



Issue Summary	Should USG change the structure and level of control for auxiliary funds?
Background	<p>Most auxiliaries have negative spending authority at the individual chartfield combination level. In many instances, profitable auxiliaries prop up non-profitable auxiliaries. For instance, traffic and parking may loan funds to food services in order to offset the deficit.</p> <p>USO has made the statement that Auxiliaries should be self sustaining as a whole; however, they understand that certain programs will always function in the red. For this reason, should USG adjust the fund and control structure.</p>
Risks	<ol style="list-style-type: none"> 1. Changing fund structure could impact reporting in PeopleSoft and the data warehouse 2. There could be issues with integrating budget prep. Code will have to be changed, tested and migrated. 3. End users will have to be trained on the new process for entering and maintaining the appropriations budget. 4. Depending on the rollout schedule, any change to code might have to be keyed in R7.5 and R8.9 5. Fiscal Year 2008 is not a viable alternative because the modifications to budget prep have already been deployed.
Possible Solution(s)	<ol style="list-style-type: none"> 1. Do nothing 2. Change the fund and control structure in the 2008 budgeting cycle 3. Change the fund and control structure in the 2009 budgeting cycle
Escalating Sub-team and Lead	Functional – Deidre Crawford
Recommended Action	USG should break auxiliaries into high level components and control spending at the fund level instead of at the chartfield combination level. This change would minimize the budget transfers and give the central office a more realistic look at the financial position of auxiliaries.

**Accounting
Issues
Committee
Comments**

The Accounting Issues Committee decided to break up the Auxiliary fund 12000 into separate funds. Debbie Lasher is soliciting feedback from OIIT and member institutions to determine how many funds are required. The new funds will be added to the v7.5 environment and will be made available for the 2008 budgeting cycle. Fund structure change will be effective at the beginning of a fiscal year.