UAF SPRING MANAGEMENT REPORT FY20

1. FY20 UNRESERVED FUND BALANCE (UFB) ANALYSIS

For FY20 (using January 2020 information to date), UAF expects an unrestricted (F1) unreserved fund balance (UFB) at $5.9M, which is at the low end of UAF's targeted annual UFB ($6-8M). The projected F1 UFB represents 1.6 percent of UAF's total projected unrestricted and restricted revenues ($366.7M), not including recharge, leasing, and enterprise funds, CIP, UA Intra-Agency Transfers, and prior-year UFB. UAF estimates $7.9M for service center and leasing funds (F7, FE, FL). The overall balances on event (FM) and match funds (FC) are positive and in line with expectations. This is subject to change due to unexpected impacts of COVID-19, and will be updated throughout the fiscal year.

Three factors constraining UFB are long-term decreases to state general fund (GF), large year-over-year decreases in student credit-hour enrollments, and substantial uncertainty relating to future GF resources. As in prior years, UAF applied a substantial portion of FY20 UFB as one-time bridge funding for operational areas unable to immediately implement cost reductions. Fixed cost obligations, including facilities maintenance (DM/RR), shifted to the operating budget (via reallocation) squeeze UAF's funding streams. In FY20, UAF reduced facilities maintenance funding on the operating budget by $2.5M as part of the GF reduction plan.

UAF's UFB guidelines take into account the need for flexibility and prudent fiscal management. UFB investments align with accreditation themes as well as the overarching UAF Strategic Goals and UA System strategic initiatives. Vice Chancellors (VC) retain the ability to redistribute UFB within their divisions in order to address critical shortfalls or one-time strategic investments in their areas. UAF has no plans to draw UFB to central accounts, and vice chancellors endeavor to return most, if not all, UFB to research, instruction, and public service units.

Figure 1. Unrestricted (F1) unreserved fund balance for UAF, in thousands.

CABINET	FY17 Actual	FY18 Actual	FY19 Actual	**FY20 Jan Projection**
Chancellor	42.8	93.2	368.2	**146.4**
Office of Information Technology	60.6	127.8	193.0	**50.0**
Provost	1,850.6	444.2	2,055.0	**1,705.6**
VC for Rural, Community, and Native Education	1,258.9	1,018.4	931.3	**950.0**
VC for Research	1,281.9	1,920.8	2,235.5	**2,233.2**
VC for Student Affairs*	999.8	810.2	(30.5)	**(1,060.8)**
VC for Administrative Services	954.5	1,312.7	811.0	**1,396.0**
Central Support (Scholarships, Debt Service, Utilities, etc.)	1,636.1	1,753.9	2,389.7	**500.0**
Total	**8,085.2**	**7,481.2**	**8,953.2**	**5,920.4**

Notes: 1) This reflects January projections, which are early in the year, and may change in the April report.
2) The Provost area may reflect low figures as UAF works with Deans/Directors to address projected shortfall.
3) In FY18, UAF reorganized the VC for University and Student Advancement into "VC for Student Affairs," and moved "Advancement" activities to the Chancellor's division. Athletics remains with VCSA.

2. CURRENT FISCAL YEAR PRACTICES FOR REVENUE DISTRIBUTION WITHIN THE CAMPUS

UAF distributes tuition and indirect cost recovery (ICR) on a consistent basis at the campus level. In FY20, UAF substantially adjusted its tuition distribution plan as part of an effort to create more distribution consistency across programs and to allow for more reinvestment and innovation within those programs. UAF made no FY20 changes to ICR distribution.

UA increases in tuition rates have allowed tuition revenue to remain relatively flat at UAF. As this tuition revenue can vary due to fluctuations in enrollment, the decreases in GF since FY15 and enrollment every year since FY13 challenge the model by adding a new level of variability to these previously more predictable sources.

Tuition

Effective fall 2019, UAF transitioned from a 60/40 tuition distribution plan to an 80/20 distribution plan. For all UAF courses other than traditional community campus offerings, the generating school or college receives 80 percent of tuition revenue and support units retain 20 percent. Community campuses retain all tuition for traditional offerings.

UAF is evaluating tuition sharing options/models that would serve to encourage units to develop/innovate academic programs that have a high participation potential. In Fall 2019, Chancellor White established a Tuition and Fee Committee to review UAF's fee structure and make recommendations on tuition strategy. The committee's first task is to make recommendations to reduce the number and/or complexity of fees charged to students; review the application of student fees to ensure transparency and alignment with strategic goals; and review "differential" tuition and fees, where applicable. The committee recommendations are public and feedback is being collected. Final decisions and outcomes to be determined in FY20+.

Indirect Cost Recovery (ICR)

UAF distributes ICR revenue on a 60/40 basis with 60 percent dedicated to reinvestment in research including areas that directly manage or contribute to increased sponsored program activity. This includes the generating units (50 percent), the Vice Chancellor for Research (VCR) (1.5 percent), Debt Service (7.5 percent), and the Undergraduate Research and Scholarly Activity (URSA) program (1 percent). The remaining 40 percent is broken into two categories: 28 percent is applied to UAF facilities and administration (F&A) costs including facilities and maintenance, administrative services, and the library. Statewide receives 12 percent for institutional administrative support. UA Statewide returned part of these funds in FY20 via a reallocation for research reinvestment, which is the final year of a three-year commitment. UAF would like to see this program continued in FY21+.

The use of new F&A rates began in FY20. The Office of Grants & Contracts Administration (OGCA) also revised the process by which UAF evaluates voluntary F&A rate reductions (i.e. waivers). This change allows UAF to strategically consider and minimize waivers to those that have a long-term benefit to the university.

3. CURRENT VERSUS INITIAL REVENUE PROJECTIONS

Figure 2 shows the dollar variance and percent variance between UAF's original revenue projections in July 2019 (based on allocated budget authority), and the January 2020 Management Report. The UA Receipts projection is net of prior year total F1 UFB ($8.9M for FY19), and both Auxiliary and Student revenue include the projected GASB tuition/fee allowance offset (-$1.5M and -$6.9M, respectively).

