



Spending Policy - Use of Surplus Balances # 1160.020

INITIAL EFFECTIVE DATE:	LAST REVISION DATE:	RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT
December 31, 2017	January 26, 2021	Office of Finance and Administration

POLICY STATEMENT

Due to an increase in building construction costs, related to labor and supply prices, the costs for the capital project may exceed the total project budget specifically identified and approved in the programming planning process. In addition to the University’s Investment Policy, the University has identified a need for the temporary use of surplus balances among its various departments for capital project needs. This policy is being formulated for the purpose of providing a process for requesting and receiving university or foundation surplus reserve funds for a capital project where funding has been identified based on future expectations. These resources will either be derived from unrestricted University or Foundation surplus reserves and for the most part, the source of repayment of the unrestricted surplus reserve funds will be derived from private funding including state matching.

SCOPE

This policy applies to all departments requesting surplus reserve funds for funding a capital project.
(This policy shall not be used for funding where the department does not have secured repayment funds identified).

REASON FOR POLICY

This policy is to provide a process for requesting and receiving university or foundation surplus reserve funds for a capital project where funding has been identified.

DEFINITIONS	
TERM	DEFINITIONS
Capital Project	The expenditure for constructing new space, renovation of existing space and the purchase of furniture and equipment (F&E) directly related to a construction project.



Secured Repayment Funds	Includes Processed donations, donor executed agreements, and future state matching.
Capital Project Reserve Funds	Unrestricted University or Foundation reserve funds identified for a specific project plus applicable fees, for an estimated period of time that will be repaid by the specific secured repayment funds.
Short-term	A period of time not-to-exceed two years

ROLES AND RESPONSIBILITIES

- **Department(s)** - requests funding from surplus reserves and sends request to Facilities Management or Vice President/Provost.
- **Facilities Management** - receives funding requests from the departments when it relates to a capital project and/or furniture and equipment. Facilities reviews, prioritizes, recommends the addition of project resources and approves the request. The recommendation(s) are forwarded to the respective Vice President/Provost.
- **Provost/Vice President/Deans** - approve the departmental requests in addition to any use of unrestricted departmental donated funds and forwards the approved request to the Division of Business and Finance.
- **Division of Business and Finance** - receives and reviews the funding request and communicates it to the Chief Financial Officer (CFO).
- **The Chief Financial Officer (CFO)** - approves the request to use unrestricted funds up to the granted signature authority.
- **The University President** - approves the request to use unrestricted funds up to the granted signature authority.
- **Foundation Board - Executive Committee - Finance Committee** - The Foundation Finance committee approves the request to use general unrestricted Foundation reserve funds in addition to the Foundation’s Executive Committee or Foundation Board.
- **The Board of Trustees** - reviews and approves the use of E&G Carry forward funds and any approval request above the President’s signature authority.



CONTACTS

Questions about this policy should be directed towards the office with administrative oversight of this policy.

Office of the University Treasurer
11200 S.W. Eighth Street - MARC 110
Miami, Florida 33199
Telephone: (305) 348-3579

HISTORY

Initial Effective Date: December 31, 2017

Review Dates (*review performed, no updates*): November 22, 2023

Revision Dates (*updates made to document*): May 21, 2018; January 26, 2021



SPENDING POLICY - USE OF SURPLUS BALANCES # 1160.020a

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December 31, 2007	January 26, 2021	Office of Finance and Administration

PROCEDURE STATEMENT

Department may request funding from surplus reserves if the donated funds are residing in the building account or a completed executed agreement with a donor designated for the specific building project.

Any department requesting surplus reserve funds for the purpose of funding a capital project, a change order for a capital project and/or furniture and equipment must submit the request to Facilities Management for review and to prioritize based on the total scope of project requirements.

Facilities Management will send the respective Vice President/Provost a recommendation for adding resources to the project.

Approval from the Vice President/Provost is required to proceed.

The department’s official request must be communicated in writing to the Division of Business and Finance with specific documentation providing the reason for the request, approvals from Facilities Management and the respective Vice President/Provost. In addition, the department must document how the secured resources are identified for repayment of the capital surplus reserve funding.

The department is required to go through the process of requesting state matching funds through the appropriate university department. The combination of private donated funds already received and projected state matched funds will be used to secure the capital surplus reserve funding.

Full disclosure of the private donated funds and projected state match must be included in the letter to be submitted to the Business and Finance office, including estimated timing of the events of the transaction and anticipated timing of the state matching transfer to the University.

With approval of the Chief Financial Officer (CFO) the source of unrestricted University and Foundation surplus reserve funding may be derived from four different areas:

- Foundation General Reserves which requires Foundation Finance Committee, and either the Executive Board or Full Board of Director's approval.
- E&G Carry Forward, which requires CFO approval.
- Auxiliary Reserves, which requires the CFO's approval.
- Private unrestricted donations, which requires the respective Dean, Vice President or Provost's approval.

The Chief Financial Officer approves the use of unrestricted funds up to the granted signature authority.

The University President approves the use of unrestricted funds up to the granted signature authority.

The Board of Trustees reviews and approves the use of unrestricted E&G Carry Forward funds and the use of unrestricted funds above the President's signature authority.

(All resources listed above are based on availability of funds)