

BUDGET ASSESSMENT PROJECT EXECUTIVE SUMMARY

Introduction

Shortly after taking office, President Bense began discussions about a university wide budget review. Over the next few months, the idea was discussed and considered at cabinet, extended cabinet, deans council, and faculty senate. In October 2008, in response to growing unease and uncertainty stemming in large part from the State of Florida's budget crisis, President Bense initiated an assessment to take a snapshot in time of our financial condition to address the following issues/questions:

- apprise the President of the financial condition of the institution as part of the presidential transition,
- provide information to address potential misperceptions, confusion, and economic concerns within the campus community,
- provide for a transparent review of the budget cuts taken in FY08 and the overall health of the institution,
- and establish common definitions and understandings related to budget reduction issues.

A project group consisting of the Division budget officers, the Assistant Vice President for Finance, the Director of Budget and Financial Planning, the President's Chief of Staff, and the Associate Vice President, Internal Auditing and Management Consulting was tasked to undertake the review.

Methodology

President Bense requested a thorough data gathering/research project strategy and described the six major research questions and the methodology to be utilized.

Results and Conclusions

Through good fiscal management, the University is in sound financial health. All areas outlined in the initial research questions were researched and have been addressed in this report. The significant findings are summarized below.

- The data collected verifies that the FY2008 State mandated cuts (\$5,068,045) were all taken evenly across all divisions, but not within the divisions and all required budget cuts were taken as planned. For more details about this finding, please refer to section I of this report.
- Over 72% of the budget reduction was taken from salaried positions and fringe benefits. Based on common definitions, seventy-nine (79) vacant positions and twenty-two (22) unused position lines were eliminated and sixteen (16) additional positions were affected. For more details, refer to section I of this report.

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- Additional reductions were taken so that budget could be set aside to create a strategic recurring reserve (\$1,599,258) and divisional holdbacks (\$1,963,171 for divisional holdback reserves and \$233,337 for additional divisional reserves). The carry forward from the strategic recurring reserve has provided one-time funding for targeted strategic initiatives as planned. More details can be found in sections I and II.
- To aid in their transition to achieve the necessary recurring budget cuts, \$500,000 in non-recurring funds was provided to Academic Affairs (see section I).
- The central recurring termination pay reserve was dissolved and allocated out to the divisions (for additional information see section I).
- The University of West Florida uses a decentralized approach to the management of carry forward funds. The total carry forward dollars (one-time savings) in all University accounts was \$23,348,508 as of October 1, 2008. For more details about this finding, please refer to section II of this report.
- Divisions, colleges, units and departments were asked to project their carry forward balance as of June 30, 2009. The total projected carry forward for FY2009 is reported to be \$14.6 million (15.89% of the FY09 budget). This is an estimate based on planned spending through June 30, 2009 reported by the divisions, colleges, units, and departments. The Central carry forward accounts project \$3.6 million, the hurricane funds are projected at \$4.6 million, and \$6.4 million are projected in the accounts controlled by the divisions, colleges, units, and departments. For more information and the typical uses of carry forward funds, see section II of this report.
- Of the hurricane funds in carry forward accounts, \$2.5 million was established by President Bense by taking \$1.4 million from year-end closing of the central carry forward accounts as of June 30, 2008 and \$1.1 million in additional funds collected in excess of the SFTF estimate. However, with the establishment of the hurricane reserves from the residual balance from 2004 hurricane recovery funds (approximately \$2.6 million described in section III), the President re-directed the \$2.5 million central hurricane reserve to be used to fill the summer funding gap. Related information is discussed in section II, III, and V.
- The data, discussed in section II, indicate that there are several factors that lead to higher cumulative carry forward reserves (e.g. decentralized reserves, some one-time non-recurring legislative appropriations, the carry forward from the strategic reserve, and the impact on spending patterns in the current economy).
- All University cash is properly accounted for in Banner, there is no duplicate counting of cash, and no internal control weaknesses over cash have been cited by the State Attorney General's auditor. Cash is discussed in detail in section III.
- Significant cash (\$9,066,987 as of December 31, 2008) is held in Auxiliary accounts controlled by various divisions, colleges, units and departments (refer to section III).
- Ratio analysis shows that the overall level of unrestricted funds held by UWF is consistent with our SUS peers. Ratios are also discussed in section III.

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- In FY2004, an internal University loan against the cash of the auxiliary accounts was done to finance the University's Banner ERP system. In the spring of 2005, \$630,000 of the \$900,000 that was requested for lost tuition and fees included in the Hurricane Ivan Recovery appropriation was used to pay down the internal ERP debt. The University is using interest earnings on the funds held in auxiliary accounts, the pcard rebate, and the administrative overhead fees charged to auxiliary, athletic, and student activity accounts to continue paying down the internal ERP debt. The remaining balance of that internal loan (\$1.6 million) is expected to be repaid by year-end FY2011. Information related to this finding is available in section III.
- Every dollar of budget was accounted for in the FY08 to FY09 Budget Reconciliation Report and all Board of Governor adjustments and amendments tie exactly to the Board of Governors published 2008-2009 Allocation Summary and Workpapers (see section IV for more details).
- With the additional \$1 million in SFTF budget discussed and approved at the May, 2008 Budget Council meeting and the transfer of the divisional holdback funds, the unallocated central reserves will be \$4.4 million. The President of UWF has directed that the recurring portion of the FY2009 mid-year reduction (4%) in General Revenue and EETF Lottery funding (\$2,636,438) be paid from these funds. After the FY2009 mid-year reduction, the remaining unallocated recurring budget will be \$1,764,393 (1.89% of the of the adjusted FY09 budget). For more details, refer to sections IV and V.
- The Student Fee Trust Fund (SFTF) makes up less than 27% of the university's budget. SFTF is discussed in section IV and V.
- Florida currently has the lowest tuition in the nation ranking 50th in overall tuition and fees (see section V).
- The Summer Fund model approved at the May, 2008 Budget Council created a gap in the recurring budget funding that will have to be addressed over time. As an interim measure, the President has repurposed \$2.5 million in carry forward funds to bridge the gap for up to three years. For more information on the summer funding gap, see section V of the full report.
- Caution should be used in reading the Sources and Uses reports. The year-to-date figures present only a portion of the year and cannot be accurately extrapolated to year-end without additional information. The projected estimate of year-end unexpended budget (\$9.9 million) is only the result of a simple mathematical computation and may not accurately reflect actual expenses through the end of the year (e.g. cyclical costs, annual expenses, optional year-end purchases). See section VI for more details.
- There is evidence in the data that University account managers are holding vacant positions open, reducing spending (e.g. travel), and postponing optional purchases (e.g. OCO) indicating more conservative, fiscally prudent management of funds across campus. For more in depth analysis, refer to section VI of the full report.

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FY2009 BUDGET ASSESSMENT PROJECT

Introduction

In late August, 2008, President Bense began discussions about a university wide budget review. Over the next few months, the idea was discussed and considered at cabinet, extended cabinet, deans council, and faculty senate. In October 2008, Dr. Bense initiated an assessment of our financial condition. After discovering that an assessment made by an external accountant would be costly, she looked internally for a solution. Initially, Dr. Bense asked Dr. Stephenson and the project group (consisting of the Division budget officers, the Assistant Vice President for Financial Affairs, the Director of Budget and Financial Planning, the President's Chief of Staff, and the Associate Vice President, Internal Auditing and Management Consulting) to undertake the review and to complete it by November 20, 2008. After the initial work of the project group, Dr. Bense established a more defined methodology and allowed additional time for a detailed analysis.

She asked the project group to take a snapshot in time of our financial condition to address the following issues/questions:

- apprise the President of the financial condition of the institution as part of the presidential transition,
- provide information to address potential misperceptions, confusion, and economic concerns within the campus community,
- provide for a transparent review of the budget cuts taken in FY08 and the overall health of the institution,
- and establish common definitions and understandings related to budget reduction issues.

Methodology

Dr. Bense requested a thorough data gathering/research project strategy and asked the project group to do what was necessary to complete the report by or soon after March 1, 2009. In an email to the campus community in January 2009 (see full message on the University's Budget website at <http://uwf.edu/president/budget/>), she described the group's progress on the six major research questions and the six steps to be utilized.

The following is an excerpt from the Monday 1/5/2009 1:34 PM Argus Email titled, "Message from President: Budget Assessment"

- 1) *Develop Research Questions/Areas (completed)*
 - a. *Budget reductions from last year, common definitions and impact*
 - b. *Carry forward balances and commitments*
 - c. *Cash and Hurricane funds*
 - d. *Review and compare the FY2007-08 Budget to the FY2008-09 Budget*
 - e. *Student Fee Trust Fund estimates/models and Summer Funding*
 - f. *Division Sources and Uses of Funds*

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2) Develop Research Methods to produce data to address the Research Questions (completed). This step took much longer than expected because each of our five divisions (Academic Affairs, University Affairs, University Advancement, Student Affairs and President's Office) has slightly different accounting procedures to meet its needs. In order to gather comparable data, common definitions had to be established and agreed on by the financial managers in each division. Now, when Dr. Stephenson gathers data from each division, she will be comparing "apples to apples" instead of "apples to oranges." We all know this is a crucial element in any research study and until it is satisfactorily completed gathering useful data is impossible.

3) Data Gathering (partially completed). Data is gathered to address each question.

4) Data Analysis (partially completed). The data for each research question is analyzed to identify quantities, trends, correlations and connections.

5) Results (partially completed). The data analysis is interpreted and the Research Questions/Areas are answered/addressed.

6) Conclusions and Recommendations (not started). The results are integrated and correlated to identify patterns, trends, correlations and concerns of the UWF financial condition. Recommendations are also made on the strategy of future budget philosophies.

