



Guidance on	Presidential Guidelines Governing the UCOP Strategic Priorities Fund
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Presidential Guidelines Governing the UCOP Strategic Priorities Fund

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I. GUIDELINES SUMMARY

As part of its standard budgeting practices, University of California Office of the President (UCOP) should maintain a Strategic Priorities Fund (SPF) to support funding for one-time and limited-term strategic priorities, projects, and urgent emerging issues.

II. DEFINITIONS

Strategic Priorities Fund

A group of funds in the UCOP budget that is used to support one-time and limited-term strategic priorities and projects and urgent, emerging issues.

Unrestricted Funding

Funding received by the Office of the President that is not designated or restricted for a specific use.

Restricted Funding

Funding received, generated, or identified by the Office of the President that is restricted for a specific use.

Designated Funding

Funding received, generated, or identified by the Office of the President that is designated for a specific use.

Commitments

Commitments made represent items approved via Supplemental Funding Request, Decision Memo, or other similar process by the President and committed to the recipient.

Uncommitted Balances

Uncommitted balances represent Strategic Priority funds, not yet specified to be used for a specific purpose, which are available to spend as approved in the overall UCOP annual budget.

III. GUIDELINES TEXT

A. General

The purpose of the Strategic Priorities Fund is to provide funding for one-time and limited-term strategic priorities, projects and urgent or emergent issues for UCOP, the campuses, and the UC system and to support initiatives and collaborations that serve the mission of University.

B. Scope

The Strategic Priorities Fund supports the UCOP budget, including approved activities at the campuses, UCOP, and the systemwide level.

C. Funding Target and Sources

- a. **Target:** The Strategic Priorities Funds will initially be budgeted at \$30 million annually. The \$30 million budget may be adjusted based on projected business needs and/or to index to inflation through the annual Regents budget approval process. The President will have the authority to supplement SPF funding from the President's Endowment Fund (PEF) provided that the total UCOP Budget does not exceed the Regents Approved annual budget by more than 5%.

Funding: The Strategic Priorities Fund shall be included in the annual budget.

The source of funding shall be mainly unrestricted funds (e.g., variable interest and income, annual scheduled unrestricted endowment payouts preferably from the PEF, campus assessment funds, and other unrestricted sources) as identified by UCOP Budget and Finance and approved by the President and the Regents as part of the overall UCOP budget. The contributions of each funding source may vary depending on funding availability and will be determined during each annual budget cycle.

D. Allowable Expenditures

- a.** The Strategic Priorities Fund is intended to fund strategic priorities, projects, urgent, emergent issues, and initiatives that benefit the local and global communities the University serves. The fund is operated on behalf of the system, the campuses, and UCOP and commitments are made as recommended by campus and UCOP leadership and approved by the President. Types of expenditures allowed under the Strategic Priorities Fund policy include:
 - i. Emerging and urgent one-time or limited term systemwide, campus, or UCOP expenses.
 - ii. Planned one-time or limited-term funding for system-wide, Presidential, strategic priorities, initiatives, and projects that benefit a single campus, multiple campuses, or the system in general.
 - iii. Initiatives that support innovation, research, teaching, or service and benefit the local and global communities served by the University.
- b.** The Strategic Priorities Fund is generally not intended to fund certain types of expenses including on-going operating expenses and funding for budget omissions. Expenses which shall typically be disallowed include:
 - i. On-going operating (salary or non-salary) expenses that belong in the UCOP operating budget.
 - ii. One-time or limited term UCOP staffing expenses (staff, contract employees, etc.) not associated with a specific planned and approved project.
 - iii. Campus on-going operating or administrative expense.
 - iv. Funding for UCOP or campus budget omissions.

E. Approval Requirements

Presidential approval is required for all expenditures made from the Strategic Priorities Fund.

- a.** Commitments up to \$5 million:
 - i. Supplemental Funding Request (SFR) Approval Process: The SFR process is intended to review and recommend requests from UCOP leadership for major projects and initiatives requiring strategic priorities funds. A detailed description of the SFR process and forms can be found on the Budget & Finance website under resources. [here](#).

- ii. A single commitment over \$5 million should be reviewed with the Chair of the Board of Regents prior to finalizing the commitment.

F. Reporting

UCOP will report the financial progress at Regents meeting.

a. Timing (2x/year)

- i. Mid-year reporting will include year-to- date (YTD) balances, detailed commitments, and payments against commitments which will be produced within 60 days of the December month-end close.
- ii. Year-end reporting will include total fiscal year balances, detailed commitments, and payments against commitments which will be produced within 90 days of the quarter close.

b. Level of Details

- i. Reporting will contain all financial information for approved Supplemental Funding Request & Presidential Initiatives.
- ii. Reporting will include reconciliation of actual expenditures to budget and project or initiative outcomes to project goals.

G. Monitoring the Strategic Priorities Fund Level

The strategic priorities fund balance shall be reviewed quarterly to ensure that appropriate payments and reimbursements have been made and that the fund balance is accurate and up to date.

IV. COMPLIANCE / RESPONSIBILITIES

Function	Responsibilities
President	Approve target funding level and funding mechanism. Approve all expenditures. Consult with Chair of the Board of Regents as required.
Executive Vice President and Chief Operating Officer, or designee	Approve target funding level and funding mechanism(s); review and advise the President on SFR proposals and Decision Memos requesting SPF funds.
Executive Director, UCOP Operations	Oversee the monitoring of reserve balances and determination of appropriate funding mechanism(s); review and advise the Executive Vice President and Chief Operating Officer on SFR proposals and Decision Memos requesting SPF funds.
Executive Director, UCOP Budget & Finance	Monitor reserve balance and determine appropriate funding mechanism(s).

V. REVISION HISTORY

This guideline meets Web Content Accessibility Guidelines (WCAG) 3.0.