

UFS ADVISOR

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TREASURER'S MESSAGE



[Penny D Cox](#)

As the spring 2024 semester is at the halfway mark and students are away on spring break, the questions I'd like us all to think about is: "What were the habits that defined me last year?" and "What are the habits that I hope define me this year?" I also ask you to think about one habit that you want to begin or end in 2024? For me, I will focus the start every day with more intentionality on purpose, service, and **gratitude**. What's your goal?

A few UFS reminders and highlights for 2024 include:

- Year-end close: It is imperative for the University's external audit, for the period ending June 30, that the annual fiscal year cutoff closing process is established and adhered to. We ask your support in meeting the deadlines in the detailed schedule at: https://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/yeclose_0.pdf
- [Project Gateway, Collaborative Grant Services](#) Phase 1 soft launch took place January 29, 2024, and Phase 2 on March 6. Phase 3 is planned for April. Research Financial Services has been a key contributor to the readiness for the go live.
- Project Accelerate: Utilizing UK's Strategic Plan – the UK PURPOSE – as a framework and guide, the Board of Trustees directed the President to focus the University's expansive capacity and commitment on [accelerating efforts to advance Kentucky](#) – its economy, the health and welfare of its citizens and its quality of life through a plan that ensures: More Educated Kentuckians; More Readiness; More Partnerships; More Employee Recruitment and Retention; and More Responsiveness. Lisa Cassis and I are co-facilitating the More Responsiveness Workgroup. Details can be found here: <https://pres.uky.edu/sites/default/files/2024-02/project-accelerate-work-group-5.pdf>
- Results for the FY 22 Higher Education Research & Development Survey (HERD) were released by the National Center for Science and Engineering Statistics (NCSES). The rankings are based on research and development related expenditures. UK ranked 61st among 637 public and private institutions combined and ranked 40th among 410 public institutions participating in the survey.
- The FY 2023 NACUBO-Commonfund Study of Endowments was completed. UK's return of 7.8% for FY23 was slightly ahead of the average return of 7.7% for all participating institutions, and well ahead of the average return of 5.9% for peers of similar size (\$1 billion - \$5 billion cohort).
- [A bond sale](#) for \$199,130,000 occurred in February. The bond proceeds will be used to fund the Modernization and Asset Preservation projects. Both Moody's and S&P affirmed the University's bond ratings. More details are shown on page 2.

ARTICLES

Credit Reviews and Bond Sale

During this past quarter University Financial Services prepared for the issuance of approximately \$199.1 million in general receipts bonds to finance \$176 million for the Facilities Renewal and Modernization project and \$23.1 million for year two of the Asset Preservation Pool project. Below are additional details on the projects:

Facilities Renewal and Modernization

- This project is a multi-phase effort to renew and modernize buildings that make up the core of central campus and buildings south of the central campus associated with the Martin-Gatton College of Agriculture, Food and Environment. By rehabilitating, restoring, and modernizing these facilities and the campus enabling infrastructure, the university can better preserve its heritage, conserve energy, create an environment for more efficient and effective teaching, and attract productive researchers.

Asset Preservation Pool

- The Asset Preservation Pool project is a multi-phase effort to preserve existing campus buildings and enabling infrastructure, so they continue to serve their intended functions well into the future.
- This pool includes an additional \$154.2 million in funding from the State, \$77.1 million in each year of the 2022-24 biennium. The university is required to match 30 cents on the dollar to receive State funding. This bond issue fulfills the university's match requirement for year two of the biennium. The university's year one requirement was fulfilled with the Series 2022 General Receipts Bonds issued in September 2022.

In January 2024, we worked with the university's two rating agencies, Moody's Investor's Service and Standard & Poor's, to undergo a credit review process. We are pleased to report that the bonds were assigned ratings of Aa2/stable and AA+/stable, respectively, and both agencies reaffirmed the university's existing ratings. This news is extremely positive, given the challenges facing many of our peers, the broader higher education industry, and the Commonwealth of Kentucky.