The project group considered each of the six research questions separately. At each stage the group compiled data based on a shared set of definitions to achieve the common goal of providing accurate, verifiable, comparable, useful, and understandable information.

The accuracy of the historical data was confirmed and verified by the members of the project group. In some cases, departments were asked to provide prospective information. Any prospective information is included as reported to the project group and only time can warrant its accuracy. Achieving comparable results was a challenging goal for the project group. Divisions fulfill different roles within the institution and have correspondingly different approaches to certain aspects of budgeting. In most cases, the project group was able to achieve a common format and provide comparable information. However, where there are differences, they are noted in the data, the analysis and this report. The ultimate goal was to provide useful information understandable to all audiences in a format that would clearly present the data collected.

The project group was joined by the President, the Provost, and the Vice Presidents during stage 4 to review the preliminary raw data and format. Based on the questions asked during those sessions, additional follow-up investigations and minor format changes were made by the project group.

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General Information
Financial Statements

Each year the University Financial Affairs Office prepares financial statements including management’s discussion and analysis and the related footnotes and supplemental schedules for the University of West Florida. The Auditor General of the State of Florida performs an annual audit of the statements, internal controls, and other compliance matters. As a result, the University has received a clean opinion for the past several years with only one exception in 2004 that was related to a finding in the audited financial statements of one of the University’s direct support organizations. The information from the University’s financial statements is also used in preparing the Consolidated Annual Financial Report (CAFR) for the State of Florida.

Budget

To achieve a better understanding of the data presented later in this report, it is important that the reader have a good general understanding of the University of West Florida’s (UWF) overall budget picture. UWF publishes a Budget & Financial Planning Operating Budget for each fiscal year. The publication provides an overview and detailed accounting of how the authorization to spend Education and General (E&G) Budget is allocated across the University. This allocation is supported by three sources of revenue: the Student Fee Trust Fund (SFTF), the Educational Enhancement Trust Fund lottery funds (EETF), and General Revenue (GR).

The Student Fee Trust Fund made up 26.8% of the FY2009 annual recurring E&G budget. It is primarily comprised of two revenue sources, tuition and interest earnings on E&G cash (including carry forward). Each year, the state universities provide enrollment projections to the state and the state grants each university authority to spend the amount of tuition and fees as estimated by the state. At UWF, historically, the state’s estimate is higher than the University’s actual collections. As a result, UWF also prepares an estimate of the actual tuition and interest revenues anticipated to be collected in the next fiscal year. The tuition collections estimate involves a complex assessment of many variables including national factors, such as the economy, unemployment rate, and federal funding for education and local factors such as estimated number of graduating high school seniors, transfer students, student inquiries, applications, etc. [Note: A more comprehensive list will be discussed later in the Student Fee Trust Fund section V of this report.] UWF’s estimate is used in preparing the annual operating budget available for allocation across the divisions, colleges, units and departments of the University of West Florida. It is important to note that for the past two fiscal years the difference between the State authorized amount and the amount used in the UWF budget is disclosed in the official published Budget & Financial Planning Operating Budget Book. Student Fee Trust Fund revenues are collected and produce cash flow over the course of the academic year with peak revenue collection at the beginning of the fall and spring semesters.

The second source of E&G funding is the Educational Enhancement Trust Fund (EETF). Each year, the State gives revenue earned from the state lottery to the Educational Enhancement Trust Fund. These funds are then appropriated by the state to support public schools, state

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universities, community colleges, Bright Futures Scholarships, and other educational projects. The portion of these revenues awarded to UWF each year may be designated as either recurring or non-recurring. This revenue source accounted for 7.1% of the FY2009 budget. Often, the non-recurring dollars are tied to a specific funding request and are not available for general budgeting purposes. While a small portion of non-recurring lottery funding (\$658,498) was used in the 2009 budget, typically only the recurring amount is included in the overall planning of the annual budget. EETF funds are not received by the University evenly over the year. The trend has been to receive these funds sporadically between December and June.

The largest component of the annual E&G operating budget is funded by general revenue (66.1% in FY2009). It is the amount of estimated state tax revenue that is appropriated by the legislature to support public universities across the state. The amount of general revenue funds allocated to each university is based on the number of students forecast to be enrolled at each institution and a funding formula established by the state. This amount is also often discounted to then match state revenue forecasts. The cash for appropriated general revenue flows to the University in bi-monthly installments. However, when estimated state tax collections underperform projected estimates, the state, by law, must react to the deficits and balance the budget. As a result, the state may hold back a percentage of the appropriated budget forecasted for the current fiscal year or request institutions to reduce their annual budgets prior to the end of the year. This is the set of circumstances that led to the budget cuts in fiscal year 2008 described in section I.

E&G Cash and Carry Forward Funds

The cash position of the University at the end of the year is greatly impacted by unexpended budget. Any E&G allocated budget funds that are not expended by the division, college, unit, department or program during the academic year are moved into carry forward accounts. These accounts are prefaced in Banner by a CF designation (CFXXXX). The cumulative total of carry forward funds represent a significant portion of cash reported each year-end in the University's financial statements. While the cash is reported in total on the financial statements, the authorization to spend that cash resides with the divisions, colleges, units, departments and programs across the institution. Only a portion of that cash is controlled centrally. The planning and use of carry forward varies widely across the institution.

Note on Minor Reconciling Differences

It is important to note that several reports reflect minor reconciling differences that are the natural result of changes over time (e.g. units moved within divisions during the year). As warranted, these variations are noted within the footnotes to the reports.

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Research Questions and Findings

Section I. FY2008 Budget Reduction

The media coverage of budget reductions announced by the state often requires interpretation. The University's E&G budget encompasses general revenue (71.7% in FY08), the Educational Enhancement Trust (6.13% in FY08) and the Student Fee Trust Funds (22.8% in FY08). It is important to know what portion or portions of the E&G budget are affected by a given reduction. For example, a 3% reduction in the state's general revenue appropriation to the University only equates to a 2.13% reduction to the University's overall E&G budget. This example is reflected in Table 1.

Table 1
Budget Reduction Example

	<u>FY2008 Budget</u>	<u>Percentage</u>	<u>Example Reduction</u>
General Revenue Funds	72,131,528.00	71.07%	-3.00%
Educational Enhancement (Lottery) Funds	6,221,355.00	6.13%	
Student Fee Trust Funds	23,144,902.00	22.80%	
Total E&G Budget	101,497,785.00		-2.13%

In addition to the announcement of cuts on only certain portions of the overall budget, the State sometimes may substitute certain funding sources on a **non-recurring** basis. In this instance, the media may not report any cut to the state's funding of the institution, while the institution may have to take action to absorb the reduction in **recurring** available budget funds. Similarly, the media may sometimes announce increases in tuition rates as an offset to reductions in general appropriations. However, the same percentage increase in one may not generate the same amount of revenue reduction caused by the other (see more discussion in section IV).

FY2008 Budget Reduction Data Collected

In response to the proposed budget reduction in fiscal year 2008, the University of West Florida conducted three fiscal planning exercises to reduce the institution's recurring budget. The budget reductions were taken in three phases with an additional exercise to create Divisional holdback reserves of recurring funds to be used, if needed, in fiscal year 2009. The data collected for this section of the report is presented in two ways: the Total Budget Reductions – High Level Summaries report and the Budget Reductions with Drill-Down report (see University

Budget website at <http://uwf.edu/president/budget/>). Each report has a high level summary across the institution and detail pages that provide additional detail. All information was reconciled and verified.

A summary of the reduction phases addressed in the Total Budget Reductions Summaries report is included in this report in Table 2.

Table 2
FY2008 Budget Reduction Summaries

<u>Reduction</u>	<u>Dollar Amount</u>	<u>Percentage of FY2008 Budget</u>
Phase I	\$2,484,032	2.45%
Phase II	\$2,601,203	2.56%
Phase III	\$1,777,165	1.75%
Phase III – Divisional Holdbacks	\$2,001,411	1.97%
Subtotal	\$8,863,811	8.73%
Amount Applied to Actual 07/08 State Required Budget Reductions	- \$5,068,045	4.99%
Amount Used to Establish a Central Strategic Recurring Reserve	- \$1,599,258	1.58%
Amount Held in Divisional Holdback Reserves	-\$1,963,171	1.93%
Additional Divisional Holdback (All phases combined)	-\$233,337	.23%

Note: The data in this table ties to the information presented in the Total Budget Reductions Summaries Report. Percentages presented here are calculated using the initial FY2008 budget.

FY2008 level budget reductions across divisions.

Based on the data reviewed, the apportioning of budget cuts was primarily even across the board at the institution’s division level. The Total Budget Reductions Summaries report shows that all Divisions took substantially the same percentage in required cuts. Some notable exceptions included financial aid in enrollment services, central accounts, utilities, and utilities reserves. Additionally, since Academic Affairs constitutes over 50% of the institution’s budget, the former President provided \$500,000 in non-recurring funds to aid in their transition to achieve the necessary recurring budget cuts. In addition, the termination pay reserve was dissolved and allocated out to the divisions and the divisions, colleges, units, and departments assumed the responsibility for the payout of salaries and fringes for terminated employees. The data shows that, in all cases, the required budget cuts were identified and taken in accordance with the prescribed plan.

FY2008 total budget reductions by division.

A summary of the reduction by Division presented in the Total Budget Reductions Summaries report is included in this report in Table 3.

