

VIII-16.00 UMCES POLICY AND PROCEDURES REGARDING REVOLVING FUND ACCOUNTS

Approved by the President January 9, 2014

I. PURPOSE

- A. This policy specifies the policies and procedures relating to the establishment and the management of revolving accounts.

II. POLICY

- A. A Revolving Account supports a special activity that must be self-supporting and continually maintain a positive cash balance.
- B. The transfer of State funds into revolving accounts is prohibited except for interdepartmental billings for services rendered between departments.
- C. Revolving accounts may not be established to manage sponsored agreements.
- D. All expenditures using revolving account monies are subject to existing USM and UMCES purchasing and hiring policies and procedures.
- E. All requests for new Revolving Accounts must be fully justified on the required form and submitted to the Comptroller for approval, pursuant to Section III. 1.
- F. All Revolving Accounts will be reviewed annually, pursuant to Section III.2.

III. PROCEDURES

A. New Account Requests

1. A laboratory unit wishing to establish a new revolving account must complete a ***New Revolving Account Request*** form, which can be found at <http://www.umces.edu/about/forms>.
2. In cases where a revolving fund activity plans to charge a fee or rate, the basis for that fee or rate must be documented.
3. Hiring of full or part-time permanent employees must be specifically requested and approved.
4. The form is to be forwarded to the Comptroller for approval.
5. Once approved, an appropriate account number will be established and the requesting laboratory notified.

B. Existing revolving accounts

1. Are to be reviewed on an annual basis to ensure that each is essential to the program(s) supported. During the review, consideration should be given to the following alternatives:
 - a) Incorporating the account into an existing program with consistent functional responsibilities.

- b) Discontinuing the account based on the conclusion that it is no longer needed, or that it is inconsistent with the concept of such accounts.
 - c) Each laboratory/unit is required to conduct a review of each revolving account under its jurisdiction on an annual basis, and if an account is to be continued, a statement of certification that identifies the account and its purpose must be furnished to the Comptroller's Office.
 - d) In cases where a revolving fund activity plans to increase an approved rate or fee, approval must be obtained from the Comptroller.
2. If, during the annual review, any revolving account has, or is projected to have, a deficit cash balance at the end of the fiscal year, the laboratory that has jurisdiction over the account must submit a viable written plan addressing the deficit needs to the Comptroller prior to the fiscal year end.