



# **Board of Trustees Financial Workshop**

Board of Trustees

Jun 3, 2021 2:00 PM - 5:00 PM EDT

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UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees Financial Workshop  
Virtual Meeting  
June 3, 2021  
2:00 p.m. – 5:00 p.m.**

**Livestream:** <https://ucf.zoom.us/j/99049281700?pwd=SlpKZGZmcHRvQm5JMCtOZyt5Y1FlQT09>

**Webinar ID:** 990 4928 1700

**Passcode:** 975842

**Conference Call number:** 1-929-205-6099; meeting ID 990 4928 1700

**AGENDA**

- |                  |          |   |
|------------------|----------|---|
| 1. Welcome       |          | Beverly Seay, <i>Chair, UCF Board of Trustees</i>   |
| 2. Roll Call     |          | Karen Monteleone, <i>Assistant Vice President, Board Relations</i>  |
| 3. Chair Remarks |          | Chair Seay  |
| 4. Discussion    |          |   |
|                  | INFO – 1 | Information   |
|                  |          | Financial Reports and Dashboards<br>Gerald Hector, <i>Senior Vice President for Administration and Finance</i>                                    |
|                  | INFO – 2 | Information   |
|                  |          | Financial Update: Strategic Realignment of Operations and Resources<br>Gerald Hector, <i>Senior Vice President for Administration and Finance</i> |
| 5. Adjournment   |          | Chair Seay  |

**UCF BOARD OF TRUSTEES**  
**Agenda Item Summary**  
June 3, 2021

**Title:** Financial Reports and Dashboards

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☐ **Information**                      ☒ **Information for upcoming action**                      ☐ **Action**

**Meeting Date for Upcoming Action:** June 16, 2021

**Purpose and Issues to be Considered:**

This information item will provide the Board with an overview of the university's current financial operations, including operating financial information for the quarter ending March 31, 2021, the UCF 2021-2022 Proposed Operating Budget, a summary and update of Sources and Uses, and the May 2021 Financial Dashboard.

**Background Information:**

Over the past 12 months, while the university managed through a pandemic, management also remained focused on assessing and improving the overall financial management, reporting and oversight processes of the institution. This information item presents materials for the board's review that reflect where management is in terms of inventorying issues for resolution, and a new way of recording, summarizing and reporting financial information.

The attachments include:

1. **Attachment A:** An updated draft of the new "Sources and Uses" projection schedule that was debuted for the Board of Trustees in February of 2021. This is still a work in progress and due to current system limitations, it is assembled manually.
2. **Attachment B:** Updated draft of the new "Sources and Uses" color of money schedule that was debuted for the Board of Trustees in February of 2021.
3. **Attachment C:** Updated draft of a "Financial Dashboard" that is designed to capture Key Performance Indicators (KPIs) monthly. This dashboard along with both "Sources and Uses" documents will become part of a financial management packet that will be shared with the management and the Board of Trustees monthly. While our system limitations continue to present a challenge, the team in Finance and Accounting is committed to getting it done.
4. **Attachment D:** Draft 2020-2021 Amended Operating Budget (BOG Template which focuses on Spending Authority) to be voted on at the June 16, 2021 Board of Trustees meeting.
5. **Attachment E:** Draft 2021-2022 Proposed Operating Budget (BOG Template which focuses on Spending Authority) to be voted on at the June 16, 2021 meeting based on Board of Governors regulations.
6. **Attachment F:** 3<sup>rd</sup> Quarter Budget to Actual Report as of March 31, 2021.
7. **Attachment G:** Draft of the new "Sources and Uses" cash-based budget model. This model will draw a clear distinction between operating and capital budgets and will be used to serve our new incentive-based budget model (RCM). Once implemented, this template will provide a more holistic look at the budget and will be presented to the BOT (in addition to the BOG mandated spending authority) in June of each year.

**Recommended Action:**

N/A – Information Only.

**Alternatives to Decision:**

N/A – Information Only.

**Fiscal Impact and Source of Funding:**

N/A – Information Only.

**Authority for Board of Trustees Action:**

Specific trustee request.

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**Contract Reviewed/Approved by General Counsel** ☐ N/A ☒

**Committee Chair or Chair of the Board has approved adding this item to the agenda** ☒

**Submitted by:**

Gerald Hector, Senior Vice President for Administration and Finance

**Supporting Documentation:**

Attachment A: “Sources and Uses” Projection Schedule

Attachment B: “Sources and Uses” Color of Money Schedule

Attachment C: Financial Dashboard

Attachment D: Draft 2020-2021 Amended BOG Operating Budget

Attachment E: Draft 2021-2022 Proposed BOG Operating Budget

Attachment F: Budget to Actual Report as of March 31, 2021 (3<sup>rd</sup> Quarter)

Attachment G: Draft New “Sources and Uses” Cash-Based Budget Model

**Facilitators/Presenters:**

Gerald Hector, Senior Vice President for Administration and Finance





UNIVERSITY OF CENTRAL FLORIDA  
ANNUAL CASH FLOW AND LIQUIDITY PROJECTIONS  
FISCAL YEAR 2020-2021

CATEGORY	July ACTUAL (000s)	August ACTUAL (000s)	September ACTUAL (000s)	October ACTUAL (000s)	November ACTUAL (000s)	December ACTUAL (000s)	January ACTUAL (000s)	February ACTUAL (000s)	March ACTUAL (000s)	April ACTUAL (000s)	May PROJECTED (000s)	June PROJECTED (000s)	Total (000s)
OPENING BALANCE	\$ 572,648	\$ 566,444	\$ 634,950	\$ 675,255	\$ 659,526	\$ 591,989	\$ 606,761	\$ 648,054	\$ 616,533	\$ 608,060	\$ 588,449	\$ 603,413	
Student Tuition and Fees (gross)	\$32,699	\$37,311	\$155,670	\$19,732	\$9,895	\$13,879	\$164,037	\$29,890	\$12,904	\$9,595	\$49,171	\$12,453	\$547,236
Federal and State Student Financial Aid	\$26,468	\$68,979	\$110,331	\$24,153	\$6,196	\$53,583	\$121,099	\$13,016	\$17,780	\$4,829	\$35,623	\$17,528	\$499,585
State Non-Capital Appropriations	\$24,552	\$27,316	\$24,037	\$24,034	\$24,034	\$25,615	\$24,269	\$24,269	\$37,205	\$37,205	\$40,574	\$59,490	\$372,600
Federal Grants and Contracts	\$13,571	\$7,885	\$9,903	\$7,877	\$9,298	\$9,062	\$11,557	\$10,391	\$8,508	\$11,690	\$8,498	\$10,760	\$119,000
State Grants and Contracts	\$2,273	\$1,311	\$191	\$354	\$653	\$333	\$759	\$688	\$213	\$3,562	\$1,249	\$1,221	\$12,807
Non-Capital Grants, Contracts and Gifts	\$1,553	\$6,064	\$5,546	\$1,423	\$5,401	\$1,291	\$2,158	\$1,555	\$20,157	\$9,020	\$1,813	\$31,950	\$87,931
Housing	\$1,258	\$2,281	\$7,032	\$1,022	\$861	\$614	\$10,894	\$1,078	\$523	\$294	\$274	\$659	\$26,790
Sales and Services Auxiliary Enterprises	\$8,175	\$8,450	\$6,249	\$7,120	\$7,156	\$6,183	\$6,756	\$8,150	\$8,378	\$7,401	\$7,381	\$8,974	\$90,373
Commissions and Royalty Income	\$214	\$132	\$456	\$425	\$22	\$189	\$916	\$525	\$301	\$343	\$462	\$623	\$4,608
Investment Income (Realized)	\$50	\$91	\$12	\$6	\$66	\$164	\$1,265	(\$7)	(\$9)	\$833	(\$15)	\$9,346	\$11,802
Interest on Bank and other investments	\$1,292	\$889	\$842	\$1,303	(\$26,772)	\$816	\$1,203	\$784	\$672	\$892	\$610	\$10,270	(\$7,199)
State Capital Appropriations	\$2,236	\$597	\$1,534	\$497	\$526	\$284	\$465	\$247	\$577	\$869	\$0	\$0	\$7,832
Capital Grants, Contracts and Donations	\$0	\$0	\$0	\$70	\$0	\$0	\$0	\$0	\$0	\$0	\$34	\$625	\$729
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Bonds Revenue Certificates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income and changes in receivables	(\$4,538)	\$8,209	\$5,759	\$6,106	\$4,718	\$1,055	\$3,054	\$2,891	\$8,080	(\$1,388)	\$4,096	\$4,902	\$42,944
TOTAL SOURCES	\$109,803	\$169,515	\$327,562	\$94,122	\$42,054	\$113,068	\$348,432	\$93,477	\$115,289	\$85,145	\$149,770	\$168,801	\$1,817,038
Compensation and Benefits	\$44,063	\$50,936	\$58,008	\$58,174	\$74,675	\$64,101	\$64,187	\$60,627	\$61,941	\$57,482	\$59,419	\$59,419	\$713,033
Services and supplies	\$24,973	\$18,479	\$21,699	\$17,905	\$20,795	\$17,342	\$25,917	\$19,364	\$27,045	\$23,028	\$16,663	\$24,256	\$257,466
Utilities	\$2,365	\$1,672	\$2,279	\$2,233	\$2,162	\$1,721	\$2,058	\$1,573	\$2,176	\$1,693	\$1,422	\$2,772	\$24,126
Communications	\$888	\$535	\$584	\$664	\$608	\$523	\$587	\$729	\$744	\$648	\$486	\$525	\$7,521
Scholarships, Fellowships and Waivers	\$37,114	\$23,312	\$201,963	\$16,984	\$8,720	\$13,105	\$218,806	\$22,454	\$22,507	\$19,073	\$51,379	\$12,057	\$647,474
Capital Outlays	\$7,975	\$7,039	\$5,038	\$6,945	\$3,484	\$2,472	\$6,700	\$3,900	\$4,612	\$4,678	\$10,018	\$15,002	\$77,863
Debt Service	\$101	\$6,917	\$46	\$48	\$390	\$47	\$42	\$1,596	\$657	\$45	\$927	\$2,820	\$13,636
Other Expenses and changes in liabilities	\$131	(\$3,425)	\$3,129	(\$2,060)	\$914	(\$1,055)	(\$12,734)	\$11,474	\$3,551	(\$2,359)	(\$2,723)	\$1,062	(\$4,095)
Reconcilable items	(\$1,602)	(\$4,454)	(\$5,490)	\$8,957	(\$2,157)	\$41	\$1,576	\$3,281	\$529	\$468	(\$2,785)	\$0	(\$1,636)
TOTAL USES	\$116,008	\$101,011	\$287,256	\$109,850	\$109,591	\$98,297	\$307,139	\$124,998	\$123,762	\$104,756	\$134,806	\$117,913	\$1,735,388
SURPLUS/(DEFICIT)	(\$6,205)	\$68,504	\$40,306	(\$15,728)	(\$67,537)	\$14,771	\$41,293	(\$31,521)	(\$8,473)	(\$19,611)	\$14,964	\$50,888	\$81,650
CLOSING BALANCE	\$566,443	\$634,948	\$675,256	\$659,527	\$591,989	\$606,760	\$648,054	\$616,533	\$608,060	\$588,449	\$603,413	\$654,300	



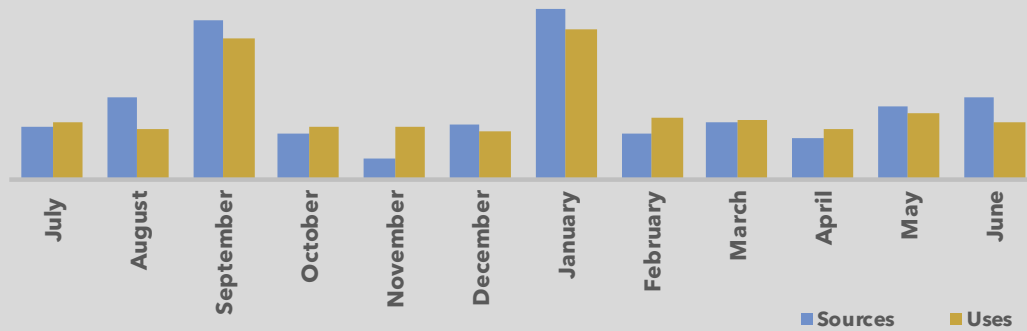
**UNIVERSITY OF CENTRAL FLORIDA**  
**ANNUAL CASH FLOW AND LIQUIDITY PROJECTIONS**  
**As of April 2021**

Category	Construction	Contracts & Grants	DSO and Agency Funds	E&G	Financial Aid	Restricted Aux	Restricted Local Fees	Unrestricted Aux - Loans		Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	
OPENING BALANCE	47,209	18,203	31,152	314,170	17,480	79,652		74,629	25,567	608,062
Student Tuition and Fees (gross)	\$0	\$0	\$331	\$4,566	\$0	\$1,680		\$2,367	\$651	\$9,595
Federal and State Student Financial Aid	\$0	\$0	\$0	\$0	\$4,829	\$0		\$0	\$0	\$4,829
State Non-Capital Appropriations	\$0	\$0	\$0	\$37,205	\$0	\$0		\$0	\$0	\$37,205
Federal Grants and Contracts	\$0	\$11,690	\$0	\$0	\$0	\$0		\$0	\$0	\$11,690
State Grants and Contracts	\$0	\$3,562	\$0	\$0	\$0	\$0		\$0	\$0	\$3,562
Non-Capital Grants, Contracts and Gifts	\$0	\$3,276	\$0	\$0	\$5,745	\$0		\$0	\$0	\$9,021
Housing	\$0	\$0	\$172	\$0	\$0	\$122		\$0	\$0	\$294
Sales and Services Auxiliary Enterprises	\$0	\$0	\$3	\$0	\$0	\$461		\$25	\$6,913	\$7,402
Commissions and Royalty Income	\$0	\$0	\$0	\$0	\$0	(\$10)		\$99	\$255	\$344
Investment Income (Realized)	\$0	\$0	\$2	(\$30)	\$3	\$124		\$46	\$688	\$833
Interest on Bank and other investments	\$0	\$0	\$1	\$228	\$2	\$95		\$35	\$530	\$891
State Capital Appropriations	\$869	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$869
Capital Grants, Contracts and Donations	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
Sale of Bonds Revenue Certificates	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
Other Income	\$277	(\$2,374)	\$299	\$453	\$124	\$276		\$19	(\$463)	(\$1,389)
TOTAL SOURCES	\$1,146	\$16,154	\$808	\$42,422	\$10,703	\$2,748		\$2,591	\$8,574	\$85,146
Compensation and Benefits	\$0	\$6,016	(\$1,760)	\$43,002	\$361	\$2,070		\$1,068	\$6,724	\$57,481
Services and supplies	\$415	\$9,787	\$33	\$4,640	(\$75)	\$1,732		\$2,841	\$3,654	\$23,027
Utilities	\$0	\$14	\$13	\$40	\$0	\$28		\$77	\$1,522	\$1,694
Communications	\$2	\$37	\$29	\$316	\$3	\$44		\$158	\$59	\$648
Scholarships, Fellowships and Waivers	\$0	\$21	\$0	\$288	\$17,282	\$483		\$946	\$53	\$19,073
Capital Outlays	\$2,668	\$508	\$0	\$1,321	\$0	\$5		\$176	\$0	\$4,678
Debt Service	\$0	\$0	\$0	\$40	\$0	\$0		\$3	\$3	\$46
Other Expenses and changes in liabilities	(\$478)	(\$69)	(\$2,085)	(\$41)	(\$3)	(\$48)		\$374	(\$10)	(\$2,360)
Reconciliable items	(\$4,480)	(\$7,229)	\$455	\$12,171	(\$2,708)	\$599		\$1,025	\$638	\$471
TOTAL USES	(\$1,873)	\$9,085	(\$3,315)	\$61,777	\$14,860	\$4,913		\$6,668	\$12,643	\$104,758
SURPLUS/(DEFICIT)	\$3,019	\$7,069	\$4,123	(\$19,355)	(\$4,157)	(\$2,165)		(\$4,077)	(\$4,069)	(\$19,612)
CLOSING BALANCE	\$50,228	\$25,272	\$35,275	\$294,815	\$13,323	\$77,487		\$70,552	\$21,498	588,450