Figure 2. FY20 UAF Revenue Comparison - Current Projection to Original projection ($ in thousands)

SBS BUDGET TITLE	FY19 Year-End	FY20 Original	FY20 Jan Projection	$ VAR	% VAR
Federal Receipts	88,062.1	85,830.6	94,229.7	8,399.1	9.79%
General Fund - Match Appropriation	4,739.3	4,739.3	4,739.3	-	0.00%
General Fund - State Appropriation	158,942.2	144,064.5	144,691.1	626.5	0.43%
Inter-Agency Receipts	3,028.0	3,532.7	2,723.5	(809.2)	-22.91%
Interest Income	43.4	45.0	45.1	0.1	0.12%
Dorm, Food, & Auxiliary Services (net)	14,687.6	15,872.2	13,993.5	(1,878.6)	-11.84%
Student Tuition, Fees, & Services (net)	41,581.5	43,405.1	46,853.3	3,448.2	7.94%
Indirect Cost Recovery	24,203.3	25,851.4	25,524.7	(326.7)	-1.26%
U of A Receipts (net of UFB)	39,170.4	38,623.9	46,985.1	8,361.2	21.65%
CIP Receipts	1,330.8	1,530.0	954.7	(575.3)	-37.60%
General Fund - Mental Health Trust	50.0	50.0	50.0	-	0.00%
Technical-Vocational Education Program Other	1,023.0	1,414.5	1,414.5	-	0.00%
UA Intra-Agency Transfers	45,693.6	66,128.3	63,202.1	(2,926.2)	-4.42%
Total	**422,555.3**	**431,087.5**	**445,406.6**	**14,319.1**	**3.32%**

FY20 January overall revenue projections are 3.3 percent more than original estimates. The projection is UAF's total budget authority without the inclusion of unallocated authority.

State Inter-Agency Receipts remain similar to last year, which is the third consecutive year at a level considerably smaller than historical levels. This continues to reflect the reduced budget across state agencies.

With the 5 percent tuition increase for FY20, units budgeted at a level that was about 4 percent higher than FY19 actual tuition and fees, which represents an expected enrollment reduction of approximately 1 percent. The overall FY20 enrollment decrease is closer to 10 percent, which continues to place budget pressure on academic units, especially those with a high number of general education requirements (GERs) (e.g. CNSM, CLA). While units report an increase of nearly 8 percent, a net decrease of up to 1.5 percent is likely for the year. This projection difference is largely due to the tuition model change discussed above effecting the total revenue numbers at the units and masking some enrollment decline.

UAF expects declining auxiliary receipts driven by declining enrollments; student housing and dining meal plans remain lower than historical levels. In FY17, the Nanook Recreation auxiliary replaced the SRC fee with the Nanook Recreation fee. This fee provides students with open access to recreation facilities (SRC, ice arena, swimming, etc.) and funds services and facilities R&R. For FY20, the fee will generate $750,000 and helps these self-support operations maintain services amidst declining revenues. This will be impacted by COVID-19 as well in the near term.

4. PROJECTED REVENUE RELATIVE TO RECEIPT AUTHORITY

Figure 3 shows projected revenue compared to budget authority for each revenue source. As above, the UA Receipts projection is net of prior year total F1 UFB ($8.9M), and both Auxiliary and Student revenue include the GASB offset (-$1.5M and -$6.9M, respectively).

Figure 3. FY20 UAF Comparison - Projected Revenue to Budget (total receipt authority, $ in thousands)

SBS BUDGET TITLE	FY20 Budget	FY20 Jan Projection	Projected Revenue (Over) Under Budget
Federal Receipts	101,540.0	94,229.7	7,310.3
General Fund - Match Appropriation	4,739.3	4,739.3	-
General Fund - State Appropriation	144,615.1	144,691.1	(75.9)
Inter-Agency Receipts	6,232.1	2,723.5	3,508.6
Interest Income	45.0	45.1	(0.1)
Dorm, Food, & Auxiliary Services	17,082.7	13,993.5	3,089.2
Student Tuition, Fees, & Services	48,679.1	46,853.3	1,825.8
Indirect Cost Recovery	26,393.0	25,524.7	868.3
U of A Receipts	44,616.9	46,985.1	(2,368.2)
CIP Receipts	7,349.4	954.7	6,394.7
General Fund - Mental Health Trust	50.0	50.0	-
Technical-Vocational Education Program (TVEP)Other	1,414.5	1,414.5	-
UA Intra-Agency Transfers	33,768.5	63,202.1	(29,433.6)
Total	**436,525.6**	**445,406.6**	**(8,881.0)**

UAF currently expects all revenue sources except Intra-Agency Transfers (IAT) to fall within authorized receipt levels. Intra-Agency Transfer authority, currently projected to come in at $29.4M over UAF's total budget authority, will require additional authority. This is due to Sikuliaq and Match activity, and it is a known issue. In addition, UAF converted the transfer process it used for utilities in prior years to the standard IAT process for recharge operations for FY20. This results in the increase of the IAT authority deficit by approximately $17M from last year. UAF expects that, should the State of Alaska decide to remove UA Intra-Agency Transfers from reported revenue authority, this will no longer be an issue in future years.

Excluding IAT, UAF's unused budget authority of $20.5M is the combined result of additional capacity in federal receipts, low CIP and Inter-Agency receipt levels, and some remaining capacity in UA Receipt generation. UAF expects the need for most receipt authority to remain similar in FY21 and expects to begin to see gains in student and auxiliary revenue sources resulting from efforts to boost student enrollment numbers.

UAF requests the IAT exclusion issue be resolved internally or via the State of Alaska, in an effort to better communicate UAF costs from an efficiency standpoint prior to FY22 planning.

5. SIGNIFICANT UNPLANNED OR CONTINGENT EXPENDITURES

The financial impact of COVID-19 is unknown, but it will affect tuition and fee revenue and will be compounded with the loss of revenue as a result of the closure. Delays in research and other agency-funded activity may result in lost restricted revenue and associated ICR, as well as some costs normally funded from these sources (such as personnel time) charging to a central expense account designed to capture necessary costs. It will be important to track expenses and losses to ensure any relief from state or federal funding is collected.

The UAF Combined Heat and Power Plant (CHP) became operational on December 24, 2019 and UAF has taken beneficial occupancy. Multiple commissioning delays translated to additional costs for repairs, commissioning staff, equipment testing and startup fuel. In February, the Board of Regents approved a total project cost increase of $4.6M to cover these costs. UAF and UA Risk Management are working through an outstanding insurance claim related to some of the delays. This claim, along with the contractor claims, may mitigate the potential for overruns, but will require time for submission and processing. Contractor delays due to COVID-19 may further impact commissioning timelines through the summer and fall.

As student enrollment has declined in the past several years, UAF continues to monitor auxiliary functions and balances. The housing/dining (P3) lease payment remains a challenge for Residence Life to manage under these conditions, therefore UAF has contributed central funds for needed facilities maintenance where upgrades are critical. Some residence halls have also been closed as a cost saving measure.

FY21 budget reductions related to the UA-SOA Compact, COVID-19 pandemic, and enrollment decline will require UAF to contingency plan at a steep level on a short timeline. UAF is contributing to UA advocacy efforts and will work with UA leadership to plan accordingly as more information is known.

6. DEBT STRATEGIES AND PLANS

UAF is committed to paying debt first. However, with an annual general fund draw of over $20M for debt service in FY20, each year the legislature cuts UA general fund (and UAF receives an across-the-board reduction based on its total proportion of general fund) has a compounding effect on the budget reduction pressure on programs and administration.