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Table 3
FY2008 Budget Reduction Percentage by Division

<u>Division</u>	<u>Dollar Amount</u>	<u>Percentage of Division's FY2008 Budget</u>
Central Accounts	\$207,183	2.57%
President's Office	\$289,807	9.29%
University Advancement	\$188,418	9.76%
Student Affairs	\$232,782	9.69%
Enrollment Services	\$309,056	9.74%
Academic Affairs	\$5,356,195	9.62%
University Affairs	\$2,047,033	9.25%
Financial Aid Special Allocation	\$0	0.00%
Utilities	\$0	0.00%
Utilities Reserve	\$0	0.00%
Additional Divisional Holdback (All phases combined)	\$233,337	0.23%
Total	\$8,863,811	8.73%

Note: The data in this table ties to the information presented in the Total Budget Reductions Summaries Report. Percentages presented here are calculated using each Division's initial FY2008 budget. Budget cuts taken by the Emerald Coast campus are included in the Academic Affairs total.

FY2008 budget reduction drill down.

While each Division took essentially the same percentage cut in FY2008, the Budget Reductions with Drill-Down report shows that the impact across individual units was varied. Since reductions were largely taken in vacant lines, some units within divisions were impacted more than others.

In order to present comparable data on the impact of the budget reduction on the various affected divisions, colleges, units, and departments, the Budget Reductions with Drill-Down report was compiled. It shows that budget cuts were taken in reductions to salaried positions and the related fringe benefits, OPS budget, and general expense budgets in varying amounts. Over 72% of the budget reduction was taken from salaried positions and the related fringe benefits. Common definitions were established to categorize the impact on personnel and services associated with the eliminated positions. Most of the salaried positions eliminated were vacant (79 positions). In addition, sixteen (16) additional positions were affected where lines were not vacant.

Common Definitions

In order to assess the impact of the budget cuts on personnel due to eliminated positions across the divisions, colleges, units, and departments, common definitions had to be established. The definitions used to categorize eliminated positions in the Budget Reductions with Drill-Down report follow here.

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“Transferred to Other Funding Source” – An amount and funding source should be entered in these columns if a position was saved by transferring the entire line or a portion of it to a permanent funding source. These columns should *not* be used to show positions that have been temporarily moved to another funding source until the line is vacated at which time the plan is to eliminate the line.

“Vacant Positions” - An amount should be entered in this column if the position eliminated was vacant or anticipated to be vacant through attrition. [Note: This column includes vacant lines that the Division intended on filling.]

“Unused Positions”- An amount should be entered in this column if the position eliminated was a vacant line that was never intended on being filled by the Division or College. [Note: “Unused” vacant positions would have represented salary savings that previously would have been used to fulfill other budget needs of the division, college, unit, or department.]

“Estimated Additional Positions Affected” - An amount should be entered in this column if a line that is not vacant (or will not be vacated through attrition) will be eliminated.

A summary of the eliminated positions by Division and category is presented in the Budget Reductions – Divisional Drill-Down report and is included in this report in Table 4.

Table 4
FY2008 Budget Reductions with Drill-Down: Eliminated Positions Summary

<u>Division</u>	<u>Positions Transferred to Other Funding Source</u>	<u>Number of Positions Eliminated</u>		
		Vacant Positions	Unused Positions	Est'd Additional Positions Affected
Central Accounts			1	
President’s Office		1		1
University Advancement	1	2	1	
Student Affairs	.52	2	3	
Enrollment Services		3.5		
Academic Affairs		41.5	12	11
University Affairs	5	29	5	4
Total	6.52	79	22	16

Note: The data in this table ties to the information presented in the Budget Reductions with Drill-Down report.

Section I Summary

The data collected by the project group verifies that the FY2008 cuts were not taken in an entirely strategic manner. UWF leadership put people first by primarily taking budget reductions through the elimination of vacant positions or through the management of attrition. The institution's focus was clearly on preserving jobs and this preference is reflected in the data assembled for this report. According to newspaper reports, not all other State universities took this approach (Winchester, March 1, 2009).

It should be noted that this preference has an additional less quantifiable consequence of challenging the people remaining in positions to fill the service gaps. Retained faculty and staff have had to shift workloads and assume additional duties to continue operations at the existing service levels.

Furthermore, University leadership took deliberate action to prepare for additional reductions and set aside a strategic recurring reserve. The FY08 strategic reserve rolled forward into the carry forward account in FY09 and has been utilized to provide seed funding for targeted strategic initiatives (also noted in section II). While the additional reductions of FY2008 were indeed painful, they did ensure that funds would be available for strategic investments and to provide funding for the FY2009 mid-year (4%) budget reductions (see section IV). The benefit of not having to take additional cuts in FY2009 has allowed UWF to formalize the institution's strategic plan, perform a thorough budget assessment, and prepare for more strategic budget reductions in FY2010. However, because of the severity of the FY2008 budget reduction, quasi budget reserves have been tapped and the University has minimal remaining flexibility for cuts.

Section II. Carry Forward

E&G carry forward funds are the result of unspent E&G budget allocated to divisions, colleges, units, and departments. The reasons that these funds go unspent in any given year vary widely. The following is a non-exhaustive list of example events that may produce unspent budget or carry forward dollars in the divisions, colleges, units and departments across campus in any given year.

- Unallocated salary savings from a position vacated for a portion of a year.
- Residual salary savings from positions intentionally held vacant to fund planned expenditures such as adjunct salaries, OCO and operating expenses.
- Budget funds associated with expenses encumbered, but not expended near the end of the year or by contract.
- Unspent budget funds held at year-end to build carry forward to pay for things that must be funded over multiple years.
- Etc.

Unlike recurring E&G budget, carry forward dollars represent one-time savings that once spent are gone. However, like the E&G budget, the University of West Florida uses a decentralized approach to the management of these funds. The institution does not centrally tax or sweep

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the one-time savings from the divisions, colleges, units, or departments. While carry forward funds from the central accounts are available to the President for reserves and strategic investments, the divisions are allowed to implement whatever carry forward distribution model is deemed appropriate for the needs of their divisions.

Typical uses of carry forward funds in the central accounts series include seed funding for strategic initiatives and funds held for projected utility increases, information technology investment, and hurricane, utility, and other emergency reserves. Typical uses of divisional, college, unit or department carry forward funds include adjuncts, OPS temporary workers, equipment, summer programs/projects, etc.

In general, several factors lead to higher carry forward reserves. Four major factors worth noting are the university's decentralized approach, some special one-time appropriations from the legislature, the carry forward created by the strategic recurring reserve, and the current economic climate.

First, the University's decentralized approach leads to a higher overall carry forward balance for the institution as a whole. Each division, college, unit, or department tends to save funds independently for emergencies, opportunities, and planned expenditures. While it cannot be demonstrated what reserves would be if a centralized model were used, the literature (Meisinger, 1994) and anecdotal evidence supports the assumptions that a decentralized approach leads to higher collective reserves.

Second, the University received some special one-time appropriations for hurricane recovery and support of FPAN and the Emerald Coast in the years under review. The FPAN and Emerald Coast funds are being expended over multiple years. The residual hurricane recovery funds are being used to fund a hurricane reserve. See sections III and IV for more details on the hurricane reserves.

Third, the University established a recurring strategic reserve of \$1,599,258 during the budget reductions of FY2008. This amount rolled forward into a central carry forward account in FY2009 and has been utilized to seed targeted strategic initiatives approved by the President.

Finally, the current economic environment has created a great deal of uncertainty across the institution. In this climate, sound fiscal management dictates that account managers consider more optional expenditures in a different light. Examples might include leaving a recently vacant position open longer in anticipation of possible future budget cuts, delaying projects due to lower staffing levels, building savings as a hedge against future budget uncertainty and/or funds needed to meet termination pay requirements.

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Carry Forward Data Collected

The project group has provided two views of carry forward funds on the UWF budget website (<http://uwf.edu/president/budget/>), both are in the Carry Forward Plans & Trends Report file. The pages are marked as Planned Expenses or Trends in Carry Forward Balances. Both of these views provide a summary report at the division and college level of the institution that are followed by more detailed sections showing the trends in carry forward funds held by each unit or department.

The Planned Expenses pages of the Carry Forward Plans & Trends Report shows the October 1, 2008 carry forward balances for the University and reports the plans for those dollars as reported to the project group by the responsible UWF divisions, colleges, units, and departments. The amounts reported in the projected year-end FY2009 column are the collected representations of the divisions, colleges, units, and departments across campus. The report concludes with the projected FY2009 carry forward balance for each account and additional information about the desired contingency reserves, future commitments, and any anticipated surplus or shortfall related to planned projects and/or needs to be funded with carry forward dollars.

The Trends in Carry Forward pages of the Carry Forward Plans & Trends Report shows a trend analysis of the carry forward balances for the past three years with a comparison to the projected FY2009 carry forward balance cited in the Planned Expenses pages of the Carry Forward Plans & Trends Report. The report also shows the projected FY2009 carry forward budget as a percentage of recurring budget funds. A summary by Division of the projected FY2009 carry forward funds as a percentage of recurring budgets is presented in Table 5.

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Table 5

Summary of FY2009 Projected Division Carry Forward Dollars and Percentage of Annual Budget

<u>Division</u>	<u>Projected Carry Forward</u> <u>Dollar Amount</u>	<u>Percentage of Division's</u> <u>FY2009 Budget</u>
Academic Affairs – General & Colleges	\$1,419,006	3%
Academic Affairs – Institutes & Centers	\$1,088,450	22%
Academic Affairs – Emerald Coast (Represents one-time appropriation only)	\$1,100,650	123%
Academic Affairs - Total	\$3,608,106	6%
Central Accounts – Hurricane	\$4,572,371	NA
Central Accounts- General	\$3,606,807	112%
President's Office	\$769,920	23%
University Advancement	\$482,588	27%
Student Affairs	\$254,672	11%
University Affairs	\$1,345,726	7%
Total	\$14,640,190	15.89%

Note: The data in this table ties to the information presented in the University Carry Forward Plans & Trends Report.