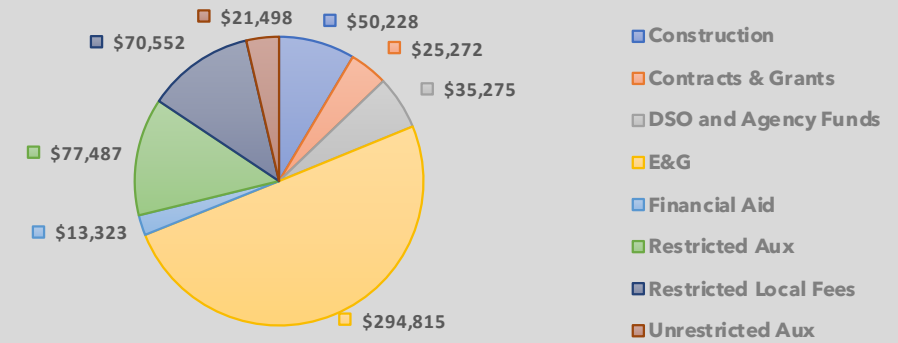


# UNIVERSITY OF CENTRAL FLORIDA ANNUAL CASH FLOW AND LIQUIDITY FISCAL YEAR 2020-2021

Sources and Uses as of April 2021



Working Capital As of April 2021



Choose Month

April

## CASH FLOW SOURCES: April

Student Tuition and Fees (gross)	9,595
Federal and State Student Financial Aid	4,829
State Non-Capital Appropriations	37,205
Federal Grants and Contracts	11,690
State Grants and Contracts	3,562
Non-Capital Grants, Contracts and Gifts	9,020
Housing	294
Sales and Services Auxiliary Enterprises	7,401
Commissions and Royalty Income	343
Investment Income (Realized)	833
Interest on Bank and other investments	892
State Capital Appropriations	869
Capital Grants, Contracts and Donations	0
Bond Proceeds	0
Sale of Bonds Revenue Certificates	0
Other Income	0

## CASH FLOW USES: April

57,482	Compensation and Benefits
23,028	Services and supplies
1,693	Utilities
648	Communications
19,073	Scholarships, Fellowships and Waivers
4,678	Capital Outlays
45	Debt Service



# UNIVERSITY OF CENTRAL FLORIDA

## Unaudited Financial Dashboard

April 2021

Cash Position			
Financial Indicator	April 2021	April 2020	Change from PY
Total Cash and Investments <sup>1</sup>	\$ 588,447,406	\$ 551,621,644	7%

<sup>1</sup>UCF's cash and investment book balances, including DSO funds held by the University. Balances do not include include unrealized market gains.

Working Capital Bank Balances			
Financial Indicator	April 2021	April 2020	Change from PY
BNY Mellon	\$ 347,273,062	\$ 304,273,530	14%
SPIA	\$ 295,782,047	\$ 261,894,914	13%
Bank of America	\$ 1,190,030	\$ 2,922,255	-59%

Sponsored Research			
Financial Indicator	FY 2021 <sup>2</sup>	FY 2020 <sup>2</sup>	Change from PY
New Proposals Submitted - Amount	\$ 1,012,116,555	\$ 764,944,224	32%
New Proposals Submitted - Count	1,507	1,627	-7%
New Awards Received - Amount	\$ 185,115,269	\$ 174,259,885	6%
New Awards Received - Count	1,193	956	25%
Expenditures	\$ 157,793,458	\$ 129,993,576	21%
F&A Earned	\$ 20,538,379	\$ 20,201,647	2%
Active Awards	1,782		

<sup>2</sup>FY 2021 represents July 1, 2020 through May 15, 2021; FY 2020 represents July 1, 2019 through May 15, 2020.

Gifts			
Financial Indicator	April 2021	April 2020	Change from PY
New Proposals Submitted - Amount	\$ 24,000,176	\$ 3,734,360	543%
New Proposals Submitted - Count	62	36	72%
Proposals Funded - Amount <sup>3</sup>	\$ 904,500	\$ 423,885	113%
Proposals Funded - Count <sup>3</sup>	27	21	29%
Pledges Receivable - Old <sup>4</sup>	\$ 214,230	\$ 1,048,545	-80%
Pledges Receivable - New <sup>5</sup>	\$ 447,790	\$ 104,284	329%
New Unique Donors - Amount <sup>6</sup>	\$ 157,480	\$ 138,571	14%
New Unique Donors - Count <sup>7</sup>	810	888	-9%

<sup>3</sup>Proposals funded includes all proposals solicited at the \$1,000 level or above. Proposals may have been solicited in a prior fiscal year; report is based on the date that the proposal was funded by the donor. Amount includes pledges, planned gifts, and outright cash gifts.

<sup>4</sup>Old pledges are pledges created in a previous Fiscal Year of the reporting month.

<sup>5</sup>New pledges are pledges created in the current Fiscal Year of the reporting month.

<sup>6</sup>Donors and Amounts follow Lifetime Attainment definition:

Donor's legal gifts (Hard Credit): Outright gifts of cash; Stocks; Fair Market Value; Pledges; Recurring Gift Payments; Gift-In-Kind (except Software and Services); Planned Gifts at face value for donors 60+ and present value for 59 and under; Company matching gifts (once match pledge is confirmed; Research Foundation funds; Athletics Non-Charitable funds (80/20 component); Event Registrations; Excludes funds or other resources that are derived from a governmental agency or source (State, Federal or Municipal matching funds or land).

<sup>7</sup>Number of Unique New Donors and New Donors Amount are donors who had not donated prior to the reporting month.

**University of Central Florida**  
**2020-21 Proposed Operating Budget Amendment**  
For Board of Trustees (BOT) Approval

Budget Entity	2020-21 BOT-approved Budget <sup>1</sup>	+	2020-21 State/University Adjustments	+	2020-21 Proposed Amendment <sup>2</sup>	=	2020-21 Revised Budget	Percent Increase/ Decrease
Education and General (E&G), Main	644,101,818		(7,389,632)				636,712,186	-1.15%
Education and General (E&G), College of Medicine	46,782,551		221,248				47,003,799	0.47%
Education and General (E&G), Fl. Center for Students with Unique Abilities	8,984,565		-				8,984,565	0.00%
Contracts and Grants (C&G)	188,528,000				82,472,000		271,000,000	43.75%
Auxiliaries	302,385,900						302,385,900	0.00%
Local Funds	760,454,854		(2,039,731)				758,415,123	-0.27%
<u>Non-add Local Funds Detail</u>								
Student Financial Aid (SFA)	659,877,204						659,877,204	0.00%
Intercollegiate Athletics (ICA)	64,811,544		(2,039,731)				62,771,813	-3.15%
Student Activities	24,760,828						24,760,828	0.00%
Technology Fee	10,028,400						10,028,400	0.00%
Concession Funds	400,000						400,000	0.00%
Self Insurance Plan (SIP)	576,878						576,878	0.00%
Faculty Practice Plan	9,603,362						9,603,362	0.00%
<b>Total Operating Expenditures</b>	<b>1,960,841,050</b>		<b>(9,208,115)</b>		<b>82,472,000</b>		<b>2,034,104,935</b>	<b>3.74%</b>

**Highlights**

<sup>1</sup> On June 18, 2020, the Board of Trustees approved a FY 2021 continuation operating budget (OB) equal to FY 2020 for all budget entities. The OB was exclusive of possible revenue increases/decreases, such as, but not limited to, research awards, state appropriations, and tuition and fees.

<sup>2</sup> The proposed C&G amendment is due to the following anticipated year-end expenditures:

CARES Act Higher Education Emergency Relief Fund (HEERF) grant (\$10M for HEERFI estimated expenditure reimbursements + \$32M estimated transfers for lost revenues).	42,000,000
One-time National Science Foundation (NSF) funds for The Arecibo Observatory cleanup.	20,000,000
Office of Research estimated FY 2021 increase in C&G award expenditures.	20,472,000
	<u>82,472,000</u>

**University of Central Florida  
2021-22 Proposed Operating Budget**

*All Budget Entities*

	2020-21 BOT Approved Operating Budget	2020-21 Final Revised	2021-22 Proposed Operating Budget	% Increase (Decrease)	\$ Increase (Decrease)
<b><u>Education and General (E&amp;G) Budget Entities<sup>1</sup></u></b>					
<b>E&amp;G, Main</b>					
State Appropriations	\$ 336,391,302	\$ 329,001,670	\$ 335,794,312	2.1%	\$ 6,792,642
Student Tuition and Fees	304,640,516	304,640,516	318,133,474	4.4%	\$ 13,492,958
Interest and Other Revenue	3,070,000	3,070,000	3,070,000	0.0%	\$ -
<b>Total E&amp;G Main</b>	<b>644,101,818</b>	<b>636,712,186</b>	<b>656,997,786</b>	<b>2.0%</b>	<b>20,285,600</b>
<b>E&amp;G, College of Medicine</b>					
State Appropriations	30,773,894	30,995,142	30,781,275	-0.7%	(213,867)
Student Tuition and Fees	15,708,657	15,708,657	16,024,899	2.0%	316,242
Interest and Other Revenue	300,000	300,000	300,000	0.0%	-
<b>Total E&amp;G, College of Medicine</b>	<b>46,782,551</b>	<b>47,003,799</b>	<b>47,106,174</b>	<b>0.2%</b>	<b>102,375</b>
<b>E&amp;G, Florida Center for Students with Unique Abilities (FCSUA)</b>					
State Appropriations	8,984,565	8,984,565	8,984,565	0%	-
<b>Total E&amp;G, FCSUA</b>	<b>8,984,565</b>	<b>8,984,565</b>	<b>8,984,565</b>	<b>0%</b>	<b>-</b>
<b>Total E&amp;G Budget Entities</b>	<b>699,868,934</b>	<b>692,700,550</b>	<b>713,088,525</b>	<b>2.9%</b>	<b>20,387,975</b>
<b><u>Non-E&amp;G Budget Entities</u></b>					
Auxiliary Enterprises	302,385,900	302,385,900	305,999,077	1.2%	3,613,177
Contracts and Grants	188,528,000	271,000,000	319,991,191	18.1%	48,991,191
Local Funds					
<i>Student Financial Aid</i>	659,877,204	659,877,204	727,540,204	10.3%	67,663,000
<i>Intercollegiate Athletics</i>	64,811,544	62,771,813	71,381,380	13.7%	8,609,567
<i>Student Activities</i>	24,760,828	24,760,828	24,197,328	-2.3%	(563,500)
<i>Technology Fee</i>	10,028,400	10,028,400	11,863,810	18.3%	1,835,410
Self-Insurance Plan	576,878	576,878	563,167	-2.4%	(13,711)
<i>Concessions</i>	400,000	400,000	800,000	100.0%	400,000
<b>Total Local Funds</b>	<b>760,454,854</b>	<b>758,415,123</b>	<b>836,345,889</b>	<b>10.3%</b>	<b>77,930,766</b>
Faculty Practice Plan	9,603,362	9,603,362	8,246,368	-14.1%	(1,356,994)
<b>Total Non-E&amp;G Budget Entities</b>	<b>1,260,972,116</b>	<b>1,341,404,385</b>	<b>1,470,582,525</b>	<b>9.63%</b>	<b>129,178,140</b>
<b>Total Proposed FY 2021-22 Budget</b>	<b>1,960,841,050</b>	<b>2,034,104,935</b>	<b>2,183,671,050</b>	<b>7.4%</b>	<b>149,566,115</b>

**Note:**

<sup>1</sup> Excludes E&G carryforward funds. Per Board of Governors (BOG) Regulation 9.007, State University Operating Budgets and Requests, university budgeted E&G carryforward funds shall be reported separately in the E&G Carryforward Spending Plan Report. This report will be due for submission to the BOG for approval by a date established by the Chancellor of the State University System after the upcoming fiscal year.

# Attachment F

## University of Central Florida 2020-21 Budget to Actuals Through March 31, 2021 and End of Year Projections

Budget Entities	Q3 (Through March 31, 2021)			Full Year (Through June 30, 2021)			Variances Full Year FY2021 Budget vs. Actuals thru Q3 (\$)			% of Full Year Budget Utilized thru Q3	
	Revenue	Expense	Net	Revenue	Expense	Net	Revenue	Expense	Net	Revenue	Expense
Education and General (E&G), Main	473,956,309	441,980,397	31,975,912	636,712,186	636,712,186	-	(162,755,877)	194,731,789	31,975,912	74%	69%
E&G, College of Medicine	34,748,530	29,375,075	5,373,455	47,003,799	47,003,799	-	(12,255,269)	17,628,724	5,373,455	74%	62%
E&G, Fl. Center for Students with Unique Abilities	6,334,138	1,714,378	4,619,760	8,984,565	8,984,565	-	(2,650,427)	7,270,187	4,619,760	71%	19%
Contracts and Grants (C&G)	161,961,196	154,977,664	6,983,532	276,805,783	271,000,000	5,805,783	(114,844,587)	116,022,336	1,177,749	59%	57%
Auxiliaries <sup>2</sup>	195,595,319	183,552,404	12,042,915	288,227,216	302,385,900	(14,158,684)	(92,631,897)	118,833,496	26,201,599	68%	61%
Local Funds	621,572,654	599,226,961	22,345,693	753,226,552	758,415,123	(5,188,571)	(131,653,898)	159,188,162	27,534,264	83%	79%
Faculty Practice Plan <sup>3</sup>	13,308,815	3,976,125	9,332,690	9,603,362	9,603,362	-	3,705,453	5,627,237	9,332,690	139%	41%
<b>Total</b>	<b>1,507,476,961</b>	<b>1,414,803,004</b>	<b>92,673,957</b>	<b>2,020,563,463</b>	<b>2,034,104,935</b>	<b>(13,541,472)</b>	<b>(513,086,502)</b>	<b>619,301,931</b>	<b>106,215,429</b>	<b>75%</b>	<b>70%</b>

1. Revenue and expenditures include the 2020-21 Continuation Budget and Adjustments to Contracts and Grants (C&G) and Intercollegiate Athletics.