UAF approaches long-term debt service (DS) as a tool that can support strategic capital investments in new or aging infrastructure in order to create and maintain a safe, efficient, and attractive campus. The annual debt service obligation at UAF reached its peak in FY19 (and will remain at this level for five years); UA BOR approved debt is up 125 percent (annually) from FY15 (from $9.8M to $22.3M). UAF successfully closed out the Series O bond and SRC in FY18 (UAF refinanced some portions of Series N and O into Series S and V). Financing on several individual projects, such as IARC, retire in FY23, while Series P retires in FY24. After Series P, the next full series retirement does not occur until FY31. Refinancing or early pay-offs for remaining DS obligations are more difficult as remaining issuances are larger dollar amounts best managed over time; however additional operating funding in support of UAF debt service will be helpful for meeting budget targets in FY21, if these are approved by the Governor as part of the FY21 final UA appropriation.

Please refer to the debt service schedule attached for a complete list of all current and anticipated UAF debt obligations.

7. FY21 INITIAL BUDGET ANALYSIS

The FY21 UA budget request is $277M, a reduction of $25M (8.3 percent) from the FY20 level of $302M. This reduction is year two of the three-year “compact” agreement between the Governor and the UA Board of Regents.

In addition to an expected reduced state appropriation, the budget includes an investment of $7.1M to provide general market compensation ($3.9M) and specific equity and market compensation ($3.2M) increases to faculty and staff. The universities and statewide services will need to reallocate internally to cover this increased cost.

The FY21 UA total budget reduction target is $32.1M, of which UAF’s estimated reduction target is $15.8M (or 49.2 percent). UAF may internally reallocate up to $1M in strategic investments but a final amount is TBD. The final FY20 budget was not finalized until August 2019 and this delay, along with the short time frame with which to make reductions has contributed to a gap of roughly $7M that UAF will need to absorb in FY21, bringing the total UAF FY21 reduction target to $23.8M. UAF actions to address this gap include expedited academic and administrative program reviews, vertical reductions, reducing the facilities footprint, exploring shared service models, possible temporary furloughs and use of strategic or debt reserves.

The planning process for FY21 is as follows, but is subject to change between April and June based on contingency planning efforts and COVID-19 impacts:

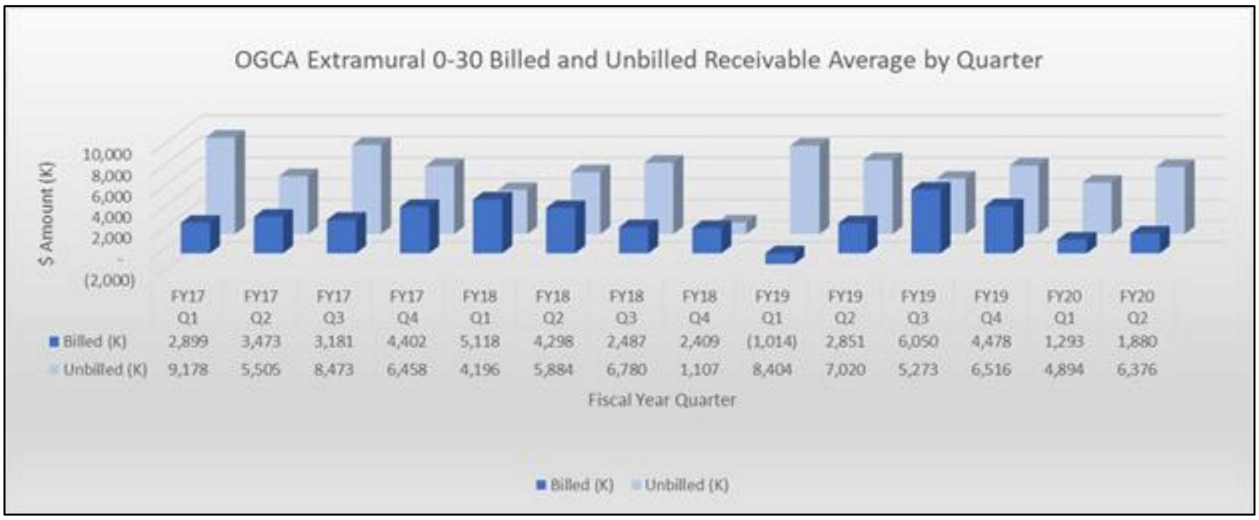
- Fall 2019: Chancellor White provided guidance to vice chancellors to plan for a 15 percent reduction to F1 budget.
- Fall 2019: The Vice Chancellor for Research solicited proposals for potential research investment initiatives.
- November 2019: Expedited academic program reviews began.
- December 2019: Expedited administrative reviews began.
- February 2020: UAF-wide call for investment proposals due to the Planning & Budget Committee (PBC).
- March-April 2020: The PBC will assess proposals and make recommendations about which proposals to fund in FY21 and/or include in the FY22 budget request. In addition to budget development, the committee is tasked to explore cost-saving opportunities and evaluate tuition and fee models.
- April-June 2020: The Chancellor will make decisions for implementation in FY20+. UAF senior leadership and the PBC may also be engaged further for contingency planning.

Given the significant budget challenges in recent years, UFB remains a critical resource to bridge the institution for academic program teach-out requirements, or until actions taken to base create savings. Throughout the budget planning process, UAF will continue to serve its students and use strategic planning goals and NWCCU accreditation themes to guide actions.

8. GRANTS AND CONTRACTS ACCOUNTS RECEIVABLE ANALYSIS

The Office of Grants and Contract Administration (OGCA) is responsible for management of extramural funding including restricted accounts receivable. The balance of the restricted accounts receivable is the combination of both billed, unbilled expenditures and prepayments. Figure 4 shows 0-30 day receivable data, starting from FY17 ending with Q2 of FY20. OGCA continues to reduce accounts receivable by streamlining the process. For FY19, the average account receivable balance for billed and unbilled expenditures, and prepayments totaled roughly $3M. This trend has been reduced from FY18 by roughly $1M.

Figure 4. OGCA 0-30 Days Billed & Unbilled Receivables Average by Quarter



	FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4	FY18 Q1	FY18 Q2	FY18 Q3	FY18 Q4	FY19 Q1	FY19 Q2	FY19 Q3	FY19 Q4	FY20 Q1	FY20 Q2
Billed (K)	2,899	3,473	3,181	4,402	5,118	4,298	2,487	2,409	(1,014)	2,851	6,050	4,478	1,293	1,880
Unbilled (K)	9,178	5,505	8,473	6,458	4,196	5,884	6,780	1,107	8,404	7,020	5,273	6,516	4,894	6,376

Even though UAF has made significant strides to reduce the outstanding accounts receivables over the past three fiscal years there are still areas of improvement that are needed in our financial accounting system. Prepayment funding is an example.

The proper treatment of prepayment funding would be to account for the prepayments as a liability and increase the liability against the extramural funding. OGCA is working with the UA System Office to correct this discrepancy. Prepayment funding should be recorded as a liability when the funding occurs to accurately reflect the account receivable balance throughout the year. Handling the prepayment correctly would provide a better understanding of extra mural funding and the accounts receivable balance.

