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Unrestricted Net Position Designation Descriptions [1]

Unrestricted Net Position is one component of the University of Colorado's financial statements, which represents the net position held by collective units of the University. Balances fluctuate throughout the year and can only be measured as of a point in time. The University designates unrestricted net position by their intended purpose.

Unobligated Funds

These funds are available for campus use. Campus leadership holds these funds in general categories based on internal policy or intended use. Their designation may change in accordance with directives from leadership, including Regent directives.

Auxiliary Facilities Nonpledged - AUXR

Includes net position held by auxiliary programs. Continuing education reserves and insurance activities are included with this group. Since auxiliary operations rely on cash balances, these balances are held separately for use only by the generating auxiliary.

Unobligated Capital Reserves - CAPR

Net position held by departments, typically for capital construction or capitalized equipment purchases. This net position has not been identified with specific projects, but rather general campus needs including Renewal and Replacement. This category is the most flexible for campus planning and continuity.

Campus Designated Capital - CACR

Funds designated for future specific capital projects and program initiatives, which include health/life/safety expenditures. These projects will be planned, requested and authorized according to Regent policy and state guidelines unless they fall below the $2 million Regent and state expenditure thresholds.

General Programmatic Reserves - PEPC

General departmental reserves for campus support. These funds are generated by nonrecurring revenue surpluses (such as departmental share of indirect cost recoveries) or year-end balances resulting from lower than expected spending levels (such as vacancy savings from an unfilled position). The category includes deficits resulting from grants that are overspent or pre-awards, which are claims on department resources. This category of funds is reserved for departmental initiatives, including faculty start-up packages for new hires.

Compensated Absence & Post-Employment Benefits - COMP

These are not fund balances, but rather they are claims against fund balances. They are liabilities required to be recorded under GASB No. 16 Accounting for Compensated Absences (as amended), and GASB No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (as amended). Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. Other Postemployment Benefits (OPEB) includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. At the University, OPEB is “funded” on a pay as you go basis, which means no Trust has been established to cover current and future OPEB obligations.

Obligated Funds

These funds are unrestricted net position that are obligated to specific projects, are required to be held by external agencies (i.e. as bond covenant requirements), are held for contractual payments (such as faculty start-up), or are unavailable by their nature (i.e. inventory and prepaid expenses).

Accounts Receivable

These assets are non-cash, and are not available for spending. The primary type of receivable balance for the University is student receivables. Students are billed upon enrollment and expected to pay in full during the term for which they are enrolled. Those students with an unpaid balance at the end of the term of enrollment are restricted from future enrollment.

Inventory and Prepaid Expenditures

Includes recording of inventory and prepayment expenditures per accounting standards. These categories are minimal for the University and typically pertain to unique contracted assets.

Obligated Capital in Progress - OCIP

Includes net position obligated for specific construction projects, program initiatives, and debt service reserve requirements. These projects have been authorized by the state or Regents according to Regent policy and state guidelines. Balances as of June 30 include projects that appear of the Regents two year list of cash-funded capital needs.

Service Center Reserves - ISUR

Includes net position associated with campus cost centers which service units across the University. Any surplus funds generated by service centers are obligated per federal cost accounting standards (OMB A-21) for use by the associated service center.

University Risk Management - RFIN

Includes net position that is used to sustain the University's self-insurance program. Over 40% of URM's net position is in non-cash assets including long-term investments. The net position is reserved to pay insurance claims submitted by campuses.

Risk Financing Activities - Professional Risk Management - RFIN

Includes net position set aside in a trust for professional liability associated with the clinical practices of University faculty and staff as part of the University's self-insured medical malpractice program.

Faculty Startup and Research Initiatives - STRT

These funds are obligated by campus leadership for contracted faculty start-up, cost sharing, matching programs, and financial aid obligations associated with faculty research. Fund sources include indirect cost recoveries returned to departments, budgeted allocations to support academic department hires, and unspent budget balances.

University Physicians Inc. - UPIR

University Physicians, Inc. (UPI) is a separate legal entity treated as a blended component unit for accounting purposes. Net position includes residual clinical revenues that are generated by Anschutz Medical Campus faculty who serve patients through University Hospital.

Investment Pool - INVP

Includes assets held by the University Treasurer to fund the short- and long-term needs of the University. Approximately 40% of the balance is in the form of unrealized gains, which is a non-cash asset. The balance is used as a hedge against market volatility, which allows Treasury to maintain budgets in a given year when market forces are moving in a negative direction.

Technology Transfer Office - TTOR

Includes net position held by the University's Technology Transfer Office (TTO). Approximately 75% of TTO's net position is in non-cash assets including patent acquisition cost and long term investments, while the balance is used for operations.

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