2. The budgeted loss of \$14.1M for Auxiliaries is primarily related to the correction of projects associated with the Trevor Colbourn Hall investigation.

3. The Faculty Practice Plan revenue exceeds the Continuation Budget due to internal transfers from Auxiliary to pay off the Pegasus Health Quadrangle Building.

Attachment G

UNIVERSITY OF CENTRAL FLORIDA  
SOURCES AND USES BUDGET DETAIL  
FISCAL YEAR 2021-2022

Category	Central Provost	Pooled Tuition & Financial Aid	Undergraduate Studies	Community Innovation & Education	College of Sciences	Engineering & Computer Science	College of Medicine	Optics & Photonics	Honors College	Health Professions & Sciences	College of Business	College of Graduate Studies	Arts & Humanities	College of Nursing	Hospitality Management	Other Academic Programs	Student Engagement	Administration & Support	Physical Plant & Facilities	Executive & Other	Total UCF
<u>Resources:</u>																					
Tuition and Fees (Gross)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redistribution of Undergraduate Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal and State Student Financial Aid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non Capital Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Grants and Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Grants and Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unrestricted Support from Foundation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restricted Support from Foundation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other DSO Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Capital Grants, Contracts and Gifts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Housing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales and Services Auxiliary Enterprises	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commissions and Royalty Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Income (Realized)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Bank and other Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Capital Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Grants, Contracts and Donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Bonds Revenue Certificates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income and changes in receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Use of Resources:</u>																					
Compensation and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Services and supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Communications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Scholarships, Fellowships and Waivers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenses and changes in liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reconcilable items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Resource Redistribution:</u>																					
<u>University Support Functions</u>																					
President's Strategic Fund Allocations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Cost Recovery (UBC & CSUAC)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Operations and Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Redistributed Resources</u>																					
University Support Pool Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provost Support Pool Allocation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net from Operations - Before Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers (To)/From - FFE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers (To)/From - Plant Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provost Subvention Annual Allocations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Use of Carryforward Funds by Units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net from Operations - After Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



**UCF BOARD OF TRUSTEES**  
**Agenda Item Summary**  
 June 3, 2021

**Title:** Financial Update: Strategic Realignment of Operations and Resources

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☐ Information      ☒ Information for upcoming action      ☐ Action

**Meeting Date for Upcoming Action:** June 16, 2021

**Purpose and Issues to be Considered:**

This information item will provide the Board with an overview of the university's current and future financial operations prior to the June Finance and Facilities Committee meeting. The alignment of strategy and resources and consistent financial reporting will allow the university to reach its goal of being a top Metropolitan Research University and top 50 Public University.

**Background Information:**

The Financial Workshop will include three informational segments, followed by comments and next steps from Senior Vice President Hector, and Q&A with Trustees.

The three informational segments will highlight the following:

*Part I: What Are We Doing?*

This segment will provide the Board with an overview of the university's current financial operations, including an inventory of current culture and practices.

*Part II: Why Should We Change?*

This segment will include a discussion of the challenges presented by current financial and operational practices.

*Part III: How Will We Change?*

The final segment will outline the process and timeline for change, including immediate, intermediate, and long-term actions.

For more information, please visit <https://www.southerneducation.org/publications/navigatingthenewnormal/>, which has a video, trustee quiz, and a white paper authored by SVP Hector in 2014 concerning the need for a more focused attention on "net tuition revenue" and enrollment management for colleges and universities. The white paper was written with trustees as the audience.

**Recommended Action:**

N/A – Information Only.

**Alternatives to Decision:**

N/A – Information Only.

**Fiscal Impact and Source of Funding:**

N/A – Information Only.

**Authority for Board of Trustees Action:**

Specific trustee request.

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**Contract Reviewed/Approved by General Counsel** ☐ N/A ☒

**Committee Chair or Chair of the Board has approved adding this item to the agenda** ☐

**Submitted by:**

Gerald Hector, Senior Vice President for Administration and Finance

**Supporting Documentation:**

Attachment A: UCF Board of Trustees Financial Workshop PowerPoint Presentation

<https://www.southerneducation.org/publications/navigatingthenewnormal/>

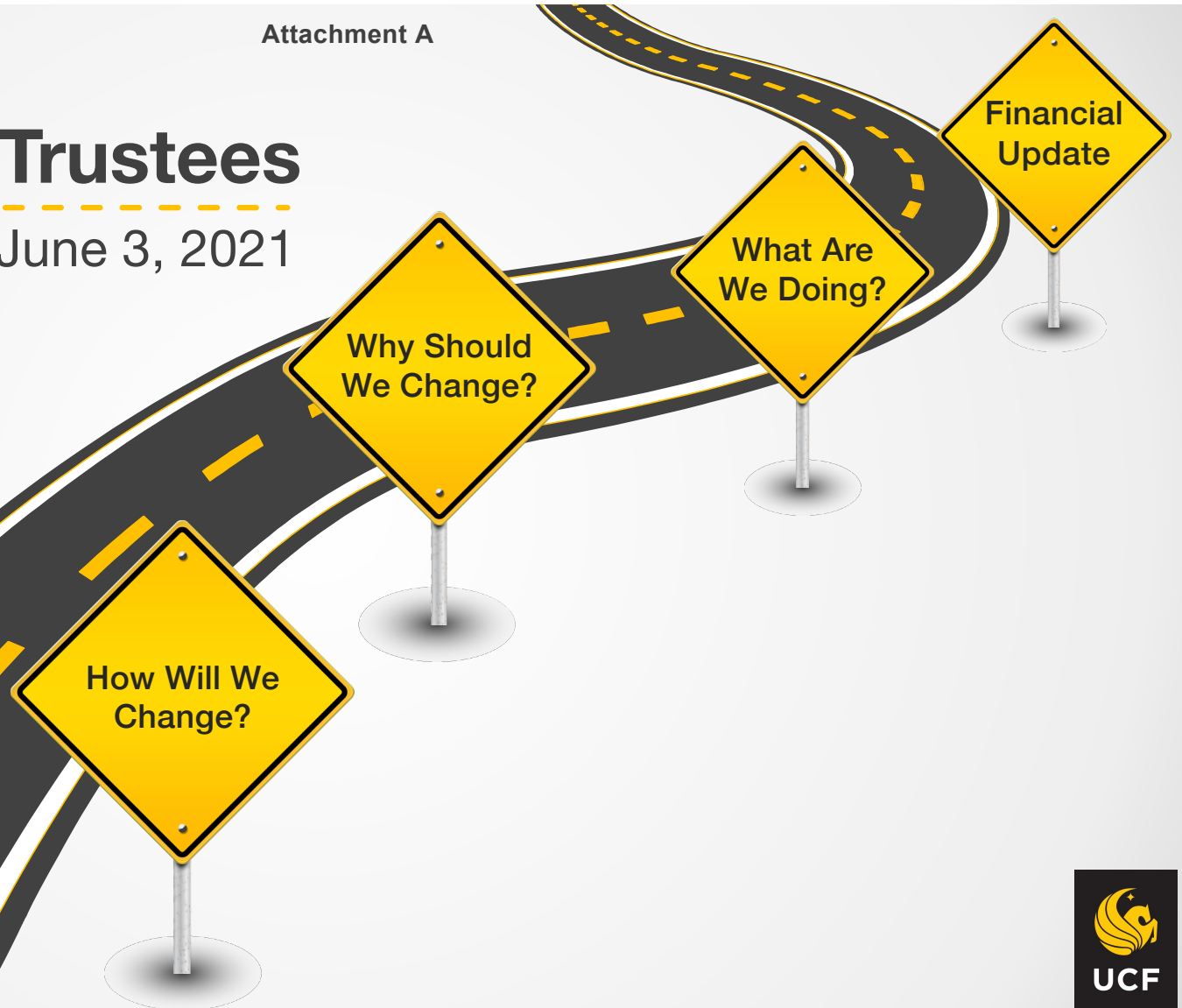
Links to a video, trustee quiz, and a white paper by SVP Hector on “net tuition revenue” and enrollment management for colleges and universities.

**Facilitators/Presenters:**

Gerald Hector, Senior Vice President for Administration and Finance

# UCF Board of Trustees

Financial Workshop | June 3, 2021





**ONE UCF**

“Sit No Longer At Your Dusty Window  
I Urge You To Break The Gaze  
From your Oh So Cherished Glass”

– Gian Torrano Jacobs

“Journeys Through the Windows of Perception”





# Financial Update

# 2020-21 Proposed Operating Budget Amendment

## *Background*

- The BOT approved a Continuation Operating Budget of \$1,960,841,050 for FY 2020-21 that was equal to the approved amount for FY 2019-20.
- The continuation budget includes Contracts and Grants (C&G) spending authority of \$188.5 million that requires an amendment to \$271 million (an \$82.5 million increase)

One-time National Science Foundation (NSF) funds for Arecibo Observatory cleanup	20,000,000
FY 2021 increases in C&G award expenditures	20,472,000
CARES Act Higher Education Emergency Relief Fund (HEERF) grants	42,000,000
<b>Total Anticipated C&amp;G Expenditure Increase</b>	<b>82,472,000</b>

# 2020-21 C&G Proposed Budget Amendment

*For BOT Approval*

Budget Entity	2020-21 BOT-approved Budget <sup>1</sup>	+	2020-21 State/University Adjustments	+	2020-21 Proposed Amendment <sup>2</sup>	=	2020-21 Revised Budget	Percent Increase/ Decrease
Education and General (E&G), Main	644,101,818		(7,389,632)				636,712,186	-1.15%
Education and General (E&G), College of Medicine	46,782,551		221,248				47,003,799	0.47%
Education and General (E&G), Fl. Center for Students with Unique Abilities	8,984,565		-				8,984,565	0.00%
<b>Contracts and Grants (C&amp;G)</b>	<b>188,528,000</b>				<b>82,472,000</b>		<b>271,000,000</b>	<b>43.75%</b>
Auxiliaries	302,385,900						302,385,900	0.00%
Local Funds	760,454,854		(2,039,731)				758,415,123	-0.27%
<i><u>Non-add Local Funds Detail</u></i>								
Student Financial Aid (SFA)	659,877,204						659,877,204	0.00%
Intercollegiate Athletics (ICA)	64,811,544		(2,039,731)				62,771,813	-3.15%
Student Activities	24,760,828						24,760,828	0.00%
Technology Fee	10,028,400						10,028,400	0.00%
Concession Funds	400,000						400,000	0.00%
Self Insurance Plan (SIP)	576,878						576,878	0.00%
Faculty Practice Plan	9,603,362						9,603,362	0.00%
<b>Total Operating Expenditures</b>	<b>1,960,841,050</b>		<b>(9,208,115)</b>		<b>82,472,000</b>		<b>2,034,104,935</b>	<b>3.74%</b>

# 2020-21 Quarter 3 Operating Budget Update

*Budget to Actuals for Period Ending March 31, 2021*

Budget Entities	Q3 (Through March 31, 2021)			Full Year (Through June 30, 2021)			Variances Full Year FY2021 Budget vs.			% of Full Year Budget	
	Revenue	Expense	Net	Revenue	Expense	Net	Revenue	Expense	Net	Revenue	Expense
Education and General (E&G), Main	473,956,309	441,980,397	31,975,912	636,712,186	636,712,186	-	(162,755,877)	194,731,789	31,975,912	74%	69%
E&G, College of Medicine	34,748,530	29,375,075	5,373,455	47,003,799	47,003,799	-	(12,255,269)	17,628,724	5,373,455	74%	62%
E&G, Fl. Center for Students with Unique Abilities	6,334,138	1,714,378	4,619,760	8,984,565	8,984,565	-	(2,650,427)	7,270,187	4,619,760	71%	19%
Contracts and Grants (C&G)	161,961,196	154,977,664	6,983,532	276,805,783	271,000,000	5,805,783	(114,844,587)	116,022,336	1,177,749	59%	57%
Auxiliaries <sup>2</sup>	195,595,319	183,552,404	12,042,915	288,227,216	302,385,900	(14,158,684)	(92,631,897)	118,833,496	26,201,599	68%	61%
Local Funds	621,572,654	599,226,961	22,345,693	753,226,552	758,415,123	(5,188,571)	(131,653,898)	159,188,162	27,534,264	83%	79%
Faculty Practice Plan <sup>3</sup>	13,308,815	3,976,125	9,332,690	9,603,362	9,603,362	-	3,705,453	5,627,237	9,332,690	139%	41%
<b>Total</b>	<b>1,507,476,961</b>	<b>1,414,803,004</b>	<b>92,673,957</b>	<b>2,020,563,463</b>	<b>2,034,104,935</b>	<b>(13,541,472)</b>	<b>(513,086,502)</b>	<b>619,301,931</b>	<b>106,215,429</b>	<b>75%</b>	<b>70%</b>

1. Revenue and expenditures include the 2020-21 Continuation Budget and Adjustments to Contracts and Grants (C&G) and Intercollegiate Athletics.

2. The budgeted loss of \$14.1M for Auxiliaries is primarily related to the correction of projects associated with the Trevor Colbourn Hall investigation.

3. The Faculty Practice Plan revenue exceeds the Continuation Budget due to internal transfers from Auxiliary to pay off the Pegasus Health Quadrangle Building.



# 2021-22 Proposed Operating Budget

## *Background*

- Florida Board of Governors regulation 9.007(1) states that each university president shall prepare an operating budget for approval by the university board of trustees in accordance with instructions, guidelines, and standard formats provided by the BOG.
- FY 2021-22 total operating budget of \$2.184 billion represents a \$149.6 million (7.4 percent) increase over the current year revised budget of \$2.034 billion.
- This includes a UCF-Main tuition and fees budget increase of \$13.5 million to the BOG-approved maximum authority.
- Other major changes in Contracts and Grants and Student Financial Aid due primarily to CARES and HEERF funding.
- Proposed budget excludes carryforward funds. Per BOG regulation 9.007, university budgeted E&G carryforward funds are reported separately in the E&G Carryforward Spending Plan Report.