OGCA continues to recommend a new deferred revenue liability account to record prepayments balances so the billing can demonstrate the process of generating receivables and reconciling the liability to the asset. OGCA plays an essential role in the research enterprise system and as such has identified needed enhancements in the grant module of the Banner system. This has led to a collaboration with UAA and UAS grants offices, with UAF taking the lead in consulting with Ellucian on a project. The goal of this project is to continue to streamline extramural funding management and keep current with new compliance requirements that are mandated by external funding sources. For example, the updates to the FREAVGA screen will enable UAF OGCA to process bills more efficiently thereby reducing the outstanding accounts receivable.

9. STUDENT ACCOUNTS RECEIVABLE ANALYSIS

The UAF Office of the Bursar (Bursar) collects on outstanding student receivables in the following way:

1) Internal collection process
2) Transfer to collection agency (PFD garnishment is still possible)
3) Permanent Fund Dividend (PFD) garnishment (if student is PFD eligible)
4) Write Offs
5) Allowance for doubtful accounts

The Bursar has continued to actively increase the focus on student outreach for recovering funds from past due accounts. The office continues to implement procedural changes to increase collection efforts and encourage payment.

Past due receivables as of June 30,2019 are as follows:

- Fairbanks Campus - $2.96M
  - $2.2M (91+ days)
- Community Campuses - $347K
  - $272K (91+ days)

The 91+ day balance includes the unpaid balance from spring 2013 through spring 2019. The Bursar writes off balances older than six years quarterly.

- Third Party Receivables - $291K
  - $105K Veteran Affairs Accounts

Each fiscal year, the VA certifies approximately 1,200 students for funding and it can take 90 days or more before UAF receives payment.

Collection Process

Late fees are assessed to all delinquent accounts after the fee payment deadline and an A/R hold is applied to accounts with a balance greater than $300 (not enrolled in a payment plan).

2019 payment plan enrollment:

- 2,176 students
- 10 percent default rate (215 students)

Transfer to Collection Agency

Once an account balance is at least 180 days delinquent, Bursar moves the account to the collections process. To initiate the process, Bursar mails a 30-day collections notice letter to the student, advising them to pay in full or enroll in a prior term payment plan to avoid having the account balance sent to a third-party collection agency. This faster turn-around time (180 days) results in an increase in student responses and payments. The mailing address is often current, the debt is more recent, and the student is more likely to pay. If there is no response within 30 days, the account is sent to collections. UAF can garnish a student's PFD while the account is at collections.

The Bursar divides all first placement accounts equally and sends them to the following collection agencies: Williams and Fudge (WF) and ConServe (CS).

Accounts currently at collections:

Williams and Fudge

- 508 UAF accounts
- $481.6K
- 15 percent historical rate of recovery (as of FY20)

Conserve

- 356 UAF accounts
- $375.8K
- 11 percent historical rate of recovery (as of FY20)

The Bursar places accounts returned from the first placement agency (after a 12-month collection period with no activity) with the alternate collection agency (second placement), WF or CS, for an additional year. UAF now has a higher chance of the student paying on a second placement. In the past, with slow turnover, UAF often wrote off these accounts before they could go to a second placement because they were beyond the statute of limitations for collections and PFD garnishment.

PFD Garnishment

The PFD garnishment process begins in April of each year. Students with delinquent balances greater than 180 days and $50 are eligible to have their PFDs garnished. UAF receives PFD garnishment payments in batches beginning in October of each year. X

Figure 5. PFD Garnishment Comparison by Year

PFD Year	MAU	NOD Adjusted	ITC Adjusted	PFD Received	% Received
2019	F	$640,121.32	$632,574.70	$316,485.42	49%
2018	F	$677,549.10	$660,478.06	$324,216.82	49%
2017	F	$666,809.63	$657,969.56	$265,845.70	40%
2016	F	$660,069.83	$641,442.43	$213,594.73	33%

Note: This analysis includes figures as reported from PFD garnishments collected for that PFD year.

Write Offs

After exhausting collection efforts, and when the account balance is beyond the six-year statute of limitations (meaning UAF can no longer garnish a PFD and our collection agencies cannot litigate or report the debt to a credit bureau), UAF writes off the debt (WO). Staff place a WO hold on the student's account, which prevents access to registration, transcripts, and graduation. The Associate Vice Chancellor for Financial Services approves all WO balances greater than $200. Bursar processes WO activity quarterly, with the exception of bankruptcies or deaths, which occur immediately upon notification. UAF expects WO amounts to stabilize and decrease in the coming years due to the improved collections process, which includes a faster turnover and improved reports, payment plans, and student outreach.

Allowance for Doubtful Accounts (ADA)

In FY18, UAF refined its method for funding its allowance for doubtful accounts (ADA) using a calculated percent of total by campus, and distributes the ADA adjustment in a prorated fashion. This manages the university's liability while creating a direct campus connection to the decision process related to retention of students with delinquent accounts.

Figure 6. AR Fiscal Year-End Comparison

Fiscal Year	Gross Tuition & Fees	Total Accounts Receivable	Allowance (0291) Balance	Net Accounts Receivable	% to Gross Tuition & Fees	Write off Amounts
2019	49,676,878	3,479,004	339,031	3,136,973	6.31%	237,077
2018	50,458,893	3,577,876	226,270	3,351,606	6.64%	362,918
2017	51,617,656	3,502,299	207,177	3,295,122	6.38%	262,406
2016	51,072,974	3,450,008	241,954	3,208,054	6.28%	363,368
2015	48,239,121	3,552,362	460,408	3,091,954	6.41%	89,623
2014	45,786,034	3,830,208	481,466	3,348,742	7.31%	36,660
2013	46,523,806	3,727,069	313,371	3,413,698	7.34%	113,738

Notes: Balances are as reported at the end of each fiscal year. The 0291 is the general ledger account for doubtful account allowance.

10. FACILITIES MAINTENANCE, REPAIR, AND REPLACEMENT

UAF's FY19 actual operating and capital expenditures for M&R and R&R support totaled $32.4M. The FY20 budget distribution minimum set by UA for UAF facilities maintenance is $21.2M, however the annual calculated need for M&R, based on the Kraft formula, is $34.3M. UAF Facilities Services manages the bulk of the funding for the annual operating support effort, budgeted in FY20 at $15.9M. The balance of the support comes from across UAF, including auxiliary, recharge, operating, and grant funding. No single funding source, besides the Facilities Services maintenance budget and capital appropriations, are specifically budgeted for M&R and R&R support.

Capital funding is budgeted over the course of the project, not specifically by fiscal year. Current unspent capital appropriations, dating from FY15 to FY20 total $11M. Acknowledging the current budget climate, UAF prioritizes capital spending to focus on life safety, code corrections, modernization of student spaces, and gaining energy efficiencies. Reducing footprint and demolition of aging facilities are also a priority as funds for new construction are expected to be limited.