Section II Summary

It is important to note several things about the information provided in these two reports, such as verifiability, keys to reading the information provided, and some specific highlights from the data. Only the past three years of carry forward balances is verifiable data. The other information is based on projections collected from the divisions, colleges, units, and departments. Projections are by definition only estimates and are therefore subject to changes in needs or plans by the reporting segment of the University. Furthermore, underlying detailed plans were not requested that may have aided the reader in determining the relative importance and predictability of the plans provided.

Second, the information provided in these two reports should be reviewed together for a more complete assessment of which divisions, colleges, units, and departments have access to carry forward funds and how they plan to expend them. Some segments of the campus have provided numbers that indicate they are intentionally attempting to save to build contingency/opportunity reserves or to fund a specific strategic initiative or purchase.

Finally, there are some specific areas that deserve highlighting. There was a significant increase in the overall carry forward funds balance of the University between FY2006 and FY2007 and then again from FY2007 to FY2008. While generally a decentralized approach leads to higher balances, the recent increase in Central carry forward funds coincides with 1) a one-time appropriation to help the campus recover from Hurricane Ivan and the establishment of a

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hurricane reserve; 2) some one-time legislative appropriations in support of FPAN and the Emerald Coast; and 3) the carry forward funds created by the strategic recurring reserve. A follow-up review of the carry forward balances is beyond the scope of this report, but could help substantiate the prospective June 30, 2009 carry forward balances presented in this section.

Section III. Cash

Up to this point, this report has focused on budget and therefore has focused only on the Education and General Fund (E&G) recurring budget fund of the University. For the purposes of understanding the University's cash and investments, it is necessary to have a basic understanding of the other funds. Other funds include Auxiliaries, Contracts and Grants, Athletics, Student Activity, Financial Aid and Concessions. The Associate Vice President for Financial Services reports on the activity in all funds at the quarterly meetings of the UWF Board of Trustees.

The University's cash and investment assets related to each of these funds are held collectively in the Banner system Bank Fund. All bank accounts and investment accounts are tracked in the Bank Fund and they are collectively referred to as "University cash." University cash is managed by the Financial Services Office like a mutual fund. There is no specific identification of specific fund dollars to specific accounts. Instead, each fund and underlying set of accounts managed by divisions, colleges, units, and departments owns a share of the entire pot. This share is referred to as a "claim on cash." A more detailed explanation of cash handling at UWF is available in the CASH 101 document provided in the Cash folder on the University's Budget website at <http://uwf.edu/president/budget/>.

Cash can be unrestricted or restricted. Restricted cash means cash or other assets whose use is restricted for specific purposes bound by contracts or agreements (NACUBO, 2005). Examples include Federal Scholarship and Loan programs and Sponsored Research.

Generally, unrestricted cash has no such constraints, but may be internally designated as to use. Examples include local Scholarships and Loans. However, unrestricted cash may also be restricted by statute to a certain fund. For example, State Statute 1009.24(9)(b) requires that student activity and service fees, which are unrestricted within the Activities Fund, may be used solely for the benefit of the student body. Stated another way, these fees may not be used for expenses related to the Education and General (E&G) Fund.

All accounts in the Bank Fund are interest bearing. All interest earnings are accumulated and distributed to University funds each month based on their relative claim on cash positions. For example, if the Activities Fund holds a claim on 20% of University cash, that fund would be allocated 20% of the interest earnings for the month, regardless of the source. A spreadsheet is prepared monthly to allocate the interest earnings to the appropriate funds.

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Cash Data Collected

Cash reconciliation.

All “cash” is reconciled to “claims on cash” daily by the Financial Services Office. Any discrepancy noted is immediately researched and corrected. All cash is reconciled to the monthly statements received from the external banks and investments (see the Comparative Cash 2009 Report available on the Budget website at <http://uwf.edu/president/budget/>). The completed reconciliations are reviewed by the Controller, who follows up on reconciling items. Cash is also reviewed by the State Attorney General’s Auditors annually.

No duplicate counting of cash.

There is no duplicate counting of cash. Restricted cash held in the Financial Aid Fund is not available to the University until it has been properly awarded by the Financial Aid Office to a qualified student. Once awarded to a student, the tuition is collected as revenue.

Decentralized authority to spend.

The University may at any given time hold a significant amount of cash. However, it is important to note that the authority to spend the University’s cash is decentralized. The cash and investments reported annually on the UWF financial statements represent all cash and is equal to the amount in the Bank Fund. The “claims on cash” and the related authority to spend that cash reside in the accounts in the various funds (E&G carry forward, auxiliary, contract and grant, etc.). Those accounts are controlled by the account managers in the various divisions, colleges, units, and departments across campus.

The year-end cash process.

The central reserve carry forward receives an infusion of one-time funds at the beginning of each year from the closing of central accounts. At year-end, the Office of Budget & Financial Planning reviews all carry forward balances and prepares the budget entry to bring forward the new carry forward dollars. During this process, they collect the remaining positive and negative balances from the Central E&G accounts and the collective amount is then moved to the Central Reserve carry forward account (CF9807). Also, any additional funds collected in excess of the SFTF estimate are moved into the Central E&G carry forward accounts (\$1,136,763 at the end of FY2008). At the beginning of FY09, these funds were designated by the President to fund a \$2.5 million hurricane reserve pending the final review of the hurricane accounts (also see section II and IV regarding hurricane funds). This information is provided in the Central Carry Forward Reserves and Year End Carry Forward Process Report (see the report on the Budget website at <http://uwf.edu/president/budget/>).

The use of these one-time funds is controlled by the President. Subsequent to the preparation of the Central Carry Forward Reserves Report described in section II, the \$2.5 funds were re-designated by the President to provide temporary funding for the summer funding gap identified in section V of this report. Also in FY09, central carry forward funds have been held to

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fund possible additional budget cuts. The FY08 year-end closing of central account balances is presented in Table 6.

Table 6
Year End Cash from E&G Central Account Balances as of June 30, 2008

<u>Account #</u>	<u>Central Account Name</u>	<u>Balance as of June 30, 2008</u>
CF9816	Benefits-Unallocated Pool	(2,628)
CF9820	Recruitment & Retention Pool	41,344
CF9823	Pr Yr Budget Not Allocated - Recur	195,907
CF9824	Gen Rv - Access - N/R	13,716
CF9825	Gen Rv - Change in Mix - N/R	26,000
CF9826	Ed Enh (Lottery) - Access - N/R	7,388
CF9836	BOG Budget Restorations-NonRecur.	337,692
CF9837	Tuition Increase	236,384
CF9839	Gen Rv - Access - Recurring	222,888
CF9840	Gen Rv - Change in Mix - Recurring	123,294
CF9841	BOG Performance Based Incentive-N/R	129,332
CF3010	University Insurance	75,372
Subtotal		\$1,406,689
Excess SFTF		1,136,763
Total YE Closing		2,543,452
Initial Hurricane Reserve	(Note: This reserve was created pending the final accounting of the residual hurricane funds discussed later in this section.)	(2,500,000)
Increase to Central Reserve		\$43,452

Note: The data in this table ties to the information presented in the Central Carry Forward Reserves and Year End Carry Forward Process Report (see University Budget website at <http://uwf.edu/president/budget/>).

Auxiliary fund cash.

Auxiliary accounts hold a large share of the “claims on cash” (\$9,066,987 as of December 31, 2008). Seventy percent (70%) of the “claims on cash” is held in the 27 largest auxiliary accounts. A trend analysis of all auxiliary accounts is included in the Auxiliary Cash Comparative Report (see University Budget website at <http://uwf.edu/president/budget/>). A *List of 27 Auxiliary Accounts with the Largest Dollar Balance as of December 31, 2008*, excluding the hurricane related auxiliary accounts described separately, is provided in Table 7.

Table 7

List of 27 Auxiliary Accounts with the Largest Dollar Balance as of December 31, 2008

<u>Account #</u>	<u>Auxiliary Account Name</u>	<u>Dollar Balance as of December 31, 2008</u>
130011	Telecom Switch-Replacement	1,092,045
130951	Parking Services	632,009
130825	Innovative Community Learning (ICL)	379,567
130076	Univ Testing Aux	302,571
130014	Telecom Operations	279,255
130972	Building Code Admin	257,873
130443	Nautilus Card Prepayments	237,251
130079	Health Fee Reserve	221,357
130234	Administrative Overhead Charge	211,381
130016	Telecom Suncom Operations	203,467
130092	Health & Counseling	202,423
130407	Auxiliary Overhead Reserve	189,813
130102	FWB Online Campus	189,660
130580	Wetlands Research Lab	188,610
130402	Auxiliary Administration	180,798
130008	Online Campus	169,987
130917	Parking Lot Improvement Proj	163,112
130305	University Affairs Partnership	150,000
130610	ICL CE Programs	144,680
130441	Nautilus Card Program	141,653
130422	Bookstore Growth	139,578
130545	Quasi-Aux-Academic Affairs	135,077
130787	Recreation Facility Reserve Ac	135,000
130926	Parking Improvements - FCO	121,581
130408	Fringe Benefits Reserve	119,072
130613	CAS CE Programs	116,048
130341	Invest Earnings Auxiliary	115,944
Total	(includes slight rounding difference)	\$6,419,814

Note: The data in this table ties to the information presented in the Auxiliary Cash Comparative Report (see University Budget website at <http://uwf.edu/president/budget/>). Excludes the net auxiliary hurricane accounts (\$1,176,837) discussed separately.

Internal ERP debt.

The University used cash from the Auxiliary Fund in FY2004 to purchase the Banner software system. The University has been repaying this internal loan using the Auxiliary Fund interest earnings, the pcard rebate, and the administrative fee charged to auxiliary, athletic, and student activity accounts (see the ERP Paydown Report available on the University budget

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website at <http://uwf.edu/president/budget/>). The remaining balance of the internal debt as of June 30, 2008 was \$1,649,894. At the current rate of interest earnings, it is anticipated that the internal debt is expected to be fully repaid by end of FY2011.

