



Capital Reserves/Transfer Guidelines

Effective: July 1, 2018

During the FY18 budget development process, several auxiliary units established capital reserves. The intent is to enable/encourage areas to plan beyond the current fiscal year and to allocate funding to a reserve account which can be used for future capital expenditures. The following guidelines have been created to assist units:

- The annual contribution transferred to capital reserves will be determined prior to the start of the fiscal year during the budget development process.
- Any new contributions and/or changes in the annual contribution transferred to capital reserves must be reviewed and approved by the AVP of Budget.
- All auxiliary funds for each unit will be reviewed during the year-end reconciliation process. Budget shortfalls will need to be covered by operating fund balances and/or capital reserves prior to being eligible for capital spending.
- The beginning balance in the current fiscal year of the capital reserve is the only amount available for capital spending.
- Capital reserve balances that are eligible for spending can be utilized towards capital expenses in accordance to the University's capital property manual.

If you are interested in creating a capital reserve please contact the Office of Budget and Planning at budgetandplanning@utoledo.edu.