UAF's FY20 accumulated deferred renewal is estimated at $703M. The following projects are in progress; it is unknown if future timelines will be impacted by COVID-19 facility closures:

- West Ridge Deer Yard Logistics and Storage, $175,000, Demolition of old out buildings slated for April/May 2020, new connex units and gravel pads will be completed June 2020.
- Elvey Curtainwall and Walking Deck Repair, $420,000, Project is in final design, Construction June to August 2020
- CW Exterior Building Entry Upgrades $1,300,000, Construction completed at Gruening, Brooks, and Fine Arts in 2019, 2020 work includes Patty Center, Chapman, and Lola Tilly.
- Campus Wide Elevator Repairs-Duckering, $335,000, Project is bidding March 2nd, Construction May to July 2020.
- Campus Wide Classroom Revitalization, $75,000, Project is complete.
- Gruening Ground Floor Refresh, $500,000, Project is in design, anticipating bidding in March and construction May to August 2020.
- CW Interior Lab/Classroom Door/Hardware Upgrade, $1,522,000, Project is in design, anticipating first re-keys in Summer 2020.
- Bartlett Hall Plumbing DM&R, $200,000, An RFP to select a design team is in progress, project will go into design Summer 2020.
- CW Exterior Pedestrian Access Renewal and Compliance, $348,000, Construction completed 2019 at Duckering, Akasofu, and Eielson. Work for 2020 will concentrate between Gruening and Rasmuson, and a failed sidewalk at the UA Museum.
- CW Utilidor Domestic Water Line, $500,000, Project is in design with an initial concept plan under review March 2020. Repair work on critical sections of water line to begin July 2020.
- Campus Wide Chilled Water Repairs, $800,000, Project is bidding before end of March 2020 with anticipated construction work May 2020.
- Denali Lane Storm Drainage-FMATS, $500,000, Project is in award status, construction will occur April 2020 to July 2020.
- Patty Pool Code Corrections, $50,000, Project scope development is underway.
- Campus Wide Fire Alarm Upgrade MXL to XLS, $350,000, Project is designed and single-sourced to Siemens, Construction in Chapman, Brooks, and Bunnell will occur June to July 2020.

11. AUXILIARY FUND BALANCES, CHALLENGES, AND STRATEGIES

Several auxiliary activities at UAF are likely to undergo changes as models, revenues, and student demand for services are being examined. Residence Life and Dining Services are both experiencing declines in customer numbers. Dining, which transfers about 90 percent of revenues to Chartwells, the food service contractor, is challenged to pay part of the capital lease expense associated with the Wood Center dining facility. As part of a larger effort at UAF to identify long-term R&R needs, Residence Life is updating its budget practices to separate funding needs for M&R activity from operations, programming, and maintenance. This change allows the critical need for regular M&R contributions, which may vary considerably from M&R expenditures on an annual basis, to be more visible and separate from those expenditures connected directly with the operating cycle. This process began in FY19 through the creation of the "Residence Life Capital" fund. However, the intended transfer to offset capital expenditures that year did not occur due to staff turnover, so it carried a deficit fund balance. UAF intends to transfer that funding from the associated R&R fund (703010) in FY20, which will erase that budget deficit.

Figure 7. UAF Auxiliary Fund Balances - Comparative Change from FY19 ($ in thousands)

Auxiliary	FY19 Fund Balance	FY20 Jan Projected Balance	FY19 Year-End Revenue	FY20 Jan Revenue Projection	Revenue Change	Fund Balance Change
Residence Life	1,948	1,057	6,810	6,841	0.4%	-45.7%
Residence Life Capital	(1,242)	-	-	486	-	-
KUC Bookstore	9	9	3	3	-21.0%	0.0%
KU Dormitory-Food Service	607	541	463	427	-7.7%	-10.9%
NWC Bookstore	22	22	9	3	-61.6%	0.0%
RC Residence Life - MacLean	50	38	113	110	-2.4%	-23.6%
UAF Wood Center	281	310	316	257	-18.6%	10.6%
UAF Bookstore	432	479	110	100	-9.4%	10.9%
UAF Parking	1,488	1,516	1,715	1,543	-10.0%	1.9%
UAF Nanook Recreation	345	198	1,058	1,218	15.1%	-42.5%
UAF University of Alaska Press	(11)	(61)	476	487	2.3%	436.8%
UAF Dining Services	417	321	4,093	3,931	-4.0%	-23.1%
Total	**4,345**	**4,430**	**15,166**	**15,405**	**1.6%**	**2.0%**

Nevertheless, Residence Life operations are at risk as enrollment declines. Public private partnership opportunities are being considered as part of modernizing the UAF residential facilities. The operation's fund balance declined by $1.7M in FY19 and expects another $0.9M in FY20 in spite of debt relief actions taken by UAF. COVID-19 shortfalls will also heavily impact the bottom line in the near term.

Rural bookstore operations transitioned to Follett in FY18, and these operations continue work to close out residual fund balances. In FY19, UA Press experienced a drop in revenue; for FY20, they expect revenues to increase, but the loss of some general fund support will cause a small fund deficit to remain. UAF has moved UA Press on campus and will consider the best way to subsidize or modify the operation based on FY21 results.

12. RECHARGE, ENTERPRISE, LEASE, & CAPITAL FUND DEFICITS GREATER THAN $100K

Recharge and Enterprise Funds

The following recharge and enterprise funds have deficit fund balances greater than negative $100K at June 30, 2019: R/V Sikuliaq Recharge Center, IAB Toolik Field Station, Alaska Center for Energy and Power (ACEP) Test Facility, GI Chaparral Physics Center, GI HAARP Recharge Center and the Facilities Warehouse.

Figure 8. UAF Recharge and Enterprise Fund Balances greater than negative $100K

	R/V Sikuliaq Recharge Center	IAB Toolik Field Station Recharge	CEM ACEP Test Facility	GI Chaparral Physics Center	GI HAARP Recharge Center	Warehouse
FY19						
Beg Fund Balance	**(41.4)**	**(286.8)**	**(766.5)**	**(414.5)**	**(2,366.5)**	**3.2**
Revenue	9,742.0	720.8	369.8	336.7	354.7	9,706.3
Expenditures	11,361.0	668.9	326.3	457.3	1,560.7	9,887.7
Net Operations	**(1,619.1)**	**51.9**	**43.5**	**(120.6)**	**(1,206.0)**	**(181.4)**
Transfers	-	-	0.0	0.0	(986.7)	36.9
End Fund Balance	**(1,660.5)**	**(234.9)**	**(723.0)**	**(535.1)**	**(2,585.8)**	**(215.1)**
Depr Reserve Fund Bal	-	39.6	(71.2)	(12.5)	(23.4)	6.7
Total Fund Balance	**(1,660.5)**	**(195.3)**	**(794.2)**	**(547.6)**	**(2,609.2)**	**(208.4)**

The R/V Sikuliaq was in a mandatory dry-dock status in early 2019; this project is funded by the major overhaul stability account (MOSA) and expenditures were captured in that fund. Dry-dock is required every five years per the cooperative agreement with the National Science Foundation. Normally, Sikuliaq's fiscal year expenditures run between $10M-$12M annually and revenue fluctuations are due to cruise billings and their timing, as R/V Sikuliaq operates on a calendar-year basis, a deficit fund balance of under 14 percent at June 30 is an acceptable level of variance. In FY19, Sikuliaq’s ICR revenue decreased due to the ship's F&A rate decreasing to 32.1 percent from 35.0 percent. This cycle is expected and is not a concern for UAF.

