Use of Discretionary Account Balances

Date: February 25, 2015  Number: 1.511  Status: Final

Contact Office:
Controller
PO Box 800796
Charlottesville, VA 22908
Phone: 434-924-8412
Fax: 434-924-8173

Oversight Executive:
Associate Dean for Finance and Administration
PO Box 800793
Charlottesville, VA 22908
Phone: 434-924-8425
Fax: 434-982-0874

Applies to:
Any faculty or staff member who has authority to authorize expenditures from any UVA account.

Reason for Policy:
The Rector and Visitors of the University control and are responsible for all funds held at the University of Virginia. University funds do not belong to any individual, regardless of the source of the funding or any restrictions on a gift, grant, or any other account, and therefore, use of such funds is subject to an approval process.

This policy provides a mechanism by which unfunded effort or other expenses may be covered through the use of available discretionary balances.

Policy Statement:
At the department chair’s discretion, surplus UVA account balances may be used to cover the cost of any faculty or staff salary and benefits that are not covered by another specifically identified source. If a faculty member’s salary and benefits and the salary and benefits of all staff members assigned to that faculty member are fully covered by other sources, then the surplus account balance may be used to cover discretionary expenses identified by the faculty member.

The use of restricted donor funds must be in accordance with the language and intent of the gift agreement. If there are discrepancies between this policy and a gift agreement, the language of the gift agreement shall rule.
Departments are expected to develop internal procedures for the administration of departmental discretionary balances. These procedures should address the recording and monitoring of commitments and the approval of any balances for non-salary or benefit expenditures by the chair. The department chair may delegate approval authority to the division chief(s) or the department administrator. In situations of delegated responsibility, allocations to individuals with delegated authority must be confirmed by the chair.

**Definition of Terms:**
*Surplus account balance:* All unencumbered spendable balances in any account type that can be used to support the cost of employee salaries and non-salary expenses as well as any other OTPS (other than personnel services) expenditures directly tied to their clinical and/or academic effort. “

Surplus account balances include, but are not limited to, unrestricted gift and endowment accounts, residual balance accounts, intellectual property income accounts, indirect cost recovery accounts, and restricted accounts where any proposed use of the funds is consistent with donor and/or sponsor restrictions.

*Unencumbered spendable balances:* Account balances that have not already been committed for another purpose and can be spent as proposed without limitation by the donor or sponsor.

**Related Policy:**

**Next Scheduled Review:** June 2015

**Revision history:** Implemented 7/25/12; administrative updates 2/25/15

Approved:

[Signature]

Steven T. DeKosky, MD
Vice President and Dean

July 25, 2012
Date