STATING THE ISSUE

• University fund balances totaled almost $2B at FY16 year-end (*all funds*)

• Provost units had an estimated balance $651M (*excluding SP accounts*) at FY16 year-end

• Balances have been increasing. . . . from $367M in FY11 to $651M in FY16
STATING THE ISSUE

• President, Treasurer, Provost are interested in these balances
  • What is contributing to these significant balances?
  • Where are these balances?
  • Why do they continue to increase?
  • Do units need this cash?
  • How can these funds benefit the academy?
In response, the Provost launched the FMP.

A very high priority project for the Provost.

A committee of 12 faculty & staff have been appointed.
COMMITTEE MEMBERS

- Connie L. Lapinskas (Chair), Assistant Provost for Finance and Administration
- Frank J. Dooley, Vice Provost for Teaching and Learning
- Jay T. Akridge, Glenn W. Sample Dean of Agriculture
- David L. Hummels, Dean of Krannert School of Management
- Abhi V. Deshmukh, James J. Solberg Head of Industrial Engineering
- Keith R. Kluender, Department Head of Speech, Language & Hearing Sciences
- Elizabeth Topp, Department Head of Industrial and Physical Pharmacy
- S. Laurel Weldon, Director of Purdue Policy Research Institute/Distinguished Professor of Political Science
- Jeffery T. Bolin, Associate Vice President for Research
- Jason M. Dietz, Director of Financial Affairs, Engineering
- Tammy S. Emilson, Director of Financial Affairs, Science
- Rukhsana A. Malik, Financial Analyst, Strategic Initiatives, Office of the Provost
PROJECT OBJECTIVES

1) Fully understand the reasons for the accumulation of cash balances

2) Align all strategies to a set of key values

3) Design a broad plan with multiple strategies to address current fund balances
   • Take into account unit needs, commitments, plans
   • Provide overarching opportunities for investment in the academy

4) Develop a plan for ongoing management of future fund balances
   • Establish guidelines for cash balance tolerances
   • Assure our future cash balances meet these tolerances
   • Assure financial stability
   • Avoid under-utilized cash resources
PROJECT DELIVERABLES

• Set of strategies for current and ongoing management of fund balances
  • Unit Level Strategies – Multiple options to best fit unit needs
  • Provost Level Strategies – Overarching approaches applied across the academy
• Implementation plan
PROGRESS TO DATE

Initially launched four Subgroup Projects:
* Student Aid       * Professorships     * Faculty Start-up     * Central Bank Concept

Just added two additional Projects:
* Fellowships       * Appropriated Funds (AG/HHS/VET)

Preliminary Studies
* Student Life      * Income Producing     * State Line

Subgroups: Committee Members and Colleagues
COMMUNICATION PLAN

• Goal is two-fold, two-way
  • Regular sharing of information by committee
  • Feedback, input and ideas from faculty and staff

• Targeted communications with key groups

• Launched FMP webpage
  • Charter, Key Values, Communication Plan
  • Updates on subgroup topics or strategies
  • Dedicated email for feedback
FEEDBACK & INPUT

FMP Email Address:

fundsmanagement@purdue.edu

FMP Website:

https://www.purdue.edu/provost/about/provostInitiatives/FundsMgmt/index.html