

July 2017

### Procedure for Monitoring Fund Balances for Recharge Centers

Recharge Centers (centers) operating within the University of Washington (UW) are monitored by the Chancellor, Dean, Vice President/Provost and Executive Director of Health Sciences Offices.

OPB works with MAA to address current deficit issues with respect to these self-sustaining units. On a quarterly basis OPB runs and distributes a self-sustaining deficit report which includes the center budgets to the Chancellors, Deans, VPs, and financial leaders of each academic or administrative unit. Additionally, OPB creates a report which is distributed to a Deficit Review team which identifies deficits that the group is currently monitoring. It is this list that MAA uses to identify which centers to focus on. MAA will then review submitted quarterly reports and, if needed, follow-up with service and recharge centers to understand the circumstances of a potential deficit and provide assistance. When a deficit in a center is identified by either OPB or MAA, both offices work collaboratively with center management to address on-going issues. OPB is the office charged with enforcing the campus Deficit Resolution Policy, <https://opb.washington.edu/content/deficit-resolution-policy>.

Plans to reduce deficits are negotiated between the responsible department, respective Dean/VP and OPB with input and assistance from MAA.

To address recharge center surpluses above the 60 day working capital, MAA uses an automated report which flags budgets that may require additional review. Normally, universities will allow a recharge center to carry a 60-day working capital reserve. Any center whose working capital reserves are materially above the 60-day working capital threshold will be flagged and an escalation email will be sent to the center's contact as well as the corresponding Dean's/VP's office contact. The email requests that the recharge center leadership work with respective Dean/VP to address surpluses. MAA will follow up with the Dean/VP if the escalation email has not been addressed by the next quarter. Escalations from that point on will be coordinated with OPB.