



Amended by Cabinet:



Signature

Date: 8/05/25

First Approved: February 16, 2016

Institutional Program Revenue Policy

OP-11-16-1

UNIVERSITY OF WISCONSIN-GREEN BAY PROGRAM REVENUE BALANCES AND RESERVES POLICY

Purpose:

The purpose of this policy is to implement at UW-Green Bay the provisions of the Board of Regents Program Revenue Calculation Methodology and Fund Balances Policy (RPD 21-6) and to establish sound business practices related to program revenue balances.

Background:

In June 2014, RPD 21-6 was adopted to ensure the financial health and stability of each UW System institution and the UW System as a whole and to communicate an accurate fiscal condition more broadly and clearly. The policy balances prudent fiscal management with adequate levels of resources to carry out the universities' missions, programs, strategic goals, and objectives in an effective and efficient manner.

RPD 21-6 states in part:

The Board of Regents recognizes that there are many instances where accumulation of balances is a prudent practice in order to achieve strategic priorities over a multi-year period (establishing new academic programs, purchasing major equipment, funding start-up packages for new faculty, etc.). Institutions with balances above 12% of total fiscal year expenditures shall submit justifications for the entire balance along with a defined multi-year spending plan for each of the following four categories: (1) Tuition (Academic Student Fees and Extension Student Fees), (2) Auxiliary Operations, (3) General Operations, and (4) Other Unrestricted Program Revenue. Total balances above the 12% threshold should be obligated, planned, or designated by the Chancellor for specific purposes.

The 12% threshold is established to determine an amount which will require a report and Board approval. It is not established as cap on end-of-year balances.

Reported year-end balances in (1) Tuition (Academic Student Fees and Extension Student Fees),

(2) Auxiliary Operations, (3) General Operations, (4) Other Unrestricted Program Revenue, and (5) Federal Indirect Cost Reimbursement shall be categorized by the methodology used in the Legislative Audit Bureau's Report 13-17. The categories are obligated, planned, designated, reserves, and undocumented.

Policy:

Program Revenue (PR) balances will be managed in the following funds: Tuition – Funds 131, 189; Auxiliary Enterprises – Fund 128; General Operations – Fund 136; Other Unrestricted Program Revenue – Funds 132, 184, 187; and Federal Indirect Cost Reimbursement – Fund 150.

All PR generating activities will follow the long-range strategic planning process and procedures approved by the Cabinet and the Chancellor.

At the end of each fiscal year, PR balances must be categorized as **Obligated, Planned, Designated, or Undocumented (Discretionary)**.

No fiscal year-end PR balance will fall below zero without an approved plan for temporary coverage from another department/division and a plan for restoring a positive operating margin.

Reserves are defined as balances held for contingencies. These balances are not set aside for specific purposes but rather to mitigate risks associated with unexpected declines in enrollment or other revenue, abrupt termination of external funding, and other emergencies or unforeseen circumstances. Reserve balances and expenditures from reserves must be approved by the Chancellor or a person authorized by the Chancellor. The Chancellor may choose to spend balances intentionally below the target balance in furtherance of an extraordinary initiative. Spending below the minimum reserve balance requires Cabinet approval and a comprehensive plan to return the balances to the minimum reserve amount as soon as feasible. The categorization of balances as Reserves will be determined at the campus level in accordance with the following guidelines:

1. **Tuition:**

- a. Target Reserve Balance: 60-90 days of expenses for 131, 189, and GPR funds (average of the last 3 years)
- b. Minimum Reserve Balance: 30 days of expenses for 131, 189, and GPR funds (average of the last 3 years)

2. **Auxiliaries:**

- a. Target Reserve Balance: 60-90 days of auxiliary expenses (average of the last 3 years)
- b. Minimum Reserve Balance: 30 days of auxiliary expenses (average of the last 3 years)

3. **General Operations:**

- a. Target Reserve Balance: 60-90 days of general operations expenses (average of the last 3 years)
- b. Minimum Reserve Balance: 30 days of general operations expenses (average of the last 3 years)

4. **Other:**



UNIVERSITY of WISCONSIN-GREEN BAY

- a. Target Reserve Balance: 60-90 days of non-credit outreach operations expenses for fund 132 (average of the last 3 years)
 - b. Minimum Reserve Balance: 30 days of non-credit outreach operations expenses for fund 132 (average of the last 3 years)
5. **Federal Indirect Cost Reimbursement:**
- a. Target Reserve Balance: 60-90 days of Federal Indirect Cost Reimbursement expenses for fund 150 (average of the last 3 years)
 - b. Minimum Reserve Balance: 30 days of Federal Indirect Cost Reimbursement expenses for fund 150 (average of the last 3 years)

In each of the above categories, the reserve balance will be calculated and managed at the campus level while balances may be maintained in individual division/department accounts. Any specific program reserves mandated by appropriate agreements or contracts will be set aside separate from the campus reserve.

The Chancellor or Chancellor's designee may adjust, in writing, amounts or percentages in this policy to address emergent campus needs or priorities in any given budget cycle.