FCR 8

Office of the President
June 24, 2016

Members, Board of Trustees:

FISCAL YEAR 2016-17 OPERATING AND CAPITAL BUDGET

Recommendation: that the Board of Trustees:

1. Approve the Fiscal Year 2016-17 Operating and Capital Budget.

2. Approve the appropriation and allocation of all fund balances for future operations, to include amounts necessary to cover accounts receivable and inventories that will represent assets on the audited balance sheet of the University of Kentucky as of June 30, 2016. These audited balances may be different than the estimates incorporated in the proposed budget. Since the books of account for the University of Kentucky are maintained on a full accrual basis, this action will provide the authorization to expend accumulated fund balances as necessary to maintain a sound financial position during Fiscal Year 2016-17.

3. Order that the Fiscal Year 2016-17 Operating and Capital Budget be recorded as an integral part of the University's financial system with the necessary fiscal control being exercised for the recognition and collection of income and the expenditure of funds, including the allocation of expenditure authority to departments, in accordance with established fiscal policies and procedures.

4. Accept the Fiscal Year 2016-17 Operating and Capital Budget as the basis of maximum expenditure for Fiscal Year 2016-17, subject to item number two above and any subsequent Board approved budget revisions.

Background: Pursuant to the Governing Regulation II.E.2(c), the Finance Committee shall oversee the budgets of the University by reviewing and recommending to the Board of Trustees on the annual operating budget. The University's recommended Fiscal Year 2016-17 consolidated Operating and Capital Budget totals $3,524,640,400, an increase of $144,453,000, or 4.3 percent, compared to the Fiscal Year 2015-16 revised budget. The Fiscal Year 2016-17 Operating and Capital Budget is available online at http://www.uky.edu/OPBPA and also is available by request as a separately bound document.

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Action taken: ☑ Approved ❑ Disapproved ❑ Other _____