As with Sikuliaq, the IAB Toolik Field Station (TFS) deficit is largely due to timing issues. The center operates on a calendar year business model: The bulk of expenses occur at the beginning of the field season (April/May) and TFS invoices users throughout the summer and fall. As such, a deficit often exists each June 30. If NSF decided to shut down Toolik, demobilization efforts could occur during the final field season to ensure that the center covers all expenses internally. TFS is a low-risk funding model for UAF/IAB.

The Alaska Center for Energy and Power (ACEP) test facility experienced startup deficits early in its development. In recent years, it operates on a breakeven (or near-breakeven) basis; ACEP is developing a working capital loan with UAF leadership with a repayment plan through FY24. This is currently in progress.

GI Chaparral Physics Center is downsizing in an effort to cease operations. A few lingering orders will be completed in the near future and Geophysical Institute (GI) will then discontinue the operation. GI will eliminate the deficit fund balance through final revenue posting and a subsidy.

The GI High-Frequency Active Auroral Research Program (HAARP) facility is relatively new and UAF does not yet have an anchor tenant. GI anticipates federal funding support for the enterprise and is working with the federal delegation to develop this funding line. This will eliminate the operational deficit going forward, and GI will eliminate the deficit fund balance over time through a combination of increased ICR reinvestment and additional subsidies. Currently, the university reinvests into the center all ICR that HAARP generates.
To date, the university has accepted the level of risk for these research ventures and continues to monitor HAARP closely as the fund deficit grows.

The Facilities Warehouse deficit is primarily due to an inventory adjustment entry at year-end. This adjustment is necessary to correct a coding error in the billing process SQL that UA Statewide runs prior to loading the billing file into Banner. Facilities Services is preparing to take this to UA Financial Systems for resolution. Once the code is corrected, the Warehouse will be in a more accurate position going forward. Overall, the center operates on a cost-of-goods-sold basis with a small overhead adjustment. As such, the center runs little to no risk of a long-term deficit.

Lease and Capital Funds

UAF leasing funds are, overall, healthy. The only leasing operation with a deficit fund balance is the Orca Building in Seward (fund 173517, part of the R/V Sikuliaq support operations). This fund balance has a deficit of $382,000, incurred to perform facility upgrades for tenants in late 2013 shortly after UAF purchased the building. UAF's intent is to recover the cost of these upgrades (original cost of $561,000) through tenant leases over approximately fifteen years, or through the sale of the facility.

Figure 9. UAF Capital Fund Balances greater than negative $100K

FUND	FUND TITLE	FUND BALANCE	REVENUE	EXPEND	RSRV-ENC	TRANSFERS	AVAILABLE BALANCE
571393	UAF Cogen Heat/Power Pl AIDEA reapp	-	4,172,752	4,172,752	1,555,768	-	(1,555,768)
571403	UAF FY18 Bldg Interior/Systems	-	674,007	674,007	654,600	-	(654,600)
571417	UAF FY19 Exter Infrastructure/Signs	-	371,052	371,052	111,066	-	(111,066)
571424	UAF FY20 Exter Infrastructure/Signs	-	416,710	416,710	255,681	-	(255,681)
590133	Bragaw Office Complet Purchase	(11,275,015)	-	-	-	(303,571)	(10,971,444)
590168	UAF Steam Line Rupture Repair	(140,895)	-	-	-	-	(140,895)
590219	UAF KuC Ductwork Replacement	133,984	28,498	336,141	3,754	-	(177,413)
590267	UAF Rasmuson Flood Repairs	(667,121)	-	-	-	-	(667,121)
590277	UAF FY18 SRC Flooring Replacement	(566,227)	-	619	-	-	(566,846)

As all capital funds use the fund type '91' systemwide and there is not a standard, logical fund rollup structure in place, it is difficult to separate funds as belonging to each university. For this exercise, UAF filtered funds by available balance (including encumbrances and transfers), then limited the list to those with a bank code of 'FC'.

Facilities Services Design and Construction (DDC) closely manages capital funds and meets with the Vice Chancellor for Administrative Services regularly to ensure a sound funding plan is in place for all projects. All '571' projects are fully balanced aside from outstanding encumbrances. At such time these encumbrances post as expenses, DDC will move revenue from related funds to balance.

The Bragaw Office purchase is an Anchorage activity associated with the 'FC' bank code. However, this fund balance is intentional and will slowly rise to zero as scheduled annual payments from operating funds occur. UAF is following up with UAA to ensure accurate coding of the fund.

UAF has two '590' projects, Rasmuson Flood Repairs and Steamline Rupture Repair, where insurance should cover incurred costs. DDC continues work on finalizing coverage for those projects, and UAF will cover any remaining expense from operating funds, as needed. The SRC Flooring project from December 2018 is awaiting final reimbursement from the Nanook Recreation R&R fund. CRCD is funding the Kuskokwim Campus ductwork replacement project from internal funds, and will transfer funding from other projects or operating funds once the project closes out.

13. CAREER AND TECHNICAL EDUCATION (CTE) PROGRAM DISCOUNT ANALYSIS

The UA system established a 25 percent Occupational Endorsement & Certificate (OEC) tuition discount effective fall of 2018 (FY19). The goal of this change is to promote new enrollment by making specified courses more affordable for the target audience. UA provided a subsidy in both FY19 and FY20 to cover any net drop in tuition revenues.

Figure 10.UAF OEC Course Credit Hours - Comparative Change from Prior Years (fall and spring semesters only)

CAMPUS	FY20 SCH	FY19 SCH	FY18 SCH	FY20 DISCOUNT	FY20 SCH Δ	FY19 SCH Δ
UAF - Bristol Bay Campus	136	323	230	(7,588)	-58.0%	40.4%
UAF - Chukchi Campus	23	65		(1,288)	-64.6%	100.0%
UAF - CTC (Fairbanks)	2,418	2,706	2,293	(127,792)	-10.6%	18.0%
UAF - eCampus	3,002	3,446	2,850	(166,768)	-12.9%	20.9%
UAF - Interior Alaska	982	1,278	1,106	(54,992)	-23.2%	15.6%
UAF - Kuskokwim Campus	285	336		(15,798)	-15.2%	100.0%
UAF - Northwest Campus	236	253	192	(13,216)	-6.7%	31.8%
UAF - Rural College	478	710	556	(26,768)	-32.7%	27.7%
TOTAL	7,560	9,117	7,227	(414,210)	-17.1%	26.2%

While FY19 enrollments appeared to increase by more than 25 percent from the prior year, it was difficult to tell whether this was a true change or merely a change in course-to-course enrollments, as there is no way to independently determine total enrollment numbers for FY18 CTE courses due to a lack of tracking at that time.

