

COLORADO STATE UNIVERSITY-PUEBLO
Financial Procedure Instructions
FPI 1-13

1. **Procedure Title:** Reserve Accounts
2. **Procedure Purpose and Effect:** This procedure provides guidelines for establishing, maintaining, and transferring funds in and out of Reserve accounts. These procedures have been established to provide consistent operational practices in the Reserve accounts.
3. **Application of Procedure:** This procedure applies to University reserves that have been designated either internally or externally for planned expenditures.
4. **Exemptions:** None.
5. **Definitions:** The following definitions address terminology used:
 - A. **Account:** Each Reserve has its own account that is set up in KFS and explains the purpose of the account.
 - B. **Kuali Financial System (KFS):** The University financial system used to create Reserve accounts and move money in and out of the accounts.
 - C. **Reserve Account:** Holds cash for previously identified strategic or operating initiatives.
 - D. **Transfer of Funds:** KFS document used to move funds in and out of Reserve accounts.
 - E. **Transfer Request Form:** The form must be completed when creating a new Reserve Account, transferring funds in or out, or changing the Reserve Account Plan.
6. **Procedure Statement:**
 - A. **75 Account – Reserve Accounts**

The 75 Reserve Account holds cash for previously identified strategic or operating initiatives. This account is used to account for University reserves that have been designated either internally or externally for planned expenditures. This account is also used to hold reserves required by either internally designated commitments or external reserve requirements in accordance with the University's bond covenants.
 - B. **Set up and Transfer of Funds into the 75 Account**

When funds are identified for future projects, or planned expenditures, the department will request a transfer of funds into the 75 Reserve Account. If a department requires a 75 account, follow the steps within the 75 Reserve Transfer Request form (see Forms and Tools). All requests relating to the 75 Reserve Account must be submitted using the 75 Reserve Account Transfer Request Form. After all departmental signatures are acquired, the form is sent to the Controller (OFM) to be routed for approval. Once reviewed and approved, the form is forwarded to the President's Cabinet for review and approval if the amount of the request is over \$250,000 and not for the original stated purpose of the Reserve account. All other requests

will be forwarded to the CFO for review. After final approval, OFM will process the transfer of funds.

C. Transfer of Funds out of the 75 Account

Transfer of funds out of the 75 Account will require a completed 75 Reserve Account Request Form and a New Plant Account Request Form (prepared by Facilities) if applicable. After all departmental signatures are acquired, these forms are sent to the Controller in OFM. Once reviewed and approved by OFM, the form will be forwarded to the President's Cabinet for review and approval, if the amount is over \$250,000. Any requests for transfers of \$250,000 or less will be forwarded to the CFO for review and approval. OFM will process the transfer of funds into either a project account or an operating account.

D. Plan Change in the 75 Account

All changes to the original planned use of funds in the 75 Account will require the completion of the 75 Reserve Account Request Form and checking the box "Plan Change." A new plan must be submitted along with the signed form and sent to the Controller.

Details of the Plan Change will be reviewed by the CFO if the change is \$250,000 or less. If the change is over \$250,000 it will be reviewed by the President's Cabinet. The requestor of the Plan Change will be notified by OFM if the changes were approved.

E. Return of Funds by Facilities to the Reserve Account

The Reserve Account can be used to fund projects through Facilities. After the project is completed, if funds are due back to the Reserve Account by Facilities, the 75 Reserve Account – Transfer Request Form is not required to be completed.

7. **Reference and Cross-References:** None.

8. **Forms and Tools:** Reserve Account Transfer Request Form.