# 2021-22 Proposed Operating Budget

*For BOT Approval*

<u>Education and General (E&amp;G) Budget Entities</u>	2020-21 BOT Approved Operating Budget	2020-21 Final Revised	2021-22 Proposed Operating Budget	% Increase (Decrease)	\$ Increase (Decrease)
<b>E&amp;G, Main</b>					
State Appropriations	\$ 336,391,302	\$ 329,001,670	\$ 335,794,312	2.1%	\$ 6,792,642
Student Tuition and Fees	304,640,516	304,640,516	318,133,474	4.4%	\$ 13,492,958
Interest and Other Revenue	3,070,000	3,070,000	3,070,000	0.0%	\$ -
<b>Total E&amp;G Main</b>	<b>644,101,818</b>	<b>636,712,186</b>	<b>656,997,786</b>	<b>2.0%</b>	<b>20,285,600</b>
<b>E&amp;G, College of Medicine</b>					
State Appropriations	30,773,894	30,995,142	30,781,275	-0.7%	(213,867)
Student Tuition and Fees	15,708,657	15,708,657	16,024,899	2.0%	316,242
Interest and Other Revenue	300,000	300,000	300,000	0.0%	-
<b>Total E&amp;G, College of Medicine</b>	<b>46,782,551</b>	<b>47,003,799</b>	<b>47,106,174</b>	<b>0.2%</b>	<b>102,375</b>
<b>E&amp;G, Florida Center for Students with Unique Abilities (FCSUA)</b>					
State Appropriations	8,984,565	8,984,565	8,984,565	0%	-
<b>Total E&amp;G, FCSUA</b>	<b>8,984,565</b>	<b>8,984,565</b>	<b>8,984,565</b>	<b>0%</b>	<b>-</b>
<b>Total E&amp;G Budget Entities</b>	<b>699,868,934</b>	<b>692,700,550</b>	<b>713,088,525</b>	<b>2.9%</b>	<b>20,387,975</b>
<u>Non-E&amp;G Budget Entities</u>					
Auxiliary Enterprises	302,385,900	302,385,900	305,999,077	1.2%	3,613,177
Contracts and Grants	188,528,000	271,000,000	319,991,191	18.1%	48,991,191
Local Funds					
Student Financial Aid	659,877,204	659,877,204	727,540,204	10.3%	67,663,000
Intercollegiate Athletics	64,811,544	62,771,813	71,381,380	13.7%	8,609,567
Student Activities	24,760,828	24,760,828	24,197,328	-2.3%	(563,500)
Technology Fee	10,028,400	10,028,400	11,863,810	18.3%	1,835,410
Self-Insurance Plan	576,878	576,878	563,167	-2.4%	(13,711)
Concessions	400,000	400,000	800,000	100.0%	400,000
<b>Total Local Funds</b>	<b>760,454,854</b>	<b>758,415,123</b>	<b>836,345,889</b>	<b>10.3%</b>	<b>77,930,766</b>
Faculty Practice Plan	9,603,362	9,603,362	8,246,368	-14.1%	(1,356,994)
<b>Total Non-E&amp;G Budget Entities</b>	<b>1,260,972,116</b>	<b>1,341,404,385</b>	<b>1,470,582,525</b>	<b>9.63%</b>	<b>129,178,140</b>
<b>Total Proposed FY 2021-22 Budget</b>	<b>1,960,841,050</b>	<b>2,034,104,935</b>	<b>2,183,671,050</b>	<b>7.4%</b>	<b>149,566,115</b>

## Financial Update

# Financial Dashboard

DRAFT



## UNIVERSITY OF CENTRAL FLORIDA Unaudited Financial Dashboard April 2021

Cash Position			
Financial Indicator	April 2021	April 2020	Change from PY
Total Cash and Investments <sup>1</sup>	\$ 588,447,406	\$ 551,621,644	7%

<sup>1</sup>UCF's cash and investment book balances, including DSO funds held by the University. Balances do not include include unrealized market gains.

Working Capital Bank Balances			
Financial Indicator	April 2021	April 2020	Change from PY
BNY Mellon	\$ 347,273,062	\$ 304,273,530	14%
SPIA	\$ 295,782,047	\$ 261,894,914	13%
Bank of America	\$ 1,190,030	\$ 2,922,255	-59%

Sponsored Research			
Financial Indicator	FY 2021 <sup>2</sup>	FY 2020 <sup>2</sup>	Change from PY
New Proposals Submitted - Amount	\$ 1,012,116,555	\$ 764,944,224	32%
New Proposals Submitted - Count	1,507	1,627	-7%
New Awards Received - Amount	\$ 185,115,269	\$ 174,259,885	6%
New Awards Received - Count	1,193	956	25%
Expenditures	\$ 157,793,458	\$ 129,993,576	21%
F&A Earned	\$ 20,538,379	\$ 20,201,647	2%
Active Awards	1,782		

<sup>2</sup>FY 2021 represents July 1, 2020 through May 15, 2021; FY 2020 represents July 1, 2019 through May 15, 2020.

Gifts			
Financial Indicator	April 2021	April 2020	Change from PY
New Proposals Submitted - Amount	\$ 24,000,176	\$ 3,734,360	543%
New Proposals Submitted - Count	62	36	72%
Proposals Funded - Amount <sup>3</sup>	\$ 904,500	\$ 423,885	113%
Proposals Funded - Count <sup>3</sup>	27	21	29%
Pledges Receivable - Old <sup>4</sup>	\$ 214,230	\$ 1,048,545	-80%
Pledges Receivable - New <sup>5</sup>	\$ 447,790	\$ 104,284	329%
New Unique Donors - Amount <sup>6</sup>	\$ 157,480	\$ 138,571	14%
New Unique Donors - Count <sup>7</sup>	810	888	-9%

<sup>3</sup>Proposals funded includes all proposals solicited at the \$1,000 level or above. Proposals may have been solicited in a prior fiscal year; report is based on the date that the proposal was funded by the donor. Amount includes pledges, planned gifts, and outright cash gifts.

<sup>4</sup>Old pledges are pledges created in a previous Fiscal Year of the reporting month.

<sup>5</sup>New pledges are pledges created in the current Fiscal Year of the reporting month.

<sup>6</sup>Donors and Amounts follow Lifetime Attainment definition:

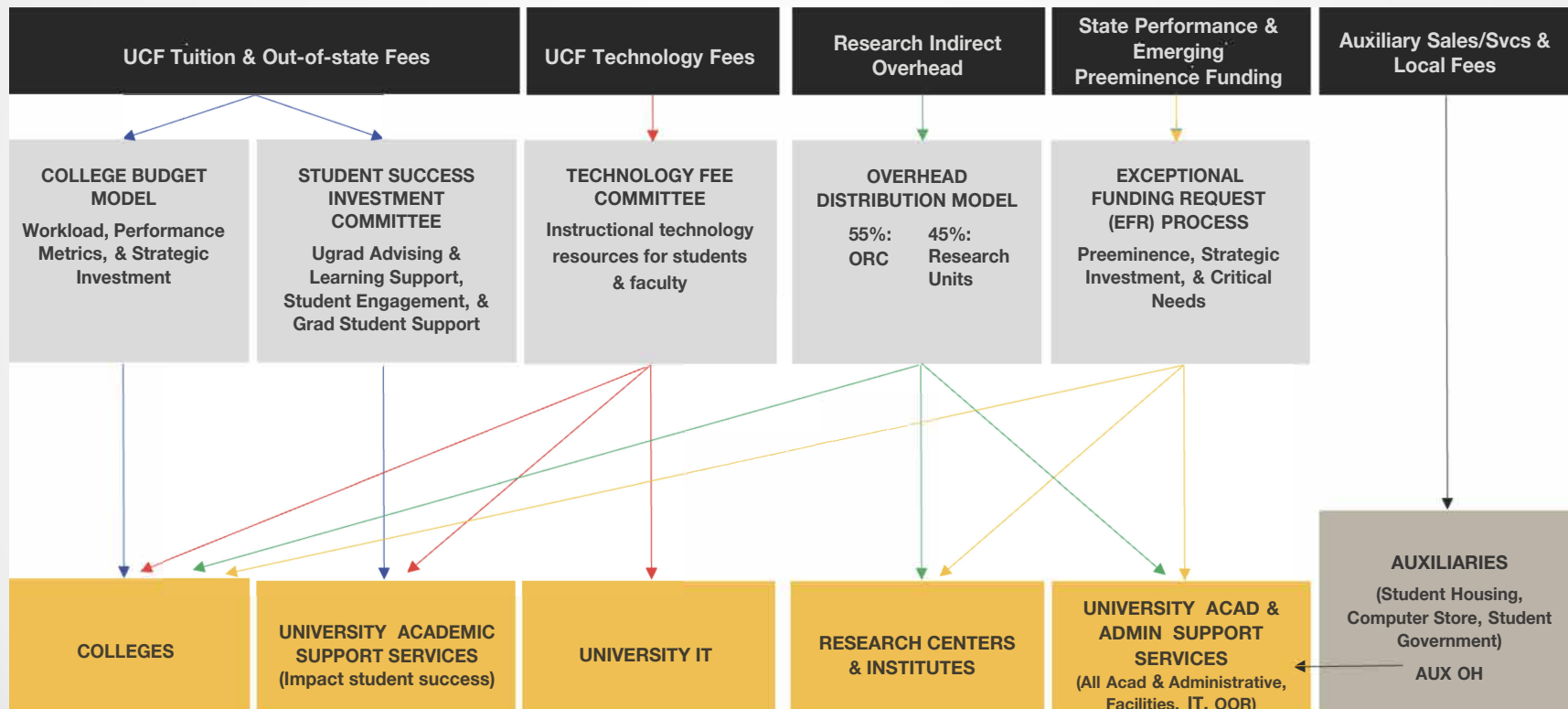
Donor's legal gifts (Hard Credit); Outright gifts of cash; Stocks; Fair Market Value; Pledges; Recurring Gift Payments; Gift-In-Kind (except Software and Services); Planned Gifts at face value for donors 60+ and present value for 59 and under; Company matching gifts (once match pledge is confirmed; Research Foundation funds; Athletics Non-Charitable funds (80/20 component); Event Registrations; Excludes funds or other resources that are derived from a governmental agency or source (State, Federal or Municipal matching funds or land).

<sup>7</sup>Number of Unique New Donors and New Donors Amount are donors who had not donated prior to the reporting month.



# Budget Allocation Model

UCF's current resource allocation model is a hybrid approach based on incremental budgeting (rolling budgets forward from one year to the next—adding or subtracting a small percent) and performance funding to reward mission delivery.





**What Are  
We Doing?**

# MAXIM #1

“If your outflow is more than your intake, your downfall will be your upkeep, and your assets will be in a bind.”

– E. Dean Montgomery



What Are We  
Doing?

# Overarching Themes

Campus, stakeholders  
and friends do not have  
a full appreciation for  
what is necessary to  
pivot to a new reality

Education,  
Empowerment and  
Execution (E3)

Amazing growth in  
academics, research  
and service, but  
support and  
administrative  
services are  
lagging behind

**CHARGE ON!**

Trustees have seen only a  
portion of the picture

Tremendous  
accomplishments in the  
last year to inventory,  
understand and bring to  
light items that must be  
addressed before  
strategic initiatives can be  
launched



# Nomenclature is Key for Future Success

Current Terminology	Current Meaning	Future Meaning
Operating Budget	BOG Reporting: E&G <b>revenue</b> estimates and non-E&G <b>spending</b> authority Excludes carryforward, capital, Foundation, DSOs except Athletics	Expenses to operate the <b>entire</b> university regardless of fund source
Fixed Capital Outlay Budget Request (Capital Improvement Plan)	Annual submission to BOG requesting PECO funds for eligible new construction, renovation or remodeling projects that meet statutory criteria	PECO funding request
Fixed Capital Outlay Budget	Annual submission to BOG that provides a spending plan for fixed capital outlay projects for the next year. Includes projects funded from PECO, along with projects funded from any other eligible source	A component piece of the university's comprehensive Five-Year Capital Plan



# Nomenclature is Key for Future Success

Current Terminology	Current Meaning	Future Meaning
<b>Waivers</b>	Reduction of sticker price based on enrollment management plan	Tuition discounting (inclusive of both funded and unfunded institutional aid)
<b>Negative Cash Accounts</b>	Holding account for cash accounts pushed to the departmental level	This terminology will be removed with the implementation of Workday
<b>Auxiliary Internal Loans</b>	Loans of cash from auxiliary units to another. Terms are specific to each loan	Due To/From between units and the center that are tracked with both agreements and accounts established in the general ledger
<b>Overhead Internal Loans</b>	Research F&A cash loaned to academic and research units of the university	Due To/From between units and the center that are tracked with both agreements and accounts established in the general ledger

# Financials

## 01

### Financial Reporting

- Annual Financial Statements
  - Fully close the books annually; including coordinating closing across the campus community and DSOs.
  - Review and implement new governmental accounting standards
- Special Reports
  - Prepare 30+ recurring requests for financial information

## 02

### Budget-to-Actuals Reporting

- Prior to FY21, prepared current year-to-prior year actuals-to-actuals comparisons
- Starting in FY21, started preparing budget-to-actuals reports

## 03

### Financial Monitoring

- Annually, prior to year-end, we perform fund statement reviews
- General accounting reviews 5,000+ community journal entries annually
- Maintain and update the current chart of accounts

# Financials

04

## Direct Support Organizations

- Operations
  - Utilizing separate and distinct financial systems
  - Central Accounting and DSO are not aligned in terms of financial management
  - Funds flow and expenses management is between the DSOs and Central

05

## Auxiliary Enterprises

- Must be self-supporting
- Conservatively accounting for debt financed auxiliaries has resulted in limited funds flowing back to the university to cover expenses

06

## UCF Downtown

- Nascent stages of operations
- Operational needs still being assessed
- Funding is still somewhat in start up mode through an allocation

# Operational Budget Management

## E&G

- Recurring revenue allocation
- Not an expenditure projection
- Tuition revenue projections developed centrally
- Units receive historical allocations with incremental changes based on state budget and tuition changes

## Non-E&G

- Based on revenue and expense projections
- Auxiliary developed by individual units
- C&G, financial aid, etc. developed centrally

## What Are We Doing?

# Operational Budget Management

Limited reporting capabilities with PeopleSoft

Financial reporting and analysis varies among units

Capital planning separate from the operating budget

Limited universitywide and all funds financial reporting

Sub-system support left up to individual units to manage

Chart of accounts supports state reporting requirements

Vice presidents and deans decide how to best utilize revenue allocations



## What Are We Doing?

# UCF Investments

- Cash and investments are split between BOA, SPIA, and BNY Investment Pools
- Four investment pools were originally established in 2008

### Pool I

Immediately available operating funds limited to only mutual funds, CDARS, and SPIA.

### Pool II

Quickly available operating funds limited to 75% of highly rated short term fixed income and 25% of mutual funds and cash and cash equivalents.

### Pool III

Structured for moderate growth and reasonable safety of principal while generating an above benchmark total rate of return. Limited to 10-20% of domestic equities, 75-95% intermediate fixed income, and up to 15% in cash and cash equivalents.

### Pool IV

Structured to maximize long-term growth. Limited to 40-50% domestic equity, 10-20% international equity, 0-10% alternative assets, 25-35% broad market fixed income, and up to 10% in TIPS and cash and cash equivalents.

