CASH DEFICIT POLICY: FUND 34, GIFT FOPPS, AND FUND 72, FUND 78, RENEWAL & REPLACEMENT FOPPS
POLICY AND PROCEDURE

Date: February 18, 2002
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Approved By: Laura Ragin, Assistant Vice Chancellor and Controller

1. Purpose
The purpose of this policy is to establish guidelines and procedures for addressing and eliminating cash deficits in
- Gift Fund FOPPS, Fund 34
- Renewal & Replacement Plant Fund FOPPS, Fund 72 and Fund 78

2. Overview
Gift FOPPS, Fund 34, are funded by gifts that are
- given to CU-Boulder or a CU-Boulder activity or program,
- processed through the CU Foundation, and then
- transferred from the CU Foundation to a CU-Boulder Fund 34 FOPPS.

Renewal & Replacement FOPPS, Fund 72 and Fund 78, are funded primarily through cash and fund balance transfers from other funds, typically the unrestricted current funds. Fund 72 accepts transfers in from General Fund FOPPS (Fund 10). Fund 78 accepts transfers in from Auxiliary Fund FOPPS (Funds 2x).

Since University FOPPS must not be operated with a cash deficit, it is imperative that a transfer of funds from an appropriate source be made prior to incurring expenditures in a Gift FOPPS or a Renewal & Replacement FOPPS. For a Gift FOPPS, a transfer from the CU Foundation to the respective Boulder campus Fund 34 Gift FOPPS must be completed. For a Renewal & Replacement FOPPS, a transfer in from a current fund FOPPS to either a Fund 72 FOPPS (General Fund funded Renewal & Replacement FOPPS) or a Fund 78 FOPPS (Auxiliary Fund funded Renewal & Replacement FOPPS) must be completed.

Spending from Fund 34 Gift FOPPS, Fund 72 Renewal & Replacement FOPPS and Fund 78 Renewal & Replacement FOPPS is not permitted when the FOPPS has a cash deficit.
3. Procedure

1. Each month, CCO will distribute a report and a cash deficit notice to the Organization Manager, as listed on the PeopleSoft Monthly Statement, for each Gift FOPPS and Renewal & Replacement FOPPS that has a cash deficit. Copies of the Cash Deficit Notice will also be sent to select administrators in a position of authority with respect to the Organization Manager. Examples include Directors, Deans, Vice Chancellors.

2. The Organization Manager is expected to
   - review the report that lists the FOPPS with cash deficits,
   - stop spending immediately from those FOPPS with a cash deficit, and
   - take appropriate actions to eliminate the cash deficits as soon as possible.

3. Possible corrective actions for eliminating the cash deficits include:
   - transferring funds from the CU Foundation to the Gift FOPPS with the cash deficit,
   - transferring expenditures from the Gift FOPPS to another FOPPS that can legitimately accept the charges,
   - transferring funds from a current fund FOPPS to the Renewal & Replacement FOPPS with the cash deficit,
   - transferring expenditures from the Renewal and Replacement FOPPS to another FOPPS that can legitimately accept the charges.

4. Gift FOPPS and Renewal & Replacement FOPPS that show a cash deficit for four consecutive months will be inactivated by CCO.
   - Example #1: If a FOPPS had a cash deficit for the months of July, August, September and October, the FOPPS would be inactivated in November.
   - Example #2: If a FOPPS had a cash deficit for the months of July and August, had a favorable cash balance for the months of September and October, and then had a cash deficit for the months of November, December, January, and February, then the FOPPS would be inactivated in March.

5. The cash deficit of inactivated Gift FOPPS or Renewal & Replacement FOPPS will be discussed with the Department Chair or Director, and other administrators such as Dean and Vice Chancellor, to identify a resolution for the deficit. Potential resolutions include:
   - working with CCO to activate a Gift FOPPS so it can accept a transfer in of funds from the CU Foundation,
   - working with CCO to activate a Renewal & Replacement FOPPS so it can accept a transfer of resources from a current fund FOPPS,
   - moving the cash deficit of the Gift FOPPS or the Renewal & Replacement FOPPS to a departmental General Fund (Fund 10) FOPPS or to an Auxiliary Fund (Fund 2x) FOPPS as appropriate.

6. If the cash deficit in the Gift FOPPS or Renewal & Replacement FOPPS cannot be eliminated immediately, the department must notify its Area Accountant of the plan for eliminating the deficit and of the date by which the respective FOPPS will be brought back into positive cash position. Any plan presented for eliminating the deficit will be monitored by CCO to ensure
   - that the plan is being followed, and
   - that progress is being made towards eliminating the deficit.