

# FCR 24

Office of the President  
September 5, 2014

Members, Board of Trustees:

## FISCAL YEAR 2014-15 BUDGET REVISIONS

Recommendation: that the Board of Trustees authorize and approve the following revisions to the Fiscal Year 2014-15 budget. The revisions outlined below will increase the University's total budget by a net \$1,994,300 – from \$3,010,837,600 to \$3,012,831,900.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>A. <u>GENERAL FUND</u></b>			
<b>1. Income Estimates</b>			
Recoveries of Facilities and Administrative Costs	\$42,500,000	\$43,500,000	\$1,000,000
Sales and Services			
Departmental Sales and Services			
Other	18,875,400	18,920,400	45,000
Appropriated Fund Balances	174,525,400	175,770,800	<u>1,245,400</u>
			\$2,290,400
<b>2. Expenditures</b>			
Provost			
Student Affairs			
Campus Recreation	\$2,824,900	\$2,869,900	\$45,000
UK Affiliated Corporations			
UK Research Foundation	41,608,600	43,854,000	<u>2,245,400</u>
			\$2,290,400
<b>3. <u>Comments</u> – The Board of Trustees approved the Fiscal Year 2014-15 consolidated operating budget on June 10, 2014. The budgets of the affiliated corporations contained in the University's original consolidated operating budget are, in some instances, tentative subject to the approval of their respective boards. The UKRF Board of Directors approved a modified budget for the University of Kentucky Research Foundation (UKRF) on June 23, 2014. The recommended revisions will align the University's consolidated budget and the UKRF budget approved by the Board of Directors.</b>			

The F&A Income is expected to total \$43,500,000, an increase of \$1,000,000 from the original projection. The additional funds will support faculty research programs.

A. GENERAL FUND (continued)

Pursuant to the UKRF board action, a contingency reserve equal to 10 percent of the estimated Recoveries of Facilities and Administrative Costs (F&A Income) is to be established in the event of a revenue shortfall. An additional \$1,245,400 of accumulated fund balance is included in the budget revision to establish the full reserve.

A requested increase of \$45,000 from Sales and Services is recommended related to the Wildcat Masters Swim Team, an adult swim team open to students, faculty, staff and the community. Participants are provided coached and uncoached swimming opportunities at the UK Lancaster Aquatic Center and pay a Wildcat Masters Swim Team membership fee and annual dues. Participants must be registered with the U.S. Masters Swimming, a national nonprofit organization that supports more than 1,500 Masters Swimming Clubs.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
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B. RESTRICTED FUND

1. Income Estimates

Gifts, Grants and Contracts

State and Local Grants and  
Contracts

Other

	\$27,540,000	\$27,440,000	(\$100,000)
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Sales and Services

Departmental Sales and Services

Other

	155,800	145,800	(10,000)
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Appropriated Fund Balances

	79,900,500	79,714,400	<u>(186,100)</u>
			(\$296,100)

2. Expenditures

Provost

Kentucky Tobacco Research and  
Development Center

	\$2,947,400	\$2,651,300	<u>(\$296,100)</u>
			(\$296,100)

3. Comments – The Kentucky Tobacco Research and Development Center’s (KTRDC) revenues were over estimated during the development of the Fiscal Year 2014-15 budget. With additional program information, the reduced budget reflects a more accurate expenditure authority for KTRDC.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_