- E&G Funds are currently invested in BOA, SPIA, and a portion of Pool II
- Pool I was underperforming SPIA and was closed in September 2016
- All Pool I funds were reinvested across other pools
- Pool II has been underperforming SPIA in recent years



# Debt Management

- Semi-annual debt updates are provided to the board outlining current year debt service, debt ratings, and outstanding principal balances
- Any new debt issuance and refinancing is presented to both the DSO and UCF boards for approval
- The UCF debt management guidelines were created in 2006 and have not been recently updated
- Budgeted coverage ratios are not being presented to the UCF BOT at the time DSO budgets are approved
- Internal loans and other internal debt arrangements have not previously required board approval and lacked formal documentation

# Capital Budgeting and Planning

## Five-Year Capital Improvement Plan (CIP)

- State request for PECO and CITF funding
- Only includes top 3-5 projects
- Also known as Fixed Capital Outlay Budget Request

## Fixed Capital Outlay Budget

- Board of Governors submission providing a capital plan for upcoming year
- Only includes capital projects with secured funding
- Includes projects funded from PECO, donations, and other sources

## Facilities Operating Budget

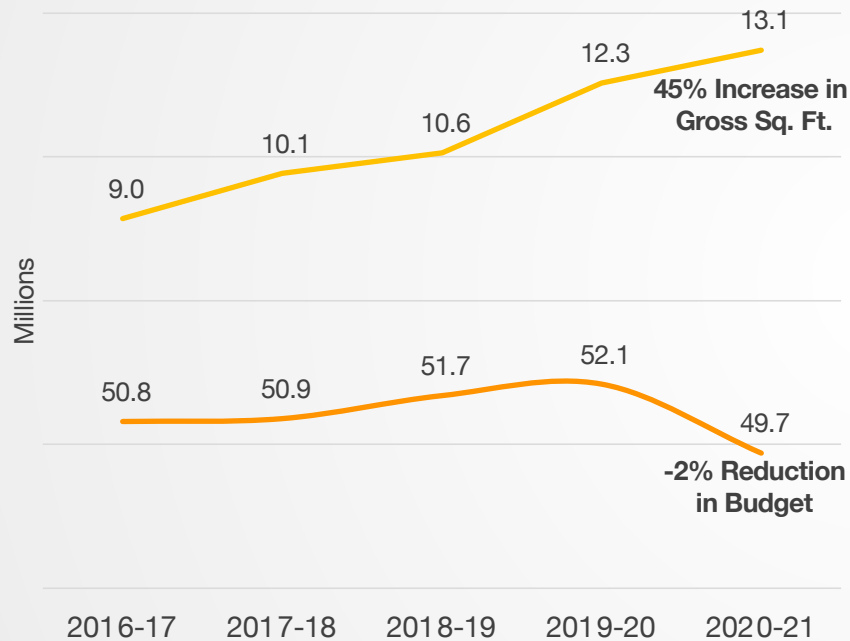
- Recurring E&G budget allocation from the university
- Supports regular maintenance, utilities, and other operations
- Not increased in response to rising costs of materials, labor, and rates



## What Are We Doing?

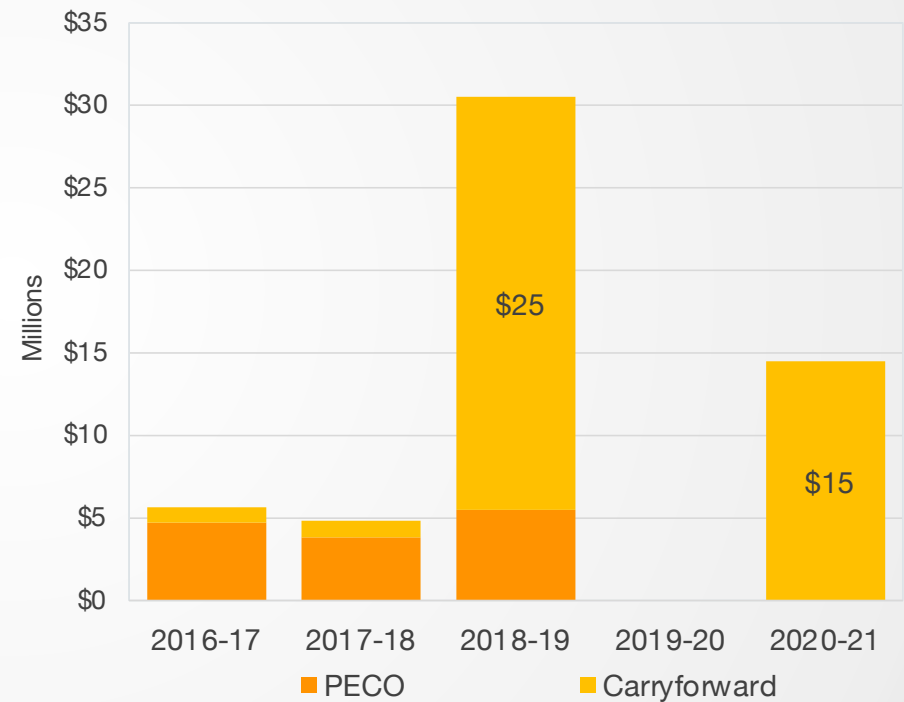
# Capital Budgeting and Planning

## Operations Funding



- E&G Recurring Operating Budget per division allocation document.
- Gross Square Feet includes Main Campus, UCF Downtown, Florida Solar Energy Center, Rosen Hospitality Management, and Health Sciences Campus per UCF Facts Website.

## Capital Renewal Funding

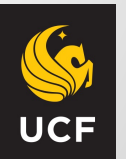
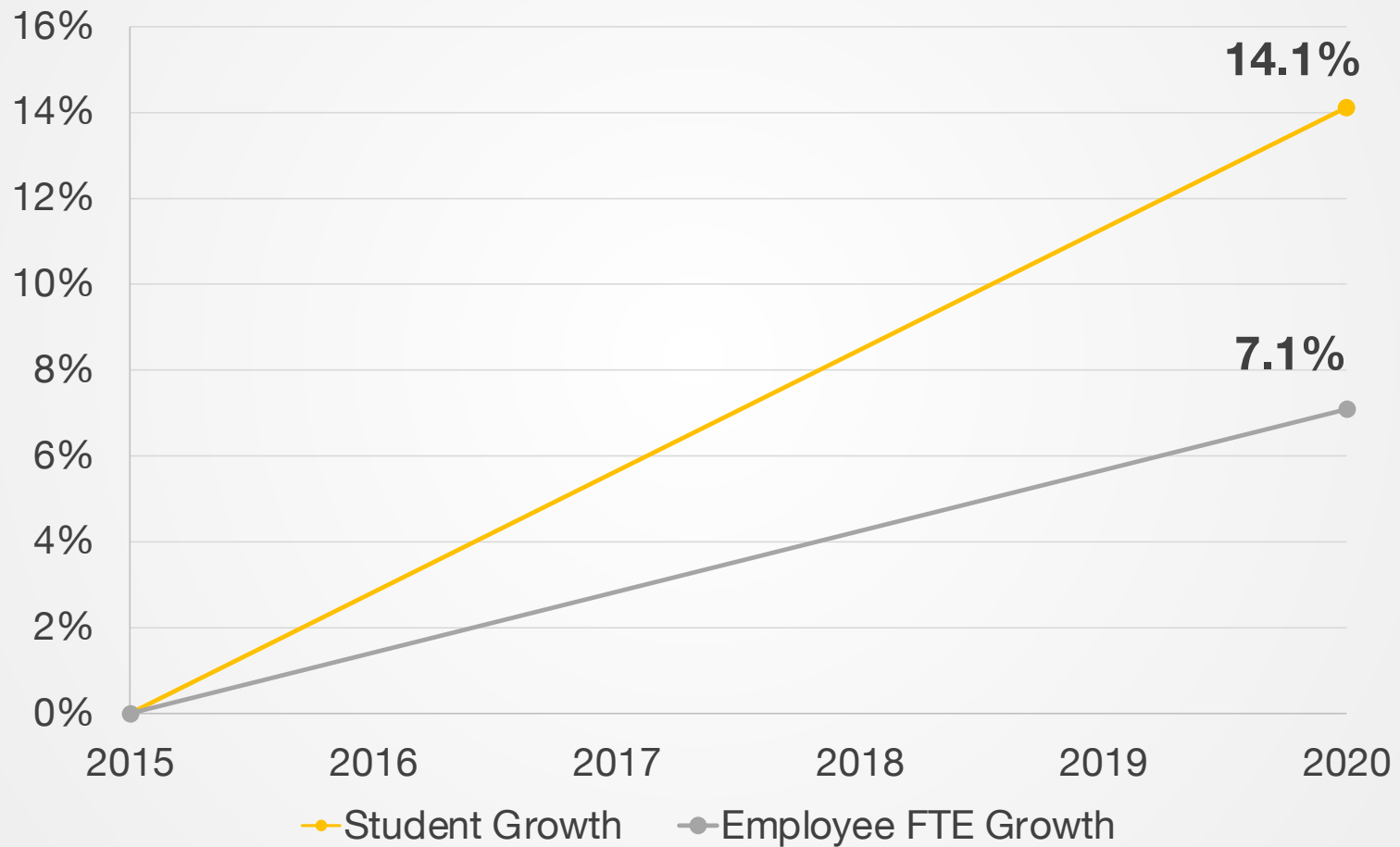


- Represents funding received by facilities for capital renewal on E&G buildings.
- Non-E&G units, such as auxiliaries, must self-fund capital needs.





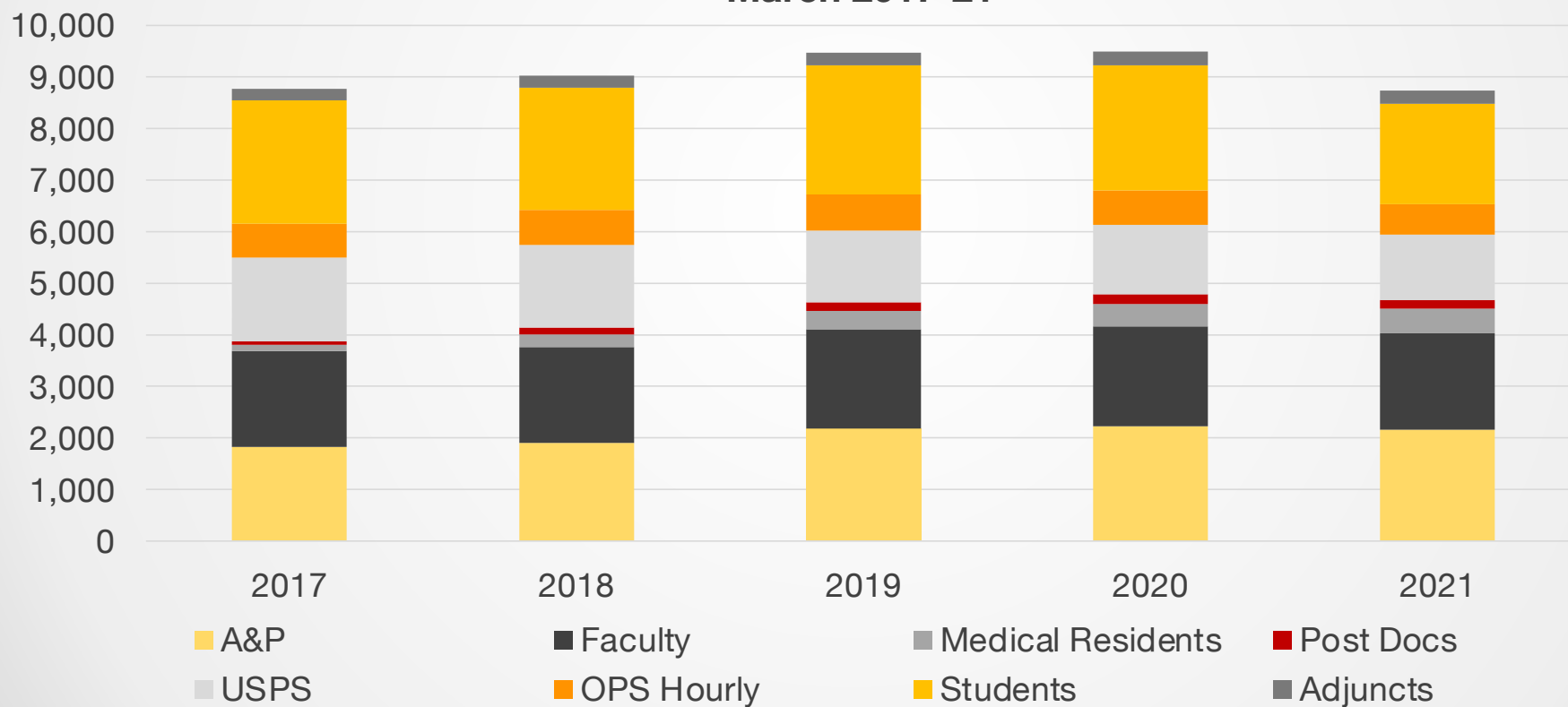
## Employee Growth vs. Student Growth at UCF 2016-2020



What Are  
We Doing?

# Headcount: 5-Year Trend

Total FTE for all UCF Employee Groups,  
March 2017-21





**Why Should  
We Change?**

## MAXIM #2

“However, now is the time for higher education institutions to reconsider their value propositions and operating models if they are committed to successfully and sustainably delivering their mission in the years to come. In these uncertain times, discerning “what is next” for the higher education sector will likely require calculated speculation and some risk taking.”

TIAA/EY

The New Normal: Higher Education in a Post COVID-19 World  
October 2020





Why Should  
We Change?

# University Budget Model

Hybrid Approach of  
Incremental and  
Centralized Budgeting

Outdated Enterprise  
Resources Planning  
(ERP) System

Financial Modeling  
and Reporting  
Limitations

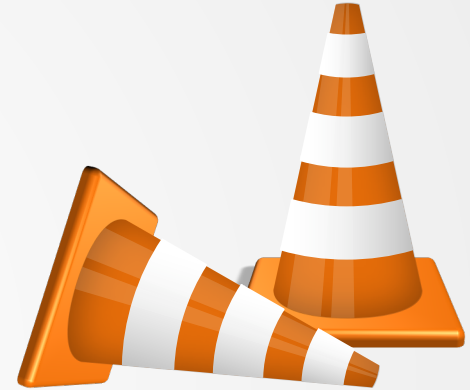
Lack of “All Funds”  
Budgeting Approach



Why Should  
We Change?

# Operational Budget Management

- Sub-optimal use of colors of money
- E&G cash reserves continue to grow
- Inability to properly re-invest resources
  - Student-to-faculty ratio
  - Administrative support
  - Maintenance and capital renewal
- Inability to make data-driven funding decisions
- Limited operational reporting capabilities in ERP
- No collective view of ALL funds including Foundation
- Lack of long-term planning
- Capital planning and maintenance inadequately funded





# Financial Challenges

01

## Annual Financial Statements

- Extensive manual processes
- Complete statements not produced from accounting system
- Stale data since published 8 to 9 months after year-end

02

## Quarterly Budget-to-Actuals Reporting

- Extensive manual processes
- Multiple reports in varying formats and levels can be confusing

03

## Financial Monitoring

- General accounting task taking away from financial monitoring task (insufficient personnel)
- Atypical account balances (negative debits; positive credits)
- No forecasting



# Financial Challenges

04

## Direct Support Organizations

- Operations
  - Financial operations of DSOs go through “fits and starts”
  - Lack of Central oversight despite having to rely on it for operational support allowed by the BOG
  - Cash flow timing becomes a challenge
  - Cannot close books monthly which is optimal going forward

05

## Auxiliary Enterprises

- Auxiliaries are created to provide a fungible source of cash to the institution that is currently not happening in a robust way
- Our current interpretation does not allow for auxiliaries to plan better

06

## UCF Downtown

- UCF Downtown is now a fully functioning campus that should be integrated into our base operations
- The campus is an anchor for the Parramore section of Orlando
- There are deferred maintenance needs that must be funded soon

Why Should  
We Change?