Ratios.

In order to evaluate the relative size of the University's cash balances, ratios were used to compare UWF to other state universities. The three cash ratios used were the quick ratio, current ratio, and defensive interval. The tuition contribution ratio was also calculated. These ratios are presented in the SUS Ratio Report (see University Budget website at <http://uwf.edu/president/budget/>).

A current ratio is calculated by dividing all current assets by all current liabilities (Davidson & McDonald, 2006). It is a measure of the quantity of liquidity, but doesn't tell you the make-up of the liquidity, e.g. if an institution has a lot of its current assets tied up in inventory vs. cash. Typically, this ratio is close to 2 and the higher the ratio the better (Kenton, 2002). The current ratio for all eight state institutions measured has risen over the last three years except FIU. UWF's current ratio was fourth of the eight Florida institutions calculated (amounts for University of Florida were not available). FSU, UCF, and FAU were higher.

A quick ratio is also a measure of quantity of liquidity. It is computed by dividing quick assets by current liabilities. Quick assets are those that can be converted quickly into cash (Davidson & McDonald, 2006). The quick ratio for all eight institutions except FIU has also trended higher over the last three years. UWF's quick ratio was fourth of the eight Florida institutions calculated. FSU, UCF, and FAU were higher.

Defensive interval measures the average length of time the institution can operate on its liquid assets (Davidson & McDonald, 2006). The longer the defensive interval implies the greater liquidity, but ignores any possible future cash flow estimates. The defensive interval for most state institutions has risen over the last three years. UWF had the third highest defensive interval of the eight Florida institutions calculated. FSU and FIU reported higher defensive intervals.

Tuition Contribution ratio is used to analyze sources of revenue for the institution. The contribution of net tuition revenue is expressed as a percentage of the total operating costs of the University (Kenton, 2002). The percentage of operating costs paid by tuition has risen over the last three years in half of the eight institutions measured. The tuition contribution at UWF is lower than all other Florida institutions except for New College. The FY2008 Tuition Contribution ratio at UWF was 25%.

Hurricane funds.

The University of West Florida has endured three hurricanes since fall 2004. Hurricanes Ivan, Dennis, and Katrina left campus property damage in their wake. In response to the damage left

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by Hurricane Ivan, the State legislature appropriated \$4.9 million to the University of West Florida in spring of 2005 for hurricane recovery. Of the \$4.9 million, \$900,000 was designated as revenue recovery (e.g. tuition, interest, and fees). Using the \$900,000, the University paid down the ERP debt with \$630,000 and the remaining \$230,000 was transferred to the Central Reserve carry forward fund. The other \$4 million in legislative funds was used to spur the campus recovery while FEMA claims were being filed.

FEMA handles claim processes in two ways, small and large claims. Small claims are paid based on an initial assessment of the damages. Large claims are reimbursed based on a detailed review of all invoices paid for repairs and replacements. The University had several claims in both categories. All FEMA claims for each of the hurricanes were coordinated and filed by the UWF Office of Internal Auditing and Management Consulting. At the same time, the University filed claims with the State Office of Risk Management. For Hurricane IVAN, the State Risk Office required UWF to repay the state for any claims covered by FEMA. The final State and FEMA claims for these hurricanes are expected to be closed out spring 2009.

The current balance in the hurricane related accounts (E&G carry forward and auxiliary) as of December 31, 2008 including the \$4 million in legislative funds was just over \$3.1 million (see Hurricane Report available at <http://uwf.edu/president/budget/>). UWF received in March, 2009 an additional payment of over \$665 thousand for claims filed with FEMA. Of the funds on hand, UWF must repay the State Risk office \$1.2 million for losses reimbursed by the State that were subsequently covered by FEMA. There are also some expenses that were incurred by departments and DSOs of the institution that were not covered by FEMA. The UWF Office of Internal Auditing and Management Consulting is reviewing that list (see a partial list under review on the second tab of the Hurricane Report) and some of the remaining legislative funds will be transferred back to departments and DSOs as part of the close out process. The list of funds due other units was valued at slightly under \$114,000 as of December 31, 2008.

The residual balance of the \$4.9 million from 2004 Hurricane Appropriation, after all FEMA and Risk reimbursements and net of all hurricane recovery expenses is estimated to be approximately \$2.6 million. Based on the advice of the General Counsel's Office (see General Counsel Opinion on 2004 Hurricane Appropriation available on the budget website at <http://uwf.edu/president/budget/>), the final residual balance of legislative appropriation will be used as the UWF Hurricane Reserve.

Section III Summary

All University cash is properly accounted for in Banner. There is no duplicate counting of cash and no internal control weaknesses over cash have been cited by the State Attorney General's auditor. The University has a decentralized process for the authority to spend cash. Each account manager holds a claim on cash and controls the ability to spend that cash to advance the mission of the University within the constraints of the state purchasing guidelines.

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In addition to E&G carry forward account balances discussed in the previous section, there are significant funds held in Auxiliary accounts. However, ratio analysis shows that the overall level of unrestricted funds held by UWF are consistent with our SUS peers.

An internal University loan against the cash of the auxiliary accounts was made to finance the University's ERP system (e.g. Banner). Using interest earnings on the funds held in auxiliary accounts, the pcard rebate, and the administrative overhead fees charged to auxiliary, athletic, and student activity accounts, the remaining balance of that internal loan (\$1.6 million) is expected to be repaid by June 30, 2011.

Of the \$900,000 that was requested as part of the 2005 hurricane appropriation for lost tuition interest, and fees, \$630,000 was used to pay down the internal ERP debt and \$230,000 went to the central reserve. After all reimbursements from FEMA and the Office of Risk Management and covering the remaining non-reimbursed hurricane related expenses, the balance of the appropriation will be used to create a hurricane reserve of approximately \$2.6 million.

Section IV. FY08 to FY09 Budget Reconciliation

The University's budget is anything but static. The initial budget, once allocated in Schedule C of the Operating Budget Book and posted to the ledgers, begins undergoing changes almost immediately. Budget amendments are issued by the state to cover such items as increases in health insurance or budget reductions necessitated by the state's declining economic picture. The university makes internal adjustments, such as moving budget from one division to another in line with reorganizations or between Central and the divisions as the President seizes strategic opportunities. Finally, the effects of these changes in the current year are extrapolated into the subsequent year, and the subsequent year budget is born.

The FY08 to FY09 Budget Reconciliation Report available on the University Budget website at <http://uwf.edu/president/budget/> takes the initial FY2008 budget and makes adjustments for all modifications that occurred during 2008. The report is prepared in two ways, by division (Budget Reconciliation by Division) and by funding source (Budget Reconciliation by Funding Source).

Budget Reconciliation Data Collected

Budget reconciliation by division.

In the top half of the FY08 to FY09 Budget Reconciliation Report by Division, the FY2008 budget allocation by division as published in the 2007-2008 Operating Budget Book is adjusted for every Board of Governors amendment and adjustment during FY2008. These amendments and adjustments amounts for UWF were compared to the Board of Governors published 2008-2009 Allocation Summary and Workpapers.

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The internal adjustments are reported in the middle portion of the report. These adjustments include faculty promotion increases, the budget reductions taken during the year, the allocation of the termination pay reserve budget, the changes in benefits received by each division, and the movement of budget between divisions.

The FY2008 internal adjustments for budget reductions match the budget reductions reported in section I of this report. The allocation of the termination pay reserve budget did occur as approved by the University Budget Council. The movement of budget between divisions was minor except for the amount attributable to moving Institutional Research from Academic Affairs to University Affairs (\$340,227). As of December 31, 2008, the amounts held for divisional holdbacks remained within the divisions, colleges, units, and departments.

Any adjustments or amendments that have occurred since the printing of the 2008-2009 Operating Budget Book are noted at the bottom of the Budget Reconciliation Report. All adjustments or allotments for insurance expenses are given to the University as amendments made by the Board of Governors. The insurance amendments for the current fiscal year through December 31, 2008 that impact recurring budget and have been approved by the Board of Governors are reflected at the bottom of the report. Also, Internal UWF adjustments that have occurred since the FY 2009 Operating Budget Book was published include an adjustment for hiring the Provost, an additional \$1 million in anticipated student fee trust funds collections (discussed in the next section of this report), and a minor budget correction between Student Affairs and Academic Affairs related to restructuring Enrollment Services are included at the bottom of the Budget Reconciliation by Division Report.

Once the entry approved during the May, 2008 Budget Council meeting to record a \$1 million increase to the SFTF is made and the divisional holdback funds are moved, the unallocated central reserves will be \$4.4 million. However, in early spring 2009, the state announced that the University would take as a permanent recurring reduction the 1% that the State had been withholding each quarter in FY2009. This FY2009 mid-year reduction of 4% of General Revenue and EETF Lottery funding translates into a \$2,636,438 recurring budget reduction for the current fiscal year. The UWF President has directed that this reduction will be covered from the unallocated sources (including the divisional holdback budget). After that reduction, the remaining unallocated *recurring* budget will be \$1,764,393 (1.89% of the adjusted FY09 recurring budget). A Summary of Unallocated Central Recurring Reserves is presented in Table 9.