For FY20, comparisons between OEC courses occur independently based on the associated discount codes, and the year-over-year enrollment change is 17 percent down from FY19. The total applied discount in FY19 was $533,000. To date, the applied discount in FY20 is $433,000, with the ending total for the year expected at around $450,000 (a decline of 16 percent, not factoring the tuition increase of 5 percent).

UAF will use remaining subsidy funds for promotion of the discount to boost enrollment numbers in future years. This discount will require further monitoring to understand the price sensitivity of the target market and ascertain whether the discount is likely to increase enrollment over the long term or if higher levels of financial aid packaged in a strategic way are more likely to increase enrollment.

UAF will further be considering differentiated tuition models this year as part of the budget planning process.

Appendix A

UAF Debt Service Schedule

Category / Description	Debt Principal Amount[1]	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Current Debt											
SERIES P - Refinancing Series H & J	$ 3,525	775	775	777	779	775	-	-	-	-	-
SERIES Q - Life Sciences and Deferred Maintenance I	$ 29,120	3,482	3,485	3,485	3,478	3,483	3,481	3,477	3,477	1,515	1,515
SERIES R - Refinance Series K, L, and M	$ 10,285	1,460	1,460	1,458	1,463	875	877	878	877	880	880
SERIES S - Deferred Maint 2 & Multiple Refinancings	$ 14,015	1,687	1,694	1,577	1,571	1,706	1,708	1,579	1,577	1,579	631
SERIES T - Central Heating and Power Plant (CHPP)	$ 63,680	4,900	4,900	4,900	4,895	4,896	4,896	4,900	4,898	4,895	4,896
SERIES U - Central Heating and Power Plant (CHPP)	$ 84,525	5,590	5,586	5,588	5,590	5,588	5,590	5,588	5,590	5,586	5,586
SERIES V - Engineering Building and Series N/O Refinanc	$ 35,630	2,899	2,895	2,939	2,935	2,417	2,413	2,412	2,413	2,416	2,123
Sub-Total: Debt Service on Current Debt Issues	**$ 240,780**	**$ 20,791**	**$ 20,795**	**$ 20,724**	**$ 20,712**	**$ 19,740**	**$ 18,966**	**$ 18,834**	**$ 18,832**	**$ 16,871**	**$ 15,630**
Capital Lease											
UAF Student Dining Facility Base Rent Payments [2]	$ 23,120	1,384	1,383	1,385	1,382	1,384	1,382	1,382	1,379	1,375	1,375
Sub-Total: Current Debt and Capital Lease Payments	**$ 263,900**	**$ 22,176**	**$ 22,177**	**$ 22,109**	**$ 22,094**	**$ 21,124**	**$ 20,348**	**$ 20,216**	**$ 20,212**	**$ 18,247**	**$ 17,005**
Projects with Anticipated Debt Funding											
Sub-Total: Debt Service on Anticipated Debt Issues	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL Debt Service and Long-Term Leases	**$ 263,900**	**$ 22,176**	**$ 22,177**	**$ 22,109**	**$ 22,094**	**$ 21,124**	**$ 20,348**	**$ 20,216**	**$ 20,212**	**$ 18,247**	**$ 17,005**

[1] Debt Principal Amount reflects principal balance of all series as of July 1, 2018 (FY19). All amounts in thousands.

[2] Per the terms of the lease agreement, the Student Dining Facility includes "Base Rent" to cover debt service and "Additional Rent" to cover leaseholder costs. This table does not include the additional rents portion, which is considered a contractual service.

Appendix B - UAF Facilities Maintenance

University of Alaska FY2020 Budget Distribution															Deferred Maintenance (DM) and Renewal & Repurposing (R&R)	
		Facility Inventory Fall 2017					Calculated Index (2)		Facilities Maintenance							
	Location	# of Bldgs	Average Age (years)	Gross Area (sq. feet)	Adjusted Value (thousands)	DM/R&R Backlog	Index	Dist. %	Budget Goal	% of Adjusted Value	FY2019 Adjusted Base Budget (3)	One-Time Capital Funds (4)	FY2020 Budget Minimum	Budget Shortfall (Min.-Goal)	Request	Capital Budget Distribution
Anchorage Campus	*Anc.*	67	26.5	3,185,810	1,245,595.7	280,970.9	23.7	26.2%	15,700.0	1.3%	10,000.0	1,300.0	11,300.0	(4,400.0)	13,100.0	1,300.0
UAA Community Campuses		30	20.9	452,094	238,562.0	22,054.0	5.6	6.1%	3,700.0	1.6%	2,100.0	300.0	2,400.0	(1,300.0)	3,100.0	300.0
Kenai Peninsula College	*Soldotna*	*8*	*27.8*	*160,626*	*85,094.3*	*4,775.6*										
Kachemak Bay	*Homer*	*3*	*18.0*	*26,041*	*12,664.3*	*445.9*										
Kodiak College	*Kodiak*	*5*	*40.8*	*45,049*	*24,212.8*	*3,849.4*										
Matanuska-Susitna College	*Palmer*	*8*	*24.9*	*153,051*	*82,304.3*	*4,732.9*										
Prince Wm. Sound College	*Valdez*	*6*	*8.5*	*67,327*	*34,286.2*	*8,250.1*										
	UAA Total	97	25.8	3,637,904	1,484,157.6	303,024.9	29.3	32.3%	19,400.0	1.3%	12,100.0	1,600.0	13,700.0	(5,700.0)	16,200.0	1,600.0
Fairbanks Campus (5)	*Fbks.*	245	34.3	3,400,571	1,955,255.0	705,403.3	50.9	56.2%	33,700.0	1.7%	17,000.0	3,000.0	20,000.0	(13,700.0)	28,000.0	3,000.0
Community & Technical College (5)	*Fbks.*	4	39.5	226,304	41,350.9	8,860.0	0.5	0.6%	400.0	1.0%	300.0		300.0	(100.0)	300.0	
UAF Community Campuses (CRCD) (5)		30	30.6	155,190	126,797.0	31,340.1	4.0	4.4%	2,600.0	2.1%	800.0	100.0	900.0	(1,700.0)	2,200.0	100.0
Bristol Bay Campus	*Dillingham*	*3*	*16.0*	*20,217*	*14,137.9*	*891.6*										
Chukchi Campus	*Kotzebue*	*1*	*41.0*	*10,362*	*9,331.7*	*2,854.1*										
Interior Alaska Campus	*Various*	*5*	*29.2*	*29,111*	*22,048.9*	*1,610.0*										
Kuskokwim Campus	*Bethel*	*7*	*33.3*	*51,774*	*47,131.8*	*19,515.7*										
Northwest Campus	*Nome*	*13*	*33.5*	*20,818*	*19,232.6*	*5,998.6*										
Rural College	*Fbks.*	*1*	*14.0*	*22,908*	*14,914.0*	*470.0*										
	UAF Total	279	36.7	3,782,065	2,123,402.9	745,603.4	55.4	61.1%	36,700.0	1.7%	18,100.0	3,100.0	21,200.0	(15,500.0)	30,500.0	3,100.0
Southeast Campus	*Juneau*	32	25.7	449,877	223,033.2	6,413.8										
UAS Community Campuses		5	14.4	115,908	52,632.1	2,215.0										
Ketchikan Campus	*Ketchikan*	*4*	*16.8*	*47,850*	*28,941.8*	*1,390.0*										
Sitka Campus	*Sitka*	*1*	*5.0*	*68,058*	*23,690.3*	*825.0*										
	UAS Total	37	24.2	565,785	275,665.3	8,628.8	5.3	5.9%	3,500.0	1.3%	2,100.0	300.0	2,400.0	(1,100.0)	3,000.0	300.0
Statewide (1)	*Various*	11	37.6	245,863	98,312.9	3,999.5	0.6	0.6%	400.0	0.4%	300.0		300.0	(100.0)	300.0	
	SW Total	11	37.6	245,863	98,312.9	3,999.5	0.6	0.6%	400.0	0.4%	300.0	-	300.0	(100.0)	300.0	
	UA Total	424	33.1	8,231,617	3,981,538.8	1,061,256.6	90.6	100.0%	60,000.0	1.5%	32,600.0	5,000.0	37,600.0	(22,400.0)	50,000.0	5,000.0

