

Subject: Invested Funds Distribution to Capital Projects

Effective Date: January 24, 2018

Responsible Offices: UW Financial Accounting and Office of Planning & Budgeting

OVERVIEW AND PURPOSE

The invested funds (IF) of the University of Washington is a pool consisting of the University's operating funds and campus depositors have access to their funds upon demand with central administration assuming all market risk for the underlying investment strategies. Investment income provides a source of financial support to campus depositors and distributions are made annually at the end of each fiscal year. Distribution rates are determined by UW Finance and the Provost, and the net available, after distributions to campus depositors, is allocated to the Provost, who spends the income in the DOF pool on required costs such as utilities, compliance issues, research support, legal expenses, compensation, etc.

In the past, capital projected listed on the One Capital Plan funded fully, or partially, with gifts from outside entities or donors would receive the campus depositor rate if requested. Most relevant instances were approved and the depositor rate would be allocated to the capital project.

As such, from January, 2018, forward, all One Capital Plan projects funded fully, or partially, with gifts from outside entities or donors will receive the campus depositor rate.

AUTHORITY

1. Proper internal controls over financial reporting require that all transactions impacting University resources be recorded to the FAS accounting system in a timely manner.
2. Executive Orders, No. 4, "The Provost," states that the Provost "...has responsibility for formulation and allocation of capital and operating budgets." In addition, The Office of Planning and Budgeting "...assists the Provost in these functions and provides staff support...in the areas of resource planning and budgeting, both operations and capital."

SCOPE

All capital budgets, approved and included in the One Capital Plan, funded wholly or partially by gift funds, would participate in the campus depositor rate, to be credited via journal voucher, to the appropriate capital project budget.

UNIT RESPONSIBILITIES

UW Finance, Associate Treasurer Function

- Record capital projects in One Capital Plan with gifts associated as part of the budget;
- Flag the gifts booked in support of the project with campus depositor rate;
- Confirm approach and forecast with the Office of Planning & Budgeting; and,
- Initiate the journal vouchers to the Capital Planning & Development finance function.

Planning & Budgeting

- Maintain policy on OPB website;
- Gather forecast of IF distribution to depositors and net to Provost every spring; and,
- Ensure campus depositor rates are applied correctly.