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Table 9
Summary of Unallocated Central Recurring Reserves

<u>Account #</u>	<u>Account Name</u>	<u>Unallocated Dollar Amount</u>
Various	Divisional Holdback	1,963,171
9823	Pr Yr Budget Not Allocated - Recur	19,452
9839	General Revenue- Access – Recurring (FY08)	222,888
9840	General Revenue-Change in Mix – Recurring (FY08)	123,294
9842	Recurring Strategic Reserve (Phase II)	1,599,258
9847	Unallocated Tuition Increase (Annualized 5% less 30% Financial aid)	472,768
Sub -total		\$4,400,831
FY2009 4% Reductions		\$2,636,438
Total		\$1,764,393

Note: The data in this table ties to the information presented in the FY08 to FY09 Budget Reconciliation Report (see University Budget website at <http://uwf.edu/president/budget/>).

Any remaining unallocated recurring central budget is typically used to fund recurring needs such as promotion increases, variations in utility costs, and the strategic recurring reserve established during the FY2008 Phase II Budget Reductions discussed in Section I of this report.

FY08 to FY09 Budget reconciliation by funding source.

The FY08 to FY09 Budget Reconciliation by Funding Source is shown for each funding source, General Revenue, Lottery (Educational Enhancement Trust), and the Student Fee Trust Fund (tuition and interest). The Board of Governors amendments and adjustments during FY2008 are reflected and the relative percentage of the total E&G budget is reported. This information is recapped in Table 8.

Table 8

FY2009 Budget Amount and Percentage By Funding Source

<u>FY2009 Recurring Budget Sources</u>	<u>FY2009 Recurring</u>	
	<u>Budget Amounts</u>	<u>Percentage</u>
General Revenue	60,892,789.00	66.58%
Educational Enhancement (Lottery)	5,893,557.00	06.44%
Student Fee Trust	24,670,678.00	26.98%
Total Budget	91,457,024.00	100.00%

Note: The data in this table ties to the information presented in the FY08 to FY09 Budget Reconciliation Report (see University Budget website at <http://uwf.edu/president/budget/>).

Also, the FY08 to FY09 Budget Reconciliation Report by Funding Source shows that the exchange between a percentage reduction in State General Revenue and Lottery funds and tuition increases is not equal. For every 1% State General Revenue and Lottery funds are reduced, a 3% increase in tuition dollars would be needed to supplant the lost state funding.

Section IV Summary

Every dollar of budget was accounted for in the budget reconciliation report and all Board of Governor adjustments and amendments tie exactly to the Board of Governors published 2008-2009 Allocation Summary and Workpapers.

The FY2009 mid-year reduction (4% in General Revenue and EETF Lottery funding) translates into a \$2,636,438 recurring budget that will be covered from central unallocated sources (including the divisional holdback budget). After that reduction, the remaining unallocated *recurring* budget will be \$1,764,393 (1.89% of the adjusted FY09 recurring budget). The FY08 to FY09 Budget Reconciliation Report by Funding Source shows that for every 1% State General Revenue and Lottery funds are reduced, a 3% increase in tuition dollars would be needed to supplant the lost state funding.

Section V. Student Fee Trust Fund Estimate & the Summer Budget

As stated in the General Information section of this report, the Student Fee Trust Fund is comprised primarily of tuition and interest earnings on E&G cash including carry forward. As a source of recurring budget, the SFTF represents less than 27% of the annual recurring E&G budget.

Student Fee Trust Fund Data Collected

Tuition is an important component of the University’s budget. The Tuition Review Report available on the Budget website (<http://uwf.edu/president/budget/>) shows that the accumulated percentage tuition increase for UWF over the past three years has been 15% for in-state undergraduates and 3% for graduates and out-of-state students. According to the Digest of Education Statistics presented on the Department of Education’s National Center for Education Statistics website (http://nces.ed.gov/programs/digest/d07/tables/dt07_320.asp),

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tuition and fees at 4-year public universities has risen 10.2% per year for the past five years (FY2002 through FY2007). Clearly, Florida is not keeping pace with the national averages and consequently, has the lowest tuition in the country (Winchester, March 1, 2009).

Historically, the state estimate for UWF tuition collection is higher than actual tuition collected. As a result, UWF prepares its own estimate of the actual tuition and interest revenues that is used in preparing the annual operating budget. For FY2008 and FY2009, the difference between the state authorized amount and the amount used in the UWF budget is presented in Table 10.

Table 10
Difference between State and University Student Fee Trust Estimates by Fiscal Year

<u>Fiscal Year</u>	<u>Student Fee Trust Estimate</u>			
	State	University	Difference	Percentage Difference
FY2009	28,504,036	24,670,678	3,833,358	-13.5%
FY2008	25,381,298	23,144,902	2,236,396	-8.8%

Note: The data in this table comes from the published Budget & Financial Planning Operating Budget Book and ties to the Board of Governors published annual Allocation Summary and Workpapers.

Factors to consider in estimating tuition revenues.

The tuition collection estimate involves a complex assessment of many variables including national factors, such as the economy, unemployment rate, and federal funding for education, and local factors, such as estimated number of graduating high school seniors, transfer students, student inquiries, applications, etc. The assessment of these variables has been based on the quantitative enrollment data including enrollment for the past three years and the number of applications and enrollments for next year. Other factors to consider include housing applications, financial aid applications, data on graduating seniors, enrollment and graduation trends at area community colleges, number attending open houses and orientation sessions, and other changes that might impact enrollments such as new housing, degree offerings, or scholarships opportunities.

Student fee trust fund estimate.

The Student Fee Trust Fund (SFTF) Revenues Report (see University Budget website at <http://uwf.edu/president/budget/>) shows how total fees assessed compare to fees collected. The information is presented in two ways. One report on the 3-Year Review tab shows a comparison using the State’s old enrollment groupings. The second report on the 2-Year Review tab uses the State’s newer enrollment categories that separate undergraduate and graduate data by enrollment group (this breakdown was only available for FY2008 and FY2009). In both reports, waivers and refunds are deducted from the assessed fees. The difference between adjusted assessed fees and the fees collected in the Student Fee Trust Fund ledgers is the remaining receivable due from students.

Furthermore, the 2-Year Review tab of the SFTF Revenue Report shows that fee waivers represent a significant percentage of assessed tuition. The fee waivers for FY2009 totaled \$3,444,107 as of January 28, 2009 (12% of assessed tuition).

The 3-Year Review tab of the SFTF Report shows that the total SFTF revenue collected has been higher than the amount recorded in the budget for each of the past two years and is projected to be higher for FY2009. In FY2007, most of the additional amount collected was due to higher than expected interest income. In 2008, the higher than expected amount was related to net tuition collections tied to enrollment growth.

As part of the SFTF Revenue Report, enrollment data as of 1/28/2009 was used to project SFTF net revenue collections through the end of FY2009. The projected SFTF collections for FY2009 indicate that the enrollment growth experienced in FY2008 have been sustained in FY2009. A summary of the differences between the Allocated Student Fee Trust Fund Estimates and the Fees Collected by fiscal year is presented in Table 11.

Table 11
Difference between Allocated Student Fee Trust Estimates and Fees Collected by Fiscal Year

Fiscal Year	Student Fee Trust Fund			
	SFTF Allocated	Fees Collected	Difference	Percentage Difference
FY2009	24,670,678	26,407,871	1,737,193	7.0%
FY2008	23,144,902	25,532,756	2,237,854	9.7%
FY2007	23,010,981	23,938,179	927,198	4.0%

Note: The data in this table ties to the information presented in the SFTF Revenue Report.

With the estimated Session C enrollment for FY2009, the growth discussed at the May, 2008 Budget Council meeting has been sustained and the additional \$1 million in budget discussed at that meeting has been recorded. This increase has already been incorporated in the projected unallocated central budget funds discussed in Section IV above. The action to record the additional increase in the SFTF budget restores the \$658,000 of non-recurring lottery money that was noted in the 2008-2009 Operating Budget Book. Instead, this non-recurring allocation of lottery funds will create additional carry forward reserves if unused to meet current year budget demands or reductions.

Summer funding.

On May 2, 2008, the Provost presented a proposal to shift funding in support of growing summer enrollment. The Budget Council indicated support for growing summer enrollment as a strategic initiative important to the entire University. The project team documented the distinct understandings (see the Comparing Summer Models report on the Budget website at <http://uwf.edu/president/budget/>) that came from the May, 2008 Budget Council Meeting and met with the President and Vice Presidents to get clarification.

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The Summer Fund was described as a self-contained revenue and expense unit or responsibility center. The goal of Responsibility Center Management (RCM) (Strauss & Curry, 2002) is to pair revenue decisions with incentivized management. While the UWF Summer Fund is not a true RCM model, it was created with the same goals in mind. The UWF Summer Fund does treat the summer term as a separate revenue and expense center. All tuition collected for summer enrollments is to be posted into the Summer Fund. The \$3.43 million budget approved in May, 2008 covers only the direct expenses for faculty salaries and related fringe, limited direct travel, and summer marketing. Half of any excess summer tuition revenue remaining after direct summer expenses are paid would go to Academic Affairs. The remaining 50% share would be divided by the other three Divisions and the President's Office to offset institutional indirect/overhead costs (e.g. payroll, human resources, IT, etc.).

The approved Summer Fund proposal included moving all existing summer budget and salary lines to a separate fund and added \$1 million of recurring dollars to the summer budget (total budget \$3.43 million). However, since all revenues offset the entire budget, moving all tuition revenue collected for summer to the summer index created a summer funding gap of \$667,000 in the Fall/Spring Budget for FY2007. The summer funding gap for FY2008 was \$884,396.

Section V Summary

The Student Fee Trust Fund (SFTF) makes up less than 27% of the university's budget. Florida currently has the lowest tuition in the nation ranking 50th in overall tuition and fees (Winchester, March 1, 2009). In addition, Florida's tuition increases have been the smallest. As a result, Florida has fallen behind the national average in tuition revenue.