# Facilities Operations



- Underfunded operations
- Data and reporting ability does not align
- Segmented building management strategy
- Segmented long-term capital funding strategy

Why Should  
We Change?

# Building Management Portfolio

Maintenance

89%

226 out of 254 buildings

Capital Reserves

51%

130 out of 254 buildings

Why Should  
We Change?

# Capital Budgeting and Planning



Lack of comprehensive capital data and reporting for decision-making and planning



Inadequate funding to support facilities maintenance and capital renewal

Why Should  
We Change?

# Capital Budgeting and Planning

## 10-Year Capital Renewal Needs

in millions

**Total:**  
**\$323 million**

Deferred Renewal  
\$117.9

37%

58%

Projected Renewal  
\$187.7

5%

Nonrecurring  
\$17.4

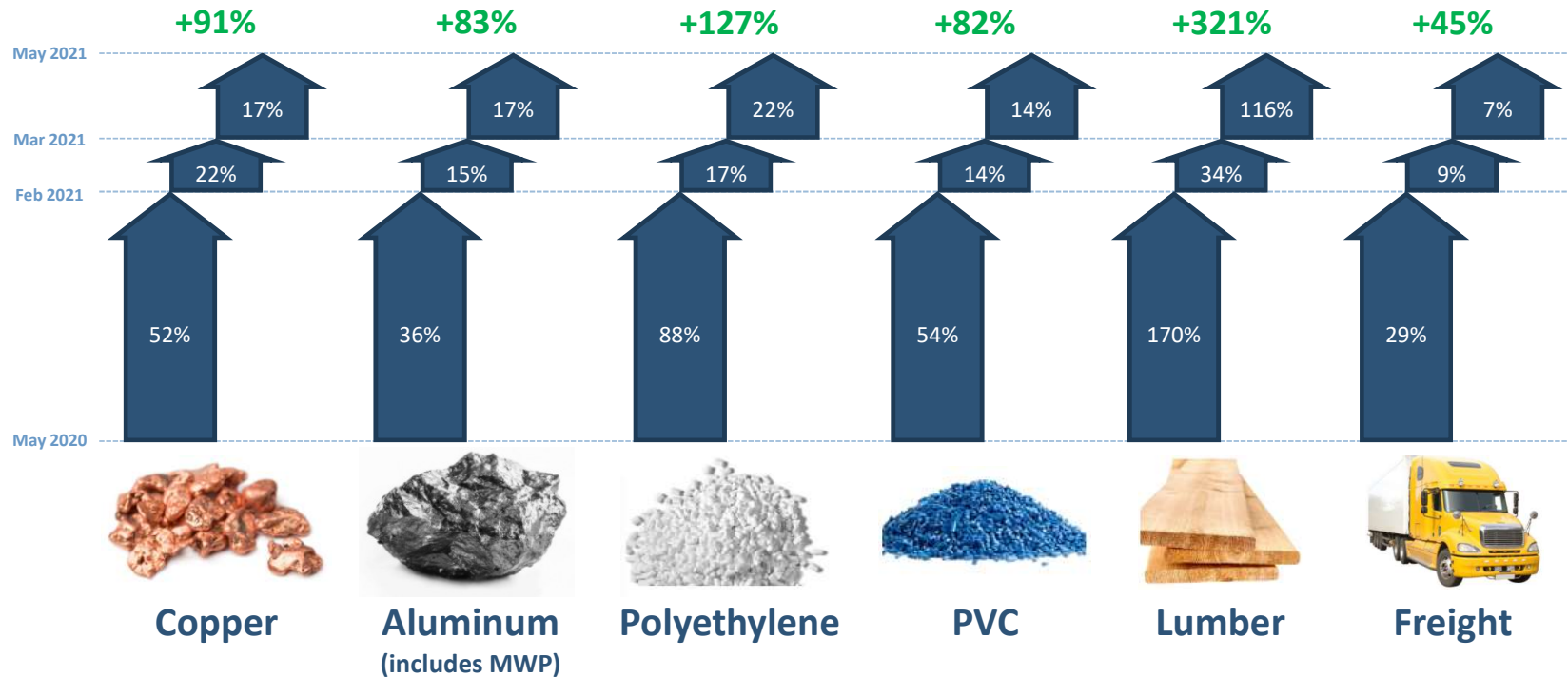
Source: Facilities Condition Assessment May 2021



Why Should  
We Change?

# Inflationary Costs in Facilities

## Raw Material and Freight Costs (May 2020 to May 2021)



Graphic from Prysmian Group





## MAXIM #3

“Culture will eat strategy for breakfast.”

– Peter Drucker



How Will  
We Change?

# Financial Management Framework

## Mission-Based Strategic Plan

- Reflect mission and values
- Set metrics-based performance goals for divisions and centers

## Financial Model

- Balance financial abilities to strategy over X years
- Build cash and debt capacity
- SWOT assessments and Scenario Modeling

## Operating Budget

- Full integration with strategic plan, financial plan and capital budget
- High-level, multi-year targets driven from strategic plan
- Annual targets in multi-year context

## Capital Plan

- Institution-based approach
- Quantitative rigor, NPV
- Monitoring of results



UCF

How Will We  
Change?

# Budget Realignment

Require decision makers and budget owners to examine and justify all costs

Assess existing activities and budgets of “Central Support Units” to recommend the appropriate level of service and budget

Align budgets with strategic goals through zero-based budgeting exercise

How Will  
We Change?

# Incentive-Based Budget Model

Categorization of units  
as revenue generating  
or central support

Unit Categorization

University administration costs  
(central support) are allocated to  
the revenue generating units

Administrative Costs

Aligns authority and  
accountability

Accountability

Expenditures are tied  
to strategic priorities

Strategic Priorities

Uses reliable data to facilitate  
strategic decision making and enable  
enhanced forecasting and planning

Data-Based Decisions

How Will  
We Change?

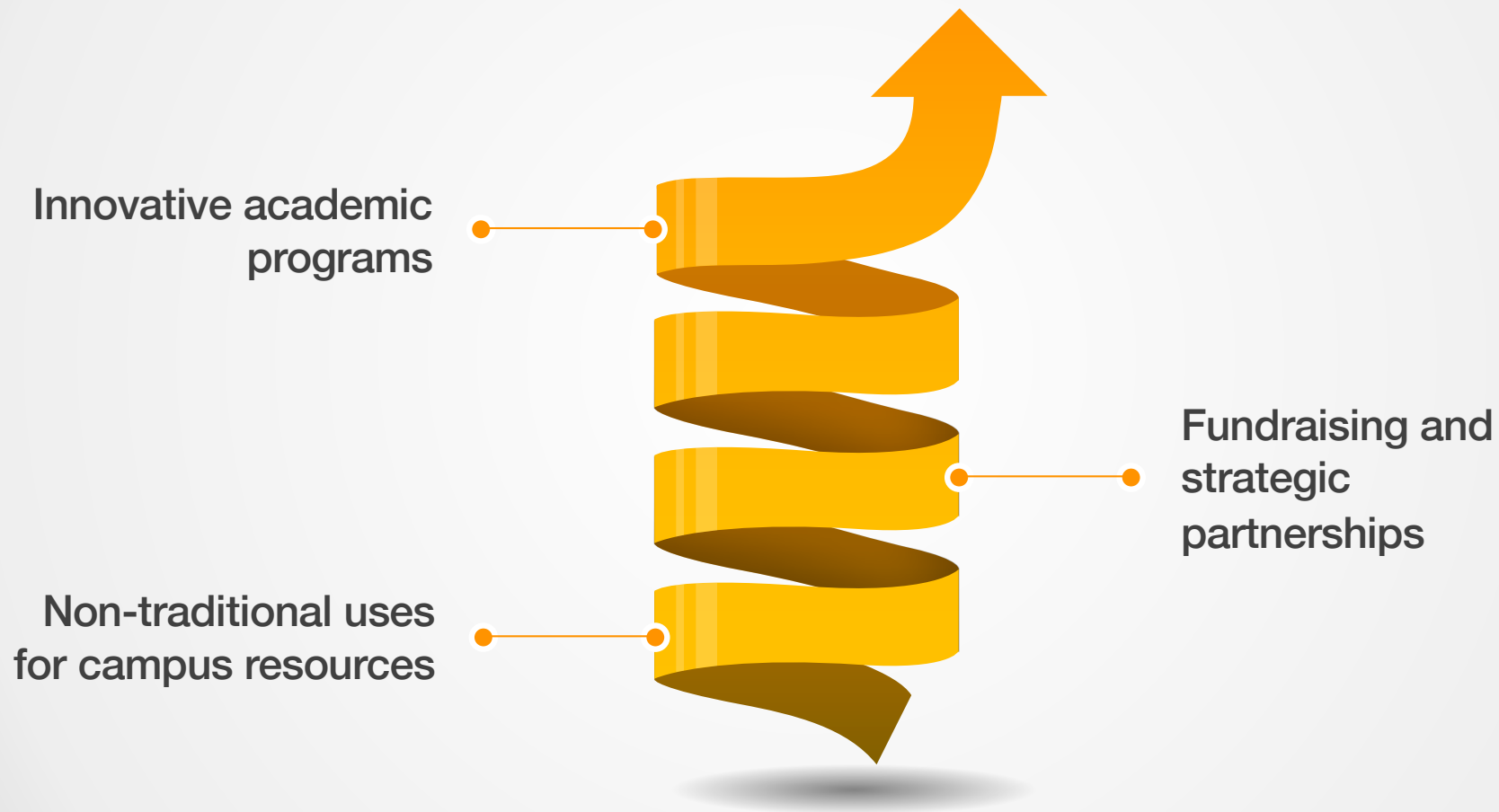
# Operational Budget Management

- Level-set funding with zero-based budgeting
- Budgets based on cost projections rather than revenue allocations
- Sustainable funding plan for capital planning and maintenance
- Reporting and analysis to include ALL funds
- Adaptive Planning and Workday
- Long-term financial planning



How Will  
We Change?

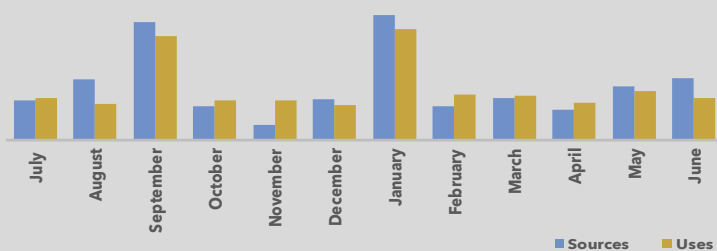
# Revenue Diversification



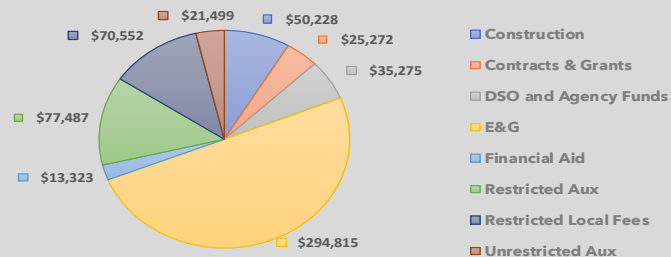
How Will  
We Change?

# Cash Flow & Liquidity FY 2020-2021

Sources and Uses as of April 2021



Working Capital As of April 2021



Choose Month

April

## CASH FLOW SOURCES: April

Student Tuition and Fees (gross)	9,595
Federal and State Student Financial Aid	4,829
State Non-Capital Appropriations	38,074
Federal Grants and Contracts	11,690
State Grants and Contracts	3,562
Non-Capital Grants, Contracts and Gifts	9,020
Housing	294
Sales and Services Auxiliary Enterprises	7,401
Commissions and Royalty Income	343
Investment Income (Realized)	833
Interest on Bank and other investments	892
State Capital Appropriations	0
Capital Grants, Contracts and Donations	0
Bond Proceeds	0
Sale of Bonds Revenue Certificates	0
Other Income	0

## CASH FLOW USES: April

57,482	Compensation and Benefits
23,028	Services and supplies
1,693	Utilities
648	Communications
19,073	Scholarships, Fellowships and Waivers
0	Capital Assets
45	Debt Service



