
- **Reserves/Carry-Forward**
  - Maintaining reserves/carry forward is already difficult to do openly in the state system that discourages both. Beyond that issue, the UFM is (currently) blind to reserves or carry-forward available to schools or units to use to cover their expenditures. Limited exception: if a school or unit reports intent to use reserves/carry-forward in budget, the UFM can record that in its own version of the budget.
  - **RESOLUTION:** Some immediate, practical help for visibility in the UFM could be provided by not spending directly from reserves, but transferring amount needed to operating funds.

- **Fund restrictions**
  - Schools and units often have access to fund sources whose uses are restricted. The UFM is blind to such restrictions and may count such revenue as available for use for any expense. This is also a critical issue in our accountability processes: we have to report our activity in ways that respect those fund restrictions, which means that we may not be able to change fundamental things in our Oracle business systems to be more compatible with the UFM because we can’t handle our accountability reporting effectively if we do.
  - **RESOLUTION:** The only current answer is that schools and units must analyze their “margin” statements from the UFM to see if that condition applies and bring analysis forward in discussions with EVPs on supplemental operating support from the University.

- **Central funding provided via cross funding**
  - Schools and units sometimes receive funding via cross funding mechanisms that are hard for the UFM to parse. If the owner of the revenue is different from the entity expending the funds, the UFM’s logic in many cases “changes” the ownership of the revenue to the expending entity. This means that, when institutional funds are used by a school on an expenditure, it looks as though the revenue actually belonged to the school, not the institution, thereby understating the school’s need for supplemental funding.
  - **RESOLUTION:** Currently the only answer is analysis of “margin” statements by the schools/units.
• **Inconsistency between the University’s organizational hierarchy and the activity center classifications**
  o Some University units report up a particular University authority hierarchy, but are classified in different activity centers than other units in the same authority hierarchy. Currently the UFM does not subdivide allocations of cost below the activity center level, meaning that some units can’t immediately see how they are individually affected. **NOTE:** Schools do not currently see this as much of a problem, although it is one for service-providing units and some other entities.
  o **RESOLUTION:** A future iteration of the model (with significant development costs) could do the allocations down to the level of individual “orgs.” At present the best solution is manual calculations, based on the drivers, most of which we can see at the org level.

• **Data environment is not designed optimally for the UFM**
  o Our current Oracle business systems data structures weren’t designed to support the uses to which the UFM puts them. The biggest of these issues is the fact that the Oracle business systems environment operates on a “project-to-date” framework, not a “year-to-date” framework, which is a core component of the UFM. There are many more complicating elements of how our business data and traditional budgeting processes have worked.
  o **RESOLUTION:** These will likely evolve over time toward compatibility with the UFM, but until then will challenges the model’s detail accuracy. This is unlikely to change fundamentally until we go through implementation of a successor to Oracle business systems (not recommended over the short term).

  --Chip German