There is always a difference between the University's and the State's calculation of estimated collections that will occur in the Student Fee Trust Fund (SFTF). Despite the lower university estimates, the actual SFTF collections have been higher than the University's recorded budget estimate for the past two years. With the estimated Session C enrollment for FY2009, the growth discussed at the May, 2008 Budget Council meeting has been sustained. The additional \$1 million in budget discussed at that meeting has been recorded and restores the \$658,000 of non-recurring lottery money that was noted in the 2008-2009 Operating Budget Book.

The development of a statistical model for predicting the SFTF collections is an area for possible additional work beyond the scope of this project. A statistical model would not be a perfect substitute for the interpretation of the data by experienced enrollment staff, but would provide an additional estimating tool. Included on the Budget website (<http://uwf.edu/president/budget/>) is a list of Things To Consider About Enrollment for SFTF that was prepared by the Associate Vice President for Enrollment Services. A properly applied regression analysis utilizing this type of data would identify the best predictors for UWF enrollment and yield a helpful revenue estimating model. However, caution should be exercised in using a statistical model alone. Any model would need to be tempered by

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consideration of underlying assumptions, estimates, uncertainties, and risk probabilities that might impact the budget.

Fee waivers represent a significant percentage of assessed tuition for some enrollment categories. Though it is beyond the scope of this project, fee waivers is an area that might warrant additional study

The Summer Fund model is new for UWF. Its full budget implementation will require thought, analysis, and funding. It is no small endeavor. The budget gap created by moving to the Summer Fund model cannot be addressed in the current economic environment without taking budget cuts in the existing fall/spring budget. Alternatively, the summer funding gap could be addressed over time. Therefore, the institution has committed one-time carry forward funding to meet the unfunded commitment until a recurring funding source can be identified (\$2.5 million for up to three years).

Furthermore, the Summer Fund budget model will require additional communication and work to fully implement. Additional areas for discussion might include the components of the excess revenues calculation, the measurement intervals, timing of revenue sharing, common definitions, available funding to fill the budget gap, an appropriate level of summer reserves, methods for excess revenue sharing, and more. A more complete plan for the full implementation of the Summer Fund model is beyond the scope of this project and report.

Section VI. Sources & Uses of Funds

The available customized Banner reports allow financial managers across campus to review departmental information by account. The departmental report provides expenditure information using the State coding system. In many cases, financial managers have the ability to drill down through the detail to the supporting documents. Additionally, the University financial reporting system provides the ability to pull those reports by groupings called preferences.

While these reports provide accurate and detailed financial information, the data provided required substantial manipulation to create meaningful management reports of the Sources and Uses of funds. Since the need for this information will be on-going, two new report templates were created and moved into production in Information Navigator. These reports are called Sources and Uses of Cash and Comparative Sources and Uses of Cash.

The Information Navigator Sources and Uses of Cash report was designed to provide users the ability to see the source and use of cash by individual indexes and assorted hierarchical ad hoc combinations of indexes and preferences. The report summarizes data allowing users to easily compare index to index, fund to fund, and other comparisons as needed. Preferences may be used with this report and the result is an individual report for each index included in the preference list.

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The Information Navigator Comparative Sources and Uses of Cash report was designed to provide additional summary data to users by presenting information in a summary format. The data results compare the current fiscal year-to-date to the previous 3-Years. It also provides prior year expenditures as a percentage of initial budget and percentage change by expenditure category over the prior year. When preferences are used with this report, the result is a single combined summary report that totals the expenses in all of the indices, funds, or high level orgns included in the preference list.

The Information Navigator Comparative Sources and Uses of Cash Report was used to compile the Sources and Uses reports and the YTD Trend Graphs available in the Final Reports folder on the University Budget website (<http://uwf.edu/president/budget/>). For easier access, the Sources and Uses reports for each Division are organized into folders on the website. A list of the indices used to prepare the summaries is also provided within each folder. There are notes on each of the summaries that are intended to provide additional information to be used when interpreting the division level, college level, unit level, and department level reports.

Sources and Uses Data Collected

The division level, college level, unit level, and department level reports were compiled and reconciled to the Final E&G Total reports folder. These reconciliations are provided in a separate folder called Final Reconciliation – Sources & Uses. The comments here will focus on trends and analysis of the Final E&G Sources & Uses report found in the Final- total E&G folder. Within the file, the data is accumulated in three ways. The tabs are labeled: E&G only, Carry Forward only, and Combined E&G and CF. Each of these compilations for the University as a whole will be discussed here.

Sources and uses – E&G only.

The E&G tab shows that over 70% of the FY2008 budget was spent on wages (65.22% on salaries and 5.66% on OPS). Almost 15% of the FY2008 budget was spent on general expenses including travel (0.83%) and utilities (2.94%). OCO purchases of equipment costing more than \$1,000 made up less than half a percent of the FY2008 budget. The report on the E&G tab shows that the remaining ending cash that rolled forward into carry forward accounts at the end of FY2008 was over \$12 million (11.89% of the initial FY2008 budget). This amount ties to the amount that was moved into carry forward accounts and was reviewed in section II of this report. The Other category includes expenses for risk management premiums, student financial aid, and library resources. The ending encumbrance amount is related to open purchase orders and represents outstanding contractual commitments to spend funds at the end of the year. A summary of the report on the E&G only tab within the Final E&G Sources & Uses report is presented in Table 12.

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Table 12
 FY2008 E& G – Sources & Uses Report Summary

<u>Uses of Budget</u>	<u>FY2008 Expense</u>	<u>% of Initial FY2008 Budget</u>
Salary	66,197,921	65.22%
OPS	5,749,006	5.66%
Subtotal Wages (including fringe benefits)	71,946,927	70.88%
General Expenditures	10,031,323	9.88%
Communications	413,849	0.41%
Printing & Reproduction	366,000	0.36%
Office Supplies	267,826	0.26%
Utilities	2,982,660	2.94%
Travel	840,399	0.83%
Subtotal Expenses	14,902,057	14.68%
OCO	477,837	0.47%
Other	2,314,172	2.28%
Ending Encumbrances	662,300	0.65%
Ending Cash	12,066,292	11.89%
Total FY2008 Budget (adjusted for net transfers)	102,369,585	

Note: The data in this table ties to the information presented in the Final E&G Sources & Uses Report.

In the current fiscal year-to-date column of the report, the ending cash from E&G budget is over \$20 million. This amount includes current year encumbrances recorded in the system and an estimate for salary encumbrances. It does not include any amounts for OPS, OCO or other expenses for the last five months of the year. Also, the additional \$1 million in SFTF revenue described in section V above is not yet recorded as of January 31, 2009.

At the bottom of the Education and General Only Sources and Uses Report is a brief section projecting the January 31, 2009 ending cash balance forward to year-end. In the first line below the standard report, the additional \$1 million for the Student Fee Trust Fund as described in section V is added. The next four lines use a simple mathematical calculation to average monthly expenses for the first seven months and project it forward for the remaining five months of the year. Finally, the FY2009 mid-year (4%) recurring and non-recurring budget reductions are also subtracted. The result of these estimated adjustments is a projected ending cash balance of almost \$10 million. It is important to note again that this amount is spread across multiple accounts and the authority to spend these funds resides with the divisions, colleges, units and departments across the campus.

The report includes a note suggesting caution in using this projected number. The projection is a simple mathematical calculation only. Actual expenses through the first seven months of the year are not necessarily a predictor of spending levels in the remaining five months of the fiscal year. For example, many costs are cyclical (e.g. summer encumbrances have not yet been incurred), many occur only once annually (e.g. license renewals), and others may only happen at year-end, if funds are available (e.g. equipment purchases). Furthermore, the possible need for additional cuts in the current year could impact spending behaviors and the resulting residual balance. The use of this data is limited and updated calculations should be made prior to making any informed decisions.

Sources and uses – carry forward only.

The carry forward balance for the University as a whole ties to the carry forward data discussed in section II of this report. The information presented in this section shows how those carry forward funds have been used.

The report on the Carry Forward only tab shows that 7.6% of the FY2008 carry forward funds were spent on wages (5.26% on salaries and 2.35% on OPS). Almost 19% of the FY2008 carry forward funds was spent on general expenses including travel (1.29%) and utilities (0.22%). OCO purchases made up 4.54% of the FY2008 carry forward funds. The report also shows that 65% of the FY2008 carry forward funds remained at year-end. A summary of the report on the Carry Forward only tab within the Final E&G Sources & Uses Report is presented in Table 13.

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Table 13

FY2008 Carry Forward Only - Sources and Uses Report Summary

<u>Uses of Carry Forward Funds</u>	<u>FY2008 Expense</u>	<u>% of FY2008 Carry Forward Funds</u>
Salary	904,980	5.26%
OPS	404,063	2.35%
Subtotal Wages (including fringe benefits)	1,309,043	7.61%
General Expenditures	2,786,161	16.20%
Communications	19,906	0.12%
Printing & Reproduction	98,582	0.57%
Office Supplies	36,540	0.21%
Utilities	38,048	0.22%
Travel	221,414	1.29%
Subtotal Expenses	3,200,651	18.61%
OCO	780,516	4.54%
Other	167,197	0.97%
Ending Encumbrances	547,734	3.18%
Ending Cash	11,193,055	65.08%
Total FY2008 Carry Forward Funds	17,198,196	

Note: The data in this table ties to the information presented in the Final E&G Sources & Uses Report.

Sources and uses – combined E&G and carry forward.

The report found on the Combined E&G and Carry forward tab within the Final E&G Sources & Uses Report shows how all sources in the University’s E&G fund are being used. This report is provided to show E&G expenditures in total. It reflects total spending patterns from year to year regardless of whether they were paid from budget one year and carry forward the next. For that reason, it is more meaningful to discuss this report in terms of trends from year to year rather than as a percentage of initial budgets or carry forward balances. A summary of the report found on the Combined E&G and Carry forward tab within the Final E&G Sources & Uses Report is presented in Table 14.