## How Will We Change?

# Cash Flow & Liquidity Projections FY 2020-2021

CATEGORY	July ACTUAL (000s)	August ACTUAL (000s)	September ACTUAL (000s)	October ACTUAL (000s)	November ACTUAL (000s)	December ACTUAL (000s)	January ACTUAL (000s)	February ACTUAL (000s)	March ACTUAL (000s)	April ACTUAL (000s)	May PROJECTED (000s)	June PROJECTED (000s)	Total (000s)
<b>OPENING BALANCE</b>	<b>\$ 572,648</b>	<b>\$ 566,444</b>	<b>\$ 634,950</b>	<b>\$ 675,255</b>	<b>\$ 659,526</b>	<b>\$ 591,989</b>	<b>\$ 606,761</b>	<b>\$ 648,054</b>	<b>\$ 616,533</b>	<b>\$ 608,060</b>	<b>\$ 588,449</b>	<b>\$ 603,413</b>	
<b>SOURCES</b>	<b>July ACTUAL</b>	<b>August ACTUAL</b>	<b>September ACTUAL</b>	<b>October ACTUAL</b>	<b>November ACTUAL</b>	<b>December ACTUAL</b>	<b>January ACTUAL</b>	<b>February ACTUAL</b>	<b>March ACTUAL</b>	<b>April ACTUAL</b>	<b>May PROJECTED</b>	<b>June PROJECTED</b>	<b>Total</b>
Student Tuition and Fees (gross)	\$32,699	\$37,311	\$155,670	\$19,732	\$9,895	\$13,879	\$164,037	\$29,890	\$12,904	\$9,595	\$49,171	\$12,453	\$547,236
Federal and State Student Financial Aid	\$26,468	\$68,979	\$110,331	\$24,153	\$6,196	\$53,583	\$121,099	\$13,016	\$17,780	\$4,829	\$35,623	\$17,528	\$499,585
State Non-Capital Appropriations	\$26,787	\$27,913	\$25,570	\$13,880	\$24,559	\$25,898	\$24,734	\$24,516	\$37,782	\$38,074	\$40,574	\$61,490	\$371,777
Federal Grants and Contracts	\$13,571	\$7,885	\$9,903	\$7,877	\$9,298	\$9,062	\$11,557	\$10,391	\$8,508	\$11,690	\$8,498	\$10,760	\$119,000
State Grants and Contracts	\$2,273	\$1,311	\$191	\$354	\$653	\$333	\$759	\$688	\$213	\$3,562	\$1,249	\$1,221	\$12,807
Non-Capital Grants, Contracts and Gifts	\$1,553	\$6,064	\$5,546	\$1,423	\$5,401	\$1,291	\$2,158	\$1,555	\$20,157	\$9,020	\$1,813	\$31,950	\$87,931
Housing	\$1,258	\$2,281	\$7,032	\$1,022	\$861	\$614	\$10,894	\$1,078	\$523	\$294	\$274	\$659	\$26,790
Sales and Services Auxiliary Enterprises	\$8,175	\$8,450	\$6,249	\$7,120	\$7,156	\$6,183	\$6,756	\$8,150	\$8,378	\$7,401	\$7,381	\$8,974	\$90,373
Commissions and Royalty Income	\$214	\$132	\$456	\$425	\$22	\$189	\$916	\$525	\$301	\$343	\$462	\$623	\$4,608
Investment Income (Realized)	\$50	\$91	\$12	\$6	\$66	\$164	\$1,265	(\$7)	(\$9)	\$833	(\$15)	\$9,346	\$11,802
Interest on Bank and other investments	\$1,292	\$889	\$842	\$1,303	(\$26,772)	\$816	\$1,203	\$784	\$672	\$892	\$610	\$10,270	(\$7,199)
State Capital Appropriations	\$0	\$0	\$0	\$10,651	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,651
Capital Grants, Contracts and Donations	\$0	\$0	\$0	\$70	\$0	\$0	\$0	\$0	\$0	\$0	\$34	\$625	\$729
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Bonds Revenue Certificates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income and changes in receivables	(\$4,375)	\$8,183	\$5,834	\$6,100	\$4,753	\$1,262	\$2,744	\$3,021	\$8,271	(\$1,546)	\$4,096	\$4,902	\$43,245
<b>TOTAL SOURCES</b>	<b>\$109,965</b>	<b>\$169,489</b>	<b>\$327,636</b>	<b>\$94,116</b>	<b>\$42,088</b>	<b>\$113,274</b>	<b>\$348,122</b>	<b>\$93,607</b>	<b>\$115,480</b>	<b>\$84,987</b>	<b>\$149,770</b>	<b>\$170,801</b>	<b>\$1,819,335</b>
<b>USES</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>PROJECTED</b>	<b>Total</b>
Compensation and Benefits	\$44,063	\$50,936	\$58,008	\$58,174	\$74,675	\$64,101	\$64,187	\$60,627	\$61,941	\$57,482	\$59,419	\$59,419	\$713,033
Services and supplies	\$24,973	\$18,479	\$21,699	\$17,905	\$20,795	\$17,342	\$25,917	\$19,364	\$27,045	\$23,028	\$16,663	\$24,256	\$257,466
Utilities	\$2,365	\$1,672	\$2,279	\$2,233	\$2,162	\$1,721	\$2,058	\$1,573	\$2,176	\$1,693	\$1,422	\$2,772	\$24,126
Communications	\$888	\$535	\$584	\$664	\$608	\$523	\$587	\$729	\$744	\$648	\$486	\$525	\$7,521
Scholarships, Fellowships and Waivers	\$37,114	\$23,312	\$201,963	\$16,984	\$8,720	\$13,105	\$218,806	\$22,454	\$22,507	\$19,073	\$51,379	\$12,057	\$647,474
Capital Outlays	\$7,975	\$7,039	\$5,038	\$6,945	\$3,484	\$2,472	\$6,700	\$3,900	\$4,612	\$4,678	\$10,018	\$15,002	\$77,863
Debt Service	\$101	\$6,917	\$46	\$48	\$390	\$47	\$42	\$1,596	\$657	\$45	\$927	\$2,820	\$13,636
Other Expenses and changes in liabilities	\$131	(\$3,425)	\$3,129	(\$2,060)	\$914	(\$1,055)	(\$12,734)	\$11,474	\$3,551	(\$2,359)	(\$2,723)	\$1,062	(\$4,095)
Reconcilable items	(\$1,439)	(\$4,480)	(\$5,415)	\$8,951	(\$2,122)	\$248	\$1,265	\$3,411	\$720	\$310	(\$2,785)	\$0	(\$1,336)
<b>TOTAL USES</b>	<b>\$116,171</b>	<b>\$100,985</b>	<b>\$287,331</b>	<b>\$109,844</b>	<b>\$109,626</b>	<b>\$98,504</b>	<b>\$306,828</b>	<b>\$125,128</b>	<b>\$123,953</b>	<b>\$104,598</b>	<b>\$134,806</b>	<b>\$117,913</b>	<b>\$1,735,688</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(\$6,206)</b>	<b>\$68,504</b>	<b>\$40,305</b>	<b>(\$15,728)</b>	<b>(\$67,538)</b>	<b>\$14,770</b>	<b>\$41,294</b>	<b>(\$31,521)</b>	<b>(\$8,473)</b>	<b>(\$19,611)</b>	<b>\$14,964</b>	<b>\$52,888</b>	<b>\$83,647</b>
<b>CLOSING BALANCE</b>	<b>\$566,442</b>	<b>\$634,948</b>	<b>\$675,255</b>	<b>\$659,527</b>	<b>\$591,988</b>	<b>\$606,759</b>	<b>\$648,055</b>	<b>\$616,533</b>	<b>\$608,060</b>	<b>\$588,449</b>	<b>\$603,413</b>	<b>\$656,300</b>	



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How Will  
We Change?

# Cash Flow & Liquidity Projections – April 2021

Category	Construction	Contracts & Grants	DSO and Agency Funds	E&G	Financial Aid	Restricted Aux	Restricted Local Fees	Unrestricted Aux - Loans		Total
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	Unrestricted Aux	(000s)	
OPENING BALANCE	47,209	18,203	31,152	314,170	17,480	79,652	74,629	25,567	608,062	
Student Tuition and Fees (gross)	\$0	\$0	\$331	\$4,566	\$0	\$1,680	\$2,367	\$651	\$9,595	
Federal and State Student Financial Aid	\$0	\$0	\$0	\$0	\$4,829	\$0	\$0	\$0	\$4,829	
State Non-Capital Appropriations	\$869	\$0	\$0	\$37,205	\$0	\$0	\$0	\$0	\$38,074	
Federal Grants and Contracts	\$0	\$11,690	\$0	\$0	\$0	\$0	\$0	\$0	\$11,690	
State Grants and Contracts	\$0	\$3,562	\$0	\$0	\$0	\$0	\$0	\$0	\$3,562	
Non-Capital Grants, Contracts and Gifts	\$0	\$3,276	\$0	\$0	\$5,745	\$0	\$0	\$0	\$9,021	
Housing	\$0	\$0	\$172	\$0	\$0	\$122	\$0	\$0	\$294	
Sales and Services Auxiliary Enterprises	\$0	\$0	\$3	\$0	\$0	\$461	\$25	\$6,913	\$7,402	
Commissions and Royalty Income	\$0	\$0	\$0	\$0	\$0	(\$10)	\$99	\$255	\$344	
Investment Income (Realized)	\$0	\$0	\$2	(\$30)	\$3	\$124	\$46	\$688	\$833	
Interest on Bank and other investments	\$0	\$0	\$1	\$228	\$2	\$95	\$35	\$530	\$891	
State Capital Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Grants, Contracts and Donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sale of Bonds Revenue Certificates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Income	\$277	(\$2,374)	\$295	\$453	\$124	\$276	\$19	(\$617)	(\$1,547)	
TOTAL SOURCES	\$1,146	\$16,154	\$804	\$42,422	\$10,703	\$2,748	\$2,591	\$8,420	\$84,988	
Compensation and Benefits	\$0	\$6,016	(\$1,760)	\$43,002	\$361	\$2,070	\$1,068	\$6,724	\$57,481	
Services and supplies	\$415	\$9,787	\$33	\$4,640	(\$75)	\$1,732	\$2,841	\$3,654	\$23,027	
Utilities	\$0	\$14	\$13	\$40	\$0	\$28	\$77	\$1,522	\$1,694	
Communications	\$2	\$37	\$29	\$316	\$3	\$44	\$158	\$59	\$648	
Scholarships, Fellowships and Waivers	\$0	\$21	\$0	\$288	\$17,282	\$483	\$946	\$53	\$19,073	
Capital Assets	\$2,668	\$508	\$0	\$1,321	\$0	\$5	\$176	\$0	\$4,678	
Debt Service	\$0	\$0	\$0	\$40	\$0	\$0	\$3	\$3	\$46	
Other Expenses and changes in liabilities	(\$478)	(\$69)	(\$2,085)	(\$41)	(\$3)	(\$48)	\$374	(\$10)	(\$2,360)	
Reconciliable items	(\$4,480)	(\$7,229)	\$451	\$12,171	(\$2,708)	\$599	\$1,025	\$483	\$312	
TOTAL USES	(\$1,873)	\$9,085	(\$3,319)	\$61,777	\$14,860	\$4,913	\$6,668	\$12,488	\$104,599	
SURPLUS/(DEFICIT)	\$3,019	\$7,069	\$4,123	(\$19,355)	(\$4,157)	(\$2,165)	(\$4,077)	(\$4,068)	(\$19,611)	
CLOSING BALANCE	\$50,228	\$25,272	\$35,275	\$294,815	\$13,323	\$77,487	\$70,552	\$21,499	588,451	



# Financial Changes

## 01

### Financial Reporting

- Audited Financial Statements within 6 months of year-end
  - Including Key Financial Ratios
- Leverage New Technology
  - Adaptive:
    - Consistent board level monthly budget-to-actuals reporting
    - Sources and Uses Reporting
    - Forecasting
  - Workday:
    - Revised chart of accounts for more automated reporting
    - Monthly financial statements

## 02

### Financial Monitoring

- Process reviews and changes to streamline and automate processes (Workday will allow for more automation and process realignments)
- Sources and Uses
- Back to Basics Accounting

# Financial Changes

## 03

### Financial Monitoring

- Created the inaugural CFO Council
  - The Chief Financial Officers from all DSOs, major auxiliaries, and select staff from administration and finance will serve on this Council
  - The CFOs of the DSOs and others will have a dotted reporting line to the UCF SVP/CFO
  - Primary goal is to have synergies across all financial operations of the university
  - Council is being seated and will start its official meetings July 1, 2021
  - In the interim, the SVP/CFO will continue to meet one on one with DSO CFOs as issues arise

## 04

### Continuous Improvements

- Adoption of Composite Financial Index Ratios and modeling for future management and communication about the finances of the university
- Educate the campus in transparent ways about how the university is performing (i.e., ***Dollars and \$ense***, SVP/CFO Blog on website, etc.)
- Revamp the entire budget building and adoption timeline

**How Will  
We Change?**

# UCF Investments

Should all BNY pools  
be rebalanced and  
reclassified?

Is Pool II still  
necessary or should  
these funds be  
moved into SPIA or  
spread across the  
remaining pools?

Investment manager  
contracts, custodial  
contracts, and  
consulting contracts  
have not been  
renewed via RFP  
since inception

Reevaluation  
of previous policies  
and procedures



How Will  
We Change?

# Debt Management

## Annual Treasury Update to BOT ↑

- Overview of debt outstanding
- Detailed rating updates
- Historical investment results in comparison to benchmarks
- Future forecasting and strategic plans

## Projected Coverage Ratios ↑

- Should be included with each budget submission from a debt issuing entity

## University Debt Policy ↑

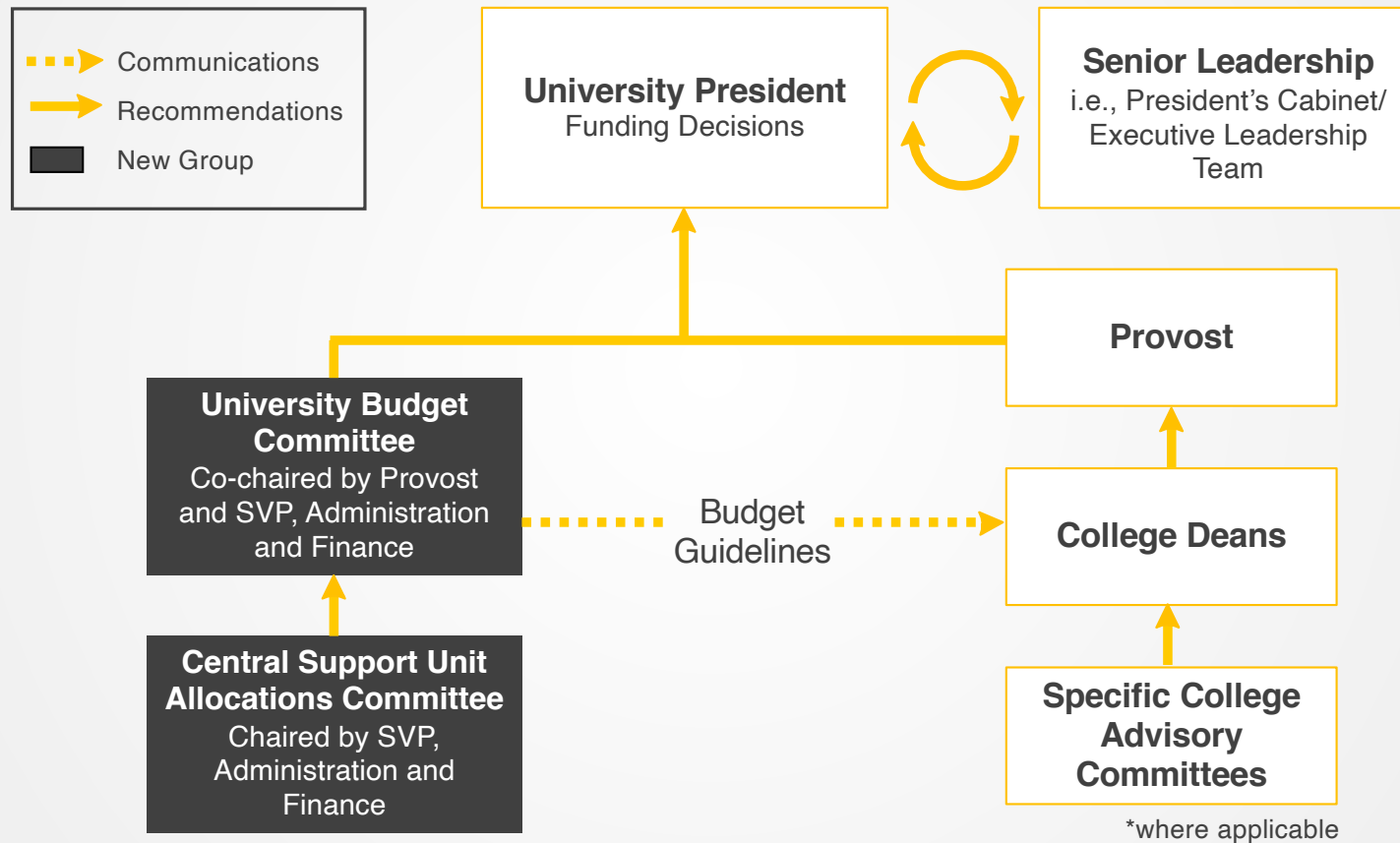
- Should include updated regulations and procedures required by the Florida Board of Governors



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## How Will We Change?

