To: Todd Barre  
Christine Curtis  
Mallie Hale  
Bob Lindquist  
Kristi Motter  
Laterrica Shelton  

From: Chih Loo  

Date: September 16, 2019  

Subject: Fund Balance Usage Guidelines  

The following budgetary guidelines for fund balance usage are effective beginning October 1, 2019, and supersede all previously published and verbally stated or implied guidelines:  

- The fund balance usage guidelines apply to fund balances in the following ledger accounts: ledger 2 (state), ledger 3 (departmental), ledger 4 (auxiliary), and ledger 6 (restricted).  
- Fund balances are not budgeted and are non-recurring; therefore, units are strongly encouraged to use fund balances on capitalized purchases. If budgeted funds are not available, then units may use fund balances for non-capitalized purchases.  
- Units are not allowed, under any circumstances, to use fund balances to fund recurring personnel expenditures.  
- Funding from fund balances for non-recurring personnel expenses such as temporary employees, termed part-time staff, temporary one-year lecturers, and part-time faculty will be reviewed on a case-by-case basis. It is expected that the unit requesting a transfer for non-recurring personnel expenses from fund balance sources will have used all available fiscal
resources from the unit’s current fiscal year’s budget.
• Ledger 6 accounts are generated from gift funds and as such are restricted to the terms and conditions of the gift agreement. Funding for non-recurring expenses, including personnel costs, may be made from the Ledger 6 accounts in accordance with terms and conditions of the gift agreement.
• Any spending from fund balances must be approved by the respective division vice president.
• The Budget Office will have the final decision on transfer eligibility.

All fund balance usage impacts the University’s cash position. The above guidelines will be reviewed periodically and modifications will be issued if needed.

Please let me know if you have any questions.

cc: President Dawson