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Table 14
FY2008 Combined E&G and Carry Forward - Sources and Uses Report Summary

<u>Uses of E&G and Carry Forward Funds</u>	<u>FY2006 Expense</u>	<u>FY2007 Expense</u>	<u>FY2008 Expense</u>
Salary	61,151,264	65,668,411	67,102,902
OPS	6,080,296	6,448,836	6,153,069
Subtotal Wages (including fringe benefits)	67,231,560	72,117,247	73,255,971
General Expenditures	11,031,232	10,026,946	12,817,483
Communications	582,960	499,197	433,756
Printing & Reproduction	557,933	585,044	464,582
Office Supplies	372,390	371,749	304,366
Utilities	3,233,856	2,895,404	3,020,707
Travel	1,312,791	1,480,499	1,061,812
Subtotal Expenses	17,091,162	15,858,839	18,102,707
OCO	2,530,141	2,662,490	1,258,353
Other	2,201,939	1,883,366	2,481,370
Total Uses of Cash	89,054,802	92,521,943	95,098,401

Note: The data in this table ties to the information presented in the Final E&G Sources & Uses Report.

The combined report shows that wages were trending up through FY2008. While communications, printing, office supplies, and travel expenses were trending down, general expenses were increasing. OCO expenses in FY2008 were less than half of the previous two years. Total uses of E&G and carry forward funds in FY2008 were up by more than \$2.5 million over the prior year. This increase was primarily in salaries and general expenditures excluding communications, printing, office, utilities, and travel.

The report also shows the cash available at year-end. When comparing the ending cash balance, it is important to note special one-time appropriations that cause variations in the numbers. Two specific examples would be the one-time appropriation for hurricane recovery (\$4.9 million) and the one-time appropriation for the Emerald Coast (\$1.5 million). The changes in carry forward dollars are discussed in greater detail in section II of this report.

Year to date trend graphs.

The trends in year-to-date spending are graphically presented in the YTD Trend Graph (available on the University Budget website at <http://uwf.edu/president/budget/>). The graphs compare the FY2009 year-to-date figures to amounts spent through the same time period for each of the last three fiscal years.

The graphs show a decline in year-to-date E&G funds used to fund salaries, while year-to-date OPS salaries are fairly flat. Year to date travel expense are trending down slightly. Contrastingly, the graph shows that expenses from carry forward funds for salary, OPS, and travel have increased while OCO expenses from carry forward funds have declined.

FY2009 E&G only spending.

Further analysis of the year-to-date trends in expenses indicates that FY2009 total spending (all budget categories) is close to level for the past four years.

- 1/31/09 - \$47,054,964.10
- 1/31/08 - \$47,898,926.86 (\$50,148,926.86 less non-recurring \$2.25 million special legislative appropriation unavailable for UWF general budgeting)
- 1/31/07 - \$46,417,589.67
- 1/31/06 - \$44,804,722.33

In general, there is a decline in spending in the salary category funded by general revenue.

- 1/31/09 - \$35,597,172.39
- 1/31/08 - \$36,621,676.59
- 1/31/07 - \$34,372,431.79
- 1/31/06 - \$32,579,485.15

FY2009 OPS spending year-to-date from general revenue is level with prior years.

- 1/31/09 - \$3,024,465.18
- 1/31/08 - \$3,036,761.92
- 1/31/07 - \$3,014,175.53
- 1/31/06 - \$2,784,013.68

OCO spending in E&G at January 31 is down compared to prior years. However, it is not uncommon for OCO expenditures to rise at year-end.

- 1/31/09 - \$54,374.87
- 1/31/08 - \$109,378.55
- 1/31/07 - \$312,246.89
- 1/31/06 - \$438,771.35

In general, there is a slight decline in year-to-date travel expenditures funded from general revenues.

- 1/31/09 - \$404,564.91
- 1/31/08 - \$458,106.00
- 1/31/07 - \$696,630.16
- 1/31/06 - \$511,809.19

FY2009 carry forward spending.

Carry forward spending (all budget categories) is down compared to prior years at January 31.

- 1/31/09 - \$2,903,116.32
- 1/31/08 - \$3,824,731.62
- 1/31/07 - \$3,787,852.51
- 1/31/06 - \$2,906,553.11

In general, there is an increase in spending in the salary category funded by carry forward.

- 1/31/09 - \$656,767.19
- 1/31/08 - \$565,912.23
- 1/31/07 - \$437,942.39
- 1/31/06 - \$444,533.40

OPS spending from carry forward is down from prior years as of January 31:

- 1/31/09 - \$240,498.39
- 1/31/08 - \$276,147.46
- 1/31/07 - \$368,212.35
- 1/31/06 - \$273,677.73

OCO spending in carry forward at January 31 is level compared to FY2008, but half of FY07 and FY06 years.

- 1/31/09 - \$559,116.91
- 1/31/08 - \$585,907.69
- 1/31/07 - \$1,002,080.03
- 1/31/06 - \$1,168,170.40

In general, there is a slight decline in year-to-date travel expenditures funded from carry forward compared to FY2008.

- 1/31/09 - \$105,420.37
- 1/31/08 - \$123,536.06
- 1/31/07 - \$82,852.14
- 1/31/06 - \$44,839.50

Section VI Summary

Caution should be used in reading the Sources and Uses reports. The year-to-date figures present only a portion of the year and cannot be accurately extrapolated to year-end without additional information from divisions, colleges, units, and departments across campus. The numbers presented only reflect actual expenses through January 31, 2009 and there will be five more months of spending before the year closes.

The projections provided at the bottom of the report on the E&G only tab of the final E&G Sources & Uses Report are based on a simple mathematical calculation only. They are not the

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product of a sophisticated projection process and are only provided for rudimentary estimating purposes. Actual expenses through the first seven months of the year are not necessarily a predictor of spending levels in the remaining five months of the fiscal year. For example, many costs are cyclical (e.g. summer encumbrances have not yet been incurred), occur only once annually (e.g. license renewals), or may only happen at year-end, if funds are available (e.g. equipment purchases). Furthermore, the possible need for additional cuts in the current year could impact spending behaviors and the resulting residual balance. The current adjusted estimated year-end budget of \$9.9 million shown at the bottom of the Education & General only – Sources and Uses report will almost certainly not be the amount rolling forward to carry forward balance at year-end. For a more accurate analysis, this report should be updated periodically.

In tight economic times, it is fiscally prudent to manage funds in a more conservative manner. This behavior is reflected in the data. There is evidence in the data (e.g. the decline in salary, travel and OPS) that indicates University financial managers are holding vacant positions open, reducing spending (e.g. travel), and postponing optional purchases (e.g. OCO).

Conclusions

The significant findings for each section are summarized in the Executive Summary. Overall, through good fiscal management, the University is in sound financial health. All areas outlined in the initial research questions were researched and addressed in this report. Potential areas for misperception, confusion, and concern were specifically researched and addressed. They include:

- Implementation of the FY2008 budget reductions.
- Common definitions and understandings related to the budget reductions.
- Carry forward balances, uses, and commitments.
- Cash balances and ratio analysis.
- The year-end process for collecting cash from central accounts into the central reserve.
- Auxiliary cash balances.
- The internal ERP debt.
- The hurricane recovery funds.
- The FY08 to FY09 reconciliation of all budget adjustments.
- The difference between the Student Fee Trust Fund estimate and collections.
- The Summer Fund gap.
- Analysis of current year sources and uses of funds across all E&G accounts.

Additionally, five areas for further study were noted during this review that exceeded the scope of this project.

1. A follow-up review of the carry forward balances could help substantiate the prospective June 30, 2009 carry forward balances presented in section II.

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2. Fee waivers represent a significant percentage of assessed tuition for some enrollment categories and might warrant additional study (see section V).
3. The development of a statistical model for predicting the SFTF collections is an area for possible additional work (see section V).
4. It is likely that additional work will need to be done to formulate a more complete plan for the full implementation of the Summer Fund model (described in section V).
5. Regular updates on the Central Reserve accounts and the current year Sources & Uses of funds would be beneficial in on-going decision-making (refer to section VI).

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End note

The project was undertaken over seven months from September, 2008 to March, 2009. The data and final report represent the culmination of a tremendous effort by many people. While the report concludes a significant effort by a very committed core group of campus professionals, it also represents the work of numerous other staff members beyond the budget officers and the analysis group members. Support staff in the budget and accounting areas across campus assisted with data retrieval, review, and analysis. As a result of their collective effort, the campus has a comprehensive review of the budget and financial picture of the institution. For this, the campus community owes all of these unsung heroes a debt of gratitude.

Special Thanks to the Participants

People who deserve special thanks include the data gathering group, the analysis group, and the IT support staff.

Project Group - Data Gathering

Colleen Asmus	Assistant Vice President for Financial Affairs
Shelly Blake	Executive Assistant to the Provost
Betsy Bowers	Associate Vice President, Internal Auditing and Management Consulting (ex-officio)
Tammy McGuckin	Assistant Vice President for Student Affairs
Valerie Moneyham	Director of Budget and Financial Planning
Kim Spear	Chief of Staff, President’s Office
Susan Stephenson	Executive Director of the Foundation and Division Budget Officer for University Advancement (Project Chair)
Angela Wallace	Division Budget Officer for University Affairs

Analysis Group

To form the Analysis Group, the Project Group members listed above were joined in the analysis (stage 4) by the following participants.

Dr. Judy Bense	President
Dr. Chula King	Provost
Dr. Hal White	Executive Vice President
Dr. Debbie Ford	Vice President for Student Affairs
Dr. Dean Van Galen	Vice President for Advancement

IT Support

John Brooks	Data Analyst
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