# Governance Changes



# Policy Changes

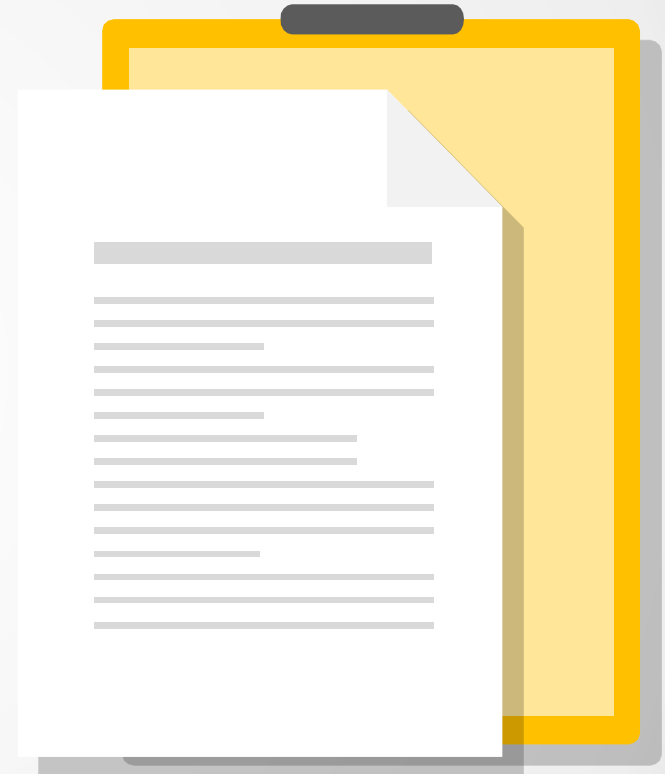
Clearly written and communicated policies are necessary:

- To set expectations of employees
- To set the “tone at the top”
- To bring accuracy and consistency to operations
- To ensure compliance with the law
- To let employees know where to go for help

---

Policies currently under development or revision include:

- Budgets
- Carryforward
- Signature Authority
- Travel



How Will  
We Change?

# Service Enhancement Transformation

**02** Develop streamlined, efficient end-to-end processes that are aligned to new Workday functionality

**04** Reduce administrative burden and handoffs during processes

**06** Establish a governance model to ensure quality, consistency, and customer service

**01** Redesign Finance and HR processes, looking at **who** is involved, **what** services are provided, and **how** and **when** services are delivered

**03** Increase efficiency by concentrating Finance and HR resources into specialized and dedicated FTE

**05** Provide targeted training and new career paths for employees





How Will  
We Change?

# Service Enhancement Transformation



**Customer Service-Oriented**



**Improved Quality & Compliance**



**Clear Accountability**



**Universitywide Consistency**



**Clear Career Paths**



**Enhanced Use of Technology**



**Improving the Customer  
Experience**



**Improving the Employee  
Experience**



**UCF**

How Will  
We Change?

# Human Resources Efficiencies

*SET project recommended improvements: specialization, standardization, collaboration, ownership, and accountability*

## Current Distributed HR Model:

### Human Resources

**550<sub>HC</sub> = 195.5<sub>FTE</sub>**

Total people  
involved

Total amount of  
effort

**70%**

Involved employees dedicating less than  
50% of effort

**\$17.8M**

Total labor cost

### Payroll

**383<sub>HC</sub> = 51.4<sub>FTE</sub>**

Total people  
involved

Total amount of  
effort

**93%**

Involved employees dedicating less than  
50% of effort

**\$3.8M**

Total labor cost

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How Will  
We Change?

# Finance Operational Efficiencies

*SET project recommended improvements: specialization, standardization, collaboration, ownership, and accountability*

## Current Distributed Finance Model:

### Finance

**640** HC = **327.5** FTE

Total people  
involved

Total amount  
of effort

**46%**

of employees dedicating less than 50% of effort

**\$26.4 M**

Total labor cost

### Procurement

**465** HC = **71.1** FTE

Total people  
involved

Total amount  
of effort

**93%**

of employees dedicating less than 50% of effort

**\$5.4 M**

Total labor cost

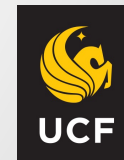
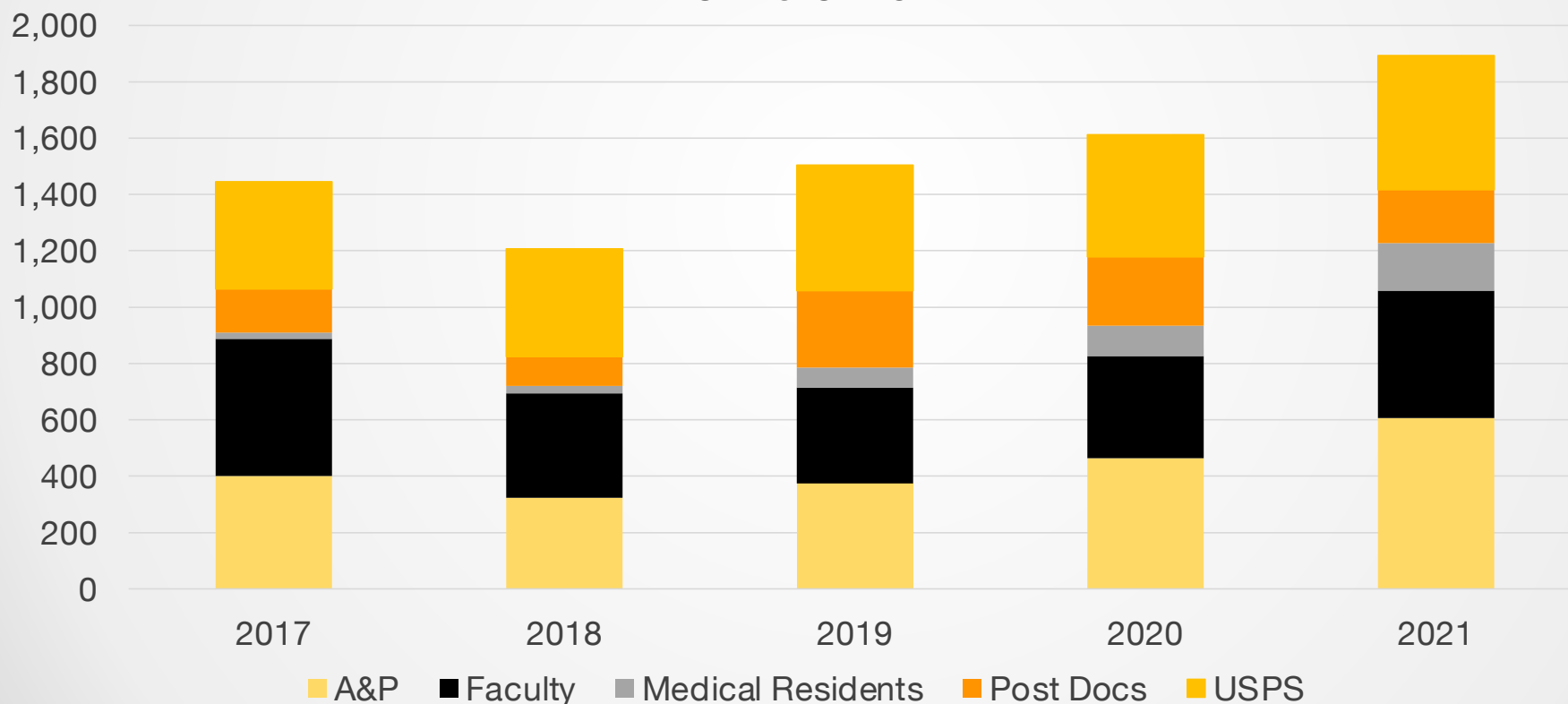




# Vacancy Management: 5-Year Trend

*Position vacancies are currently managed locally by departments.*

**Number of Vacant Positions by Employee Group,  
for March 2017-21**



# Compensation

UCF HR recommends  
**strategic investment** to:

- Address issues with **salary compression**
- Ensure **pay equity**





**Ellucian**  
@EllucianInc

"We need to get from the Flintstones to the Jetsons, fast. Things that would have taken years to get done, we're now having to get them done in months, even weeks."

-@Morehouse #CFO, G. Hector on back office #highered investments in the COVID-era. @FaithWalking3  
#eliveonline20



## MAXIM #4

“In God we trust, everyone else bring data.”

– Unknown



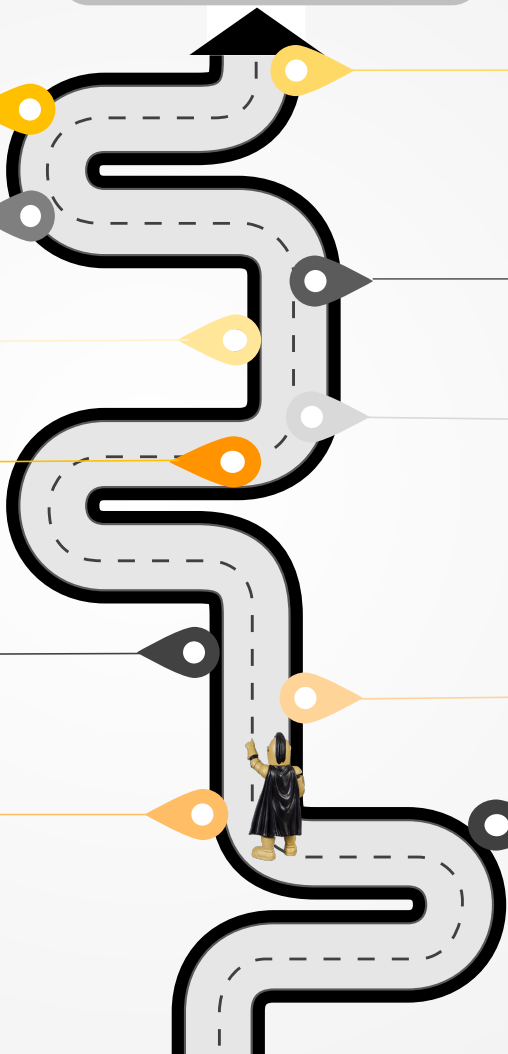
## How Will We Change?

# Knight Vision Roadmap

- HR & Finance SET Implementation Phase 2  
January 2023\*
- Enterprise Reporting & Analytics  
December 2022\*
- HR & Finance SET Implementation Phase 1  
July 2022\*
- Informatica Integrations Platform  
June 2022\*
- Service Enhancement Transformation (SET) Implementation Kick-Off  
September 2021\*
- Custom Apps Replacement  
Planning Kick-Off June 2021\*

Begin Workday Student

- Workday Phase 2 HR Functions, Adaptive, Prism  
January 2023
- Workday HCM & Finance Phase 1 Go-Live  
July 2022
- SailPoint Identity & Access Management  
Phase 1 - June 2022\*  
Phase 2 - August 2023\*
- Service Enhancement Transformation Assessment Recommendations – June 2021
- Adaptive Planning  
Phase 1 Go-Live April 2021



\*Dates are estimated; planning underway





How Will  
We Change?

# Capital Budgeting and Planning

**Comprehensive  
Capital Portfolio  
Data**

**Reset Facilities Operating Budget**

Holistic Management Strategy

ISES Reports for Housing and Auxiliary

Research Space Maintenance Costs

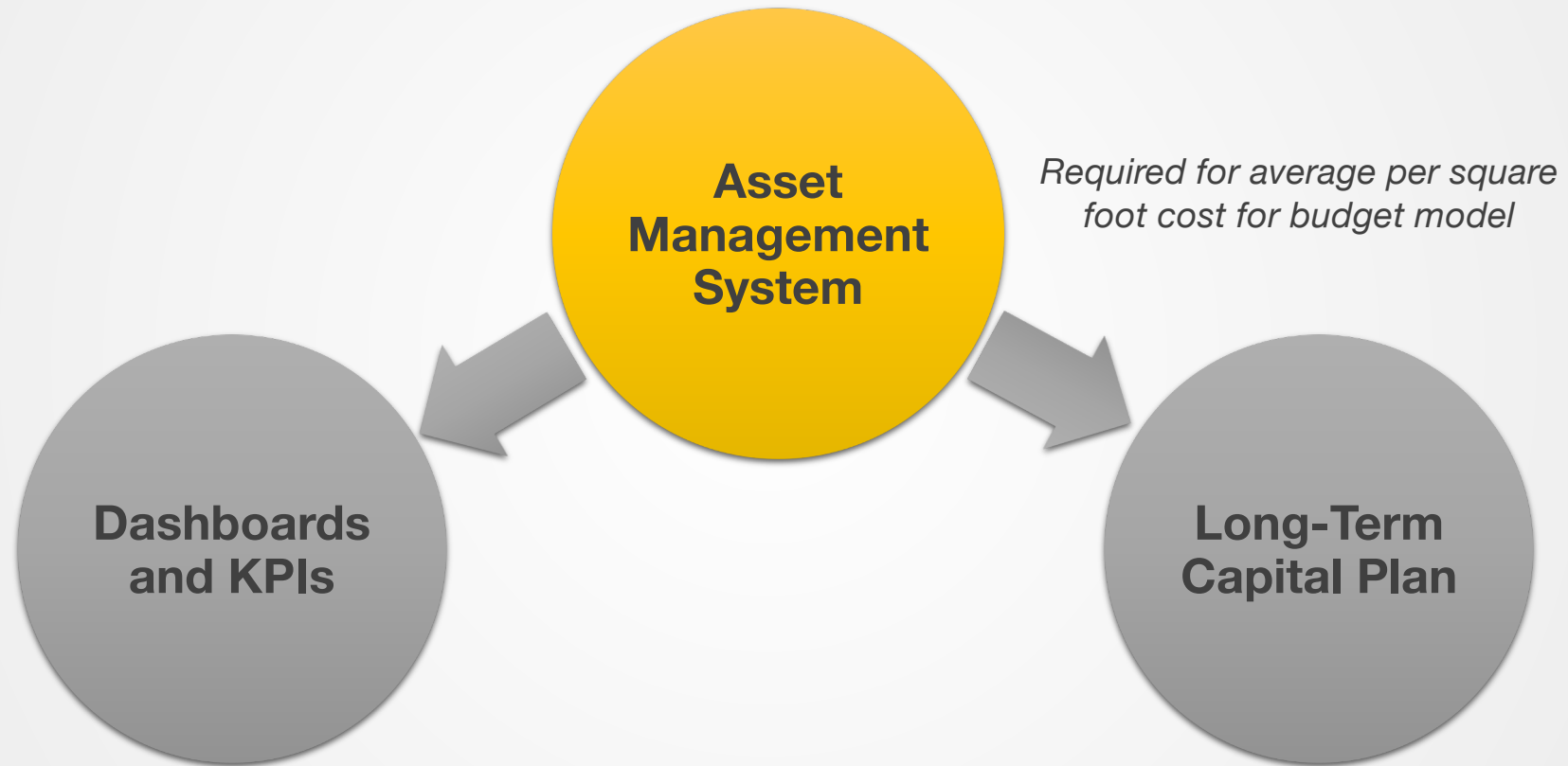
Develop Capital Project Intake Process

Training and Workorder Accountability

Chargeback Reduction

How Will  
We Change?

# Capital Budgeting and Planning



## MAXIM #5

“Sunlight is said to be the best of disinfectants.”

– Justice Louis Brandeis