium 2013-15 was known on the UW campus as the “SLAP method.” UW IT refers to this earlier method as the SLAP program, AM11081:

*Information from OIM (Jerry Fritz), sent August 2014.*

SLAP Control switch is set in the parameters for each night’s run and is in card column #29 in the SS1 parameter file:

- "0" = Payroll to fund 001 and others to 149
- "1" = all transactions to 001 (state)
- "2" = all transactions to 149 (local)
- "3" = special year end -- all current year transactions to 001 (state) - all prior year transactions to 149 (local)

Before biennium 2013-15 (or, transactions from 7/1/13 through 6/30/15) **OIM would get requests from Financial Accounting when the value of the parameter needed to change.** Since the beginning of this 2013-15, the value has stayed at "2".

SLAP to JV Method Records

Below are the settings for Biennium-2009 (transactions from 7/9/09 - 7/6/11):

- SLAP value of "0" for Month-25 processing on 7/8, 7/10, 7/13, 7/15, 7/16, 7/17, 7/20, 7/22, 7/24, 7/27, & 7/28.
- SLAP value of "1" for Month-01 processing on 7/9, 7/14, 7/21, 7/23, 7/29, & 7/31.
- SLAP value of "0" for 11/4/09, and from 11/6/09 through 3/10/10.
- SLAP value of "2" from 3/11/10 through 7/6/10.
- SLAP value of "3" from 7/7/10 through 7/30/10 (for Fiscal Year/End).
- SLAP value of "2" from 8/2/10 through 7/6/11.

Below are the settings for Biennium-2011 (7/7/11 thru 7/5/13):

- SLAP value of "0" for Month-25 processing on 7/08, 7/12, 7/13, 7/15, 7/18, 7/20, 7/21, & 7/25 through 7/29.
- SLAP value of "2" for Month-01 processing on 7/11, 7/14, 7/19, & 7/22.
- SLAP value of "2" from 8/1/11 through 7/5/12.
• SLAP value of "3" for first 2 special Month-13 runs (Fiscal Year/End) on 7/6/12.
• SLAP value of "2" for regular run on 7/6/12, then from 7/9/12 through 7/5/13.

Below are the settings for Biennium-2013 (7/8/13 through 7/6/15?):

• SLAP value of "2" for Month-25 processing on 7/09, 7/11, 7/12, 7/15, 7/17, 7/19, 7/23, 7/24, & 7/26 through 7/31.
• SLAP value of "2" for Month-01 processing on 7/11, 7/16, 7/18, 7/22, & 7/25.
• SLAP value of "2" from 8/1/13 through current.

In August 2010 (August 2, 2010) the UW transitioned to a system where all expenses in GOF budgets were recorded to fund 149 and a monthly journal voucher, or JV, dictated how much expense moved from 149 to 001. This method is used today and has the effect of recording negative expense to 149 to capture the amount moved to 001 on a monthly basis. On the 001 side, expense is capture in org 404.

However, when pulling org-level expenditure data for the above funds (001, 149, 08A) one must be cognizant of the SLAP process and its effect on expenditure data. All funds must be pulled to get an accurate portrayal of “GOF” expenditures over time. Additional information about Education Legacy Trust is included at the end of this chapter.

The following figure, produced by Financial Accounting, can be used to consider how the SLAP to JV process affected org-level expenditure data over time:
<table>
<thead>
<tr>
<th>SLAP</th>
<th>MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>FUND 149</td>
<td></td>
</tr>
<tr>
<td>Org 1</td>
<td>100</td>
</tr>
<tr>
<td>Org 2</td>
<td>150</td>
</tr>
<tr>
<td>Org 3</td>
<td>125</td>
</tr>
<tr>
<td>Org 4</td>
<td>150</td>
</tr>
<tr>
<td>Org 5</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>

| FUND 001 |   |   |   |   |   |   |   |   |   |   |   |   |       |
| Org 1  | 100 | 100 | 100 |       |       |       |       |       |       |       |       | 300 |       |
| Org 2  | 150 | 150 | 150 |       |       |       |       |       |       |       |       | 450 |       |
| Org 3  | 125 | 125 | 125 |       |       |       |       |       |       |       |       | 375 |       |
| Org 4  | 150 | 150 | 150 |       |       |       |       |       |       |       |       | 450 |       |
| Org 5  | 100 | 100 | 100 |       |       |       |       |       |       |       |       | 300 |       |
| Total  | 625 | 625 | 625 | -     | -     | -     | -     | -     | -     | -     | -     | 1,875 |       |

<table>
<thead>
<tr>
<th>JV</th>
<th>MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>FUND 149</td>
<td></td>
</tr>
<tr>
<td>Org 1</td>
<td>100</td>
</tr>
<tr>
<td>Org 2</td>
<td>150</td>
</tr>
<tr>
<td>Org 3</td>
<td>125</td>
</tr>
<tr>
<td>Org 4</td>
<td>150</td>
</tr>
<tr>
<td>Org 5</td>
<td>100</td>
</tr>
<tr>
<td>Org 404</td>
<td>156</td>
</tr>
<tr>
<td>Total</td>
<td>469</td>
</tr>
</tbody>
</table>

| FUND 001 |   |   |   |   |   |   |   |   |   |   |   |   |       |
| Org 1  | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |       |
| Org 2  | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |       |
| Org 3  | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |       |
| Org 4  | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |       |
| Org 5  | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |       |
| Org 404 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 1,875 |
| Total  | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 1,875 |