Policy on Online Revenue Share Funds Carryforward

Policy Number: ACA-042; BUS-024
Effective Date: When signed
Responsible Office/Person: Academic Affairs: Provost/COO; Administration & Finance: Vice Chancellor/CFO
Related Policies: ACA-031 Policy on Carry Forward of Year End Funds
ACA-035 Policy on Online Revenue Sharing
Additional History: This policy updates and replaces ACA-042; BUS-024 April 2019

I. POLICY STATEMENT:
Online Revenue share is derived from gross revenue proceeds less direct expenses for OCE operations, technology support, financial aid, applicable instructional costs, etc. and indirect expenses such as UMass Online/TFA fees, course development costs, etc. Use of ORSF is specified in Policy ACA-043. These funds may carryforward but are subject to an approved spending plan.

II. PURPOSE:
To establish a campus procedure for managing carryforward balances in Online Revenue Share accounts. This procedure applies to business managers with Signature Authority for miscellaneous accounts.

III. DEFINITIONS:
Carryforward balances (or carryforward funds) are unexpended balances at the end of the fiscal year as described in ACA-031. For revenue share accounts these balances are calculated as: current year budget appropriation and prior year balances less expenditures.

Online Revenue Share Funds (ORSF) derive from net tuition revenue generated through online course registrations.

IV. PROCEDURES:
In general, carryforward funds will be managed as part of a multi-year budget planning process coordinated by the Office of the Provost and Office of Finance and Administration (Budget Office).

All requests for carryforward budgets must follow the carryforward procedures outlined below.

1. Preliminary carry forward amounts are known at the end of the fiscal year. Carryforward allocation calculations will be sent to each unit by the Budget Office by September 1. Unexpected adjustments to finalize a year may impact the availability of carryforward.
2. Colleges/Schools/Divisions (Units) will submit carryforward requests to the Provost office by February 1st for the next fiscal year. Units that are reserving funds for major outlays (renovations, equipment, etc.) in future periods should document a multi-year spending plan in writing to be approved by the Provost.
3. Requests to use the carryforward funds for operational expenses must be approved by the Provost.
4. Each unit is required to submit a report to the Provost on the use of the previous year’s carryforward funds as part of the carry forward request. The report is to include the relationship of the use of funds to strategic priorities within the unit and alignment with the previously submitted carryforward plan.

Last modified: February 5, 2020
5. The carry forward requests that are approved by the Provost, will be forwarded to the Budget Office by March 1st.

6. If an expense exceeds the planned amount and there are additional carryforward funds available, those funds may be used by the Provost to offset the excess, if not, the spending plan will need to be adjusted or approved to continue with the overage being deducted from the following year's unit budget allocation.

V. RESPONSIBILITY:
Academic Affairs: Provost/COO and Administration & Finance: Vice Chancellor/CFO

VI. POLICY CHANGES:
The Division of Academic Affairs and the Division of Administration & Finance will review this procedure every five years or sooner.

VII. APPROVALS:

Mohammad A. Karim
Provost; Executive Vice Chancellor for Academic Affairs; Chief Operating Officer

David A. Gigerella
Vice Chancellor for Administration & Finance; Chief Financial Officer

Robert E. Johnson
Chancellor

Date: 2/16/2020