1. Statewide facility values include Land Management properties; index/distribution % reduced at SW to allow a larger portion of the funding to be distributed to campuses.
2. The index (distribution) is based on the individual building age times the adjusted value by campus divided by a million.
3. Includes an $8 million base funding reduction.
4. UA has requested additional funding from OMB's $31.7 million of centrally managed deferred maintenance funds.
5. The final capital budget distribution has been altered from the calculated distribution to account for over-funding community campus projects from the FY19 capital appropriation.

UNIVERSITY OF ALASKA FAIRBANKS

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P.O. Box 757900, Fairbanks, Alaska 99775-7500

MEMORANDUM

DATE: March 17, 2020

TO: Deans, Directors, UAF Financial Managers

THROUGH: Dan White, Chancellor

FROM: Julie M. Queen, Vice Chancellor Administrative Services

RE: UAF Financial Guidance: COVID-19 Emergency and Unplanned Expenses

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I am activating finance processing guidelines as part of the UAF Incident Management Team (IMT) response to COVID-19. Financial Services has created a mechanism to track and report expenses related to the COVID-19 emergency health prevention and response. Separate accounting for this activity has been created. All expenses related to COVID-19 should be applied to this org/fund. Appropriate justification and backup documentation will be necessary for all expenditures. Regular operational expenses may not be coded to this fund.

Expenditures must be specifically related to the COVID-19 emergency, must be above and beyond normal operations, and defensible under review or audit by an external reimbursement funding program, such as FEMA, or a State of Alaska supplemental funding program. Expenditures should be necessary to enact decisions made by executive leadership and incident management teams (IMT).

Fund: 142510
ORG: 50172 for Fairbanks Campus including Organized Research
ORG: 50162 for CRCD and CTC

What types of expenses can be charged?

- Additional equipment, supplies, services, travel (including student reimbursement);
- Additional technology or infrastructure costs, as appropriate;
- Additional personnel costs including overtime approved by supervisors, IMT members, or those involved as part of direct response actions; and
- Administrative leave, as a result UA President Johnsen's 3/15/20 travel guidance memo. See UA Human Resources guidance, attached.

Requests for COVID-19 expenditures must be approved by Interim Associate Vice Chancellor for Financial Services, Amanda Wall. A COVID-19 Expense Request short form has been created. Please submit any additional or backup documentation to UAF_emergency_purchase@alaska.edu. These requests will be processed with expediency.

Once the request is approved, you may proceed with your purchase. If an item is not approved, units will be responsible for cost incurred. Other emergency expenses incurred prior to the setup of this account should be submitted on the expense request form. Once approved, the department will be advised to process a JV.

Special or High-Volume Tracking:

Financial Services will work directly with Residence Life to ensure prior student travel and shipping reimbursements (being tracked separately) are migrated to this accounting string efficiently. Use of the form should be adopted moving forward for individual purchases. We will work with Student Affairs to handle batch or large volume transactions, as necessary.

Additional Tracking:

To understand the overall UAF financial impact of this preparation and response, it is also advised that Deans/Directors keep a detailed unit record of revenue losses during this period.

A UAF tracking sheet has been created for this purpose. This includes but is not limited to: nonrefundable flights where no credit or waiver is provided, conference registrations, reimbursements made to students, foregone revenues due to public closures, or other contractual penalties related to changes in plans. Please alert UA Procurement and Contract Services, Amanda Wall, or me in the event a modification is needed for any existing contractual agreements.

Although there is no guarantee that all direct expenses or forgone revenues will be reimbursed as part of this emergency, it is important to understand the impact of this event in totality as the situation continues to unfold.

If you have questions, please contact me or Amanda Wall for further assistance.

For other UA COVID-19 FAQs, please visit:
https://sites.google.com/alaska.edu/coronavirus/home?authuser=0

Attachment: UA Human Resources Guidance

Cc:
UAF Core Cabinet
UA Chief Finance Officer
Amanda Wall, Interim Associate Vice Chancellor for Financial Services
Doug Schrage, UAF Fire Chief & Director of Emergency Management

UAF
CHANCELLOR'S OFFICE
University of Alaska Fairbanks

Daniel M. White, Chancellor
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www.uaf.edu/chancellor/

DATE: March 26, 2020

TO: Chancellor's Core Cabinet

FROM: Daniel M. White, Chancellor

RE: Curtail UAF nonessential spending during COVID-19 pandemic

Thank you for your diligent efforts over the last few weeks to reduce and contain expenditures, including tracking of expenditures and lost revenues related to the COVID-19 pandemic. Please continue to track here: https://www.uaf.edu/adminsvc/covid-19-forms.php.

In light of recent events surrounding COVID-19, I am asking you to slow or cease all nonessential spending within your departments.

Exceptions will be considered for items that meet immediate and critical business continuity functions:

- A "must have" to deliver instruction and research;
- A direct bearing on the safety, health and well-being of humans and animals;
- To facilitate compliance with a law or regulation;
- To facilitate basic operating functions, e.g., utilities, IT network; or
- A critical item for which a delay in replacement or renewal could incur a significant downstream cost (it is recommended that the user contact the vendor to determine if there is a grace period or alternative method that could be used to postpone the purchase while limiting the downstream risk).

Please forward this information on to your deans, directors, and fiscal professionals. As the situation changes, I will update accordingly.

Cc: Amanda Wall, Interim AVC Financial Services

DW/jmq