On February 6, 2024, the university sold the bonds competitively. Nine underwriters submitted bids for the Series B tax-exempt bonds and 14 submitted bids for the Series C taxable bonds. The bids for the sale came in lower than expected on the short-term taxable bonds (4.51%) and at estimated levels on the long-term tax-exempt bonds (3.6%), for a combined all-in interest cost of 3.66%. Completion of the bond sale provides critical funding, enabling the university to continue making progress on the infrastructure needs across campus.

Thank you to all staff members across the university that partnered with University Financial Services in completion of the credit reviews and bond sale.

To review the credit opinions and official statement for the bond sale, please visit the university's investor relations website at the following link: www.ukybonds.com.

Make Your Bank Deposit in a Deposit Kiosk

Treasury Services would like to remind campus units that they can make their bank deposits utilizing any one of the three (3) **SmartAHD Deposit Kiosks** located in the Funkhouser Building, Ag North Building, and the Gatton Student Center (pictured below). These deposit kiosks provide convenience for campus units located near those building locations, thus eliminating the need to take the deposit to Treasury Services in the Peterson Building or to a PNC Bank branch location. The **deposit kiosks** allow an employee to enter the deposit details directly from their desk workstation, as well as reducing the amount of time spent dropping the deposit into the kiosk to 30 seconds or less.



For information on how to use the SmartAHD Deposit Kiosk system, please visit the *Quick Reference Guide* section of the Treasury Services webpage (<https://www.uky.edu/ufs/treasury-services#QRC>). Here, you will find the following instructions and training videos:

- SmartAHD Deposit Kiosk - Quick Reference Card
- SmartAHD Deposit Kiosk - Instruction Manual
- SmartAHD Deposit Kiosk - Video: How to Sign Up for Access to the SmartAHD System (2:00 minutes)
- SmartAHD Deposit Kiosk - Video: Pre-Staging and Making a Deposit (5:30 minutes)

Please review the above-mentioned information prior to attempting to make a deposit at one of the SmartAHD Deposit Kiosks. For any questions or issues, please contact Treasury Services at (859) 257-1983 or Treasury.Services@uky.edu. We would also appreciate any positive (or negative) feedback regarding the new SmartAHD Deposit Kiosks.

Accounting and Financial Reporting

FORVIS issued UK a clean, unmodified opinion for each financial statement of our audited entities. The [FY 2023 audited financial statements](#) were approved by the Board of Trustees at their December 2023 board meeting. Two major new inclusions in the financial statements were the adoption of Governmental Accounting Standards Board (GASB) 96, Subscription-based Information Technology Arrangements as well as the membership substitution for UK to become the sole member and director of operations for King's Daughters Health. The [Single Audit Reports and Schedule of Expenditure of Federal Awards](#) (UG) (SEFA) was also submitted.

The miscellaneous fringe projection for FY 2025 was finalized in December and submitted to DHHS. The 990 information for the University's affiliated corporations is on schedule to be filed by the deadline this spring.

Stewardship reports were submitted to UK Philanthropy and provided endowment values for inclusion with the annual donor letters, and Research Challenge Trust Fund (RCTF) tables were provided to the UBO for the required Council on Postsecondary Education (CPE) reporting.

A new FAST WBT training for *Advancement Fee Basics* has been completed and is available under myUK Learning. This training documents the purpose of the advancement fee as well as assessment fundamentals. A more in-depth training class is currently being developed for the Advancement Fee that will be geared toward business officers and processors in the unit. FAST training classes for Functional Areas and Charts of Accounts are also under development and should be offered to campus in the next few months.

The collaboration with IRADS for the testing of key figures and conversion of BW reports to Tableau continues as well.

Concur/Travel Additional Training Opportunities

Training Class	Date	Time	Location
Concur Online Booking Tool	04/18/2024	8:30am-10:00am	Virtual
Concur Online Booking Tool	06/13/2024	10:30am-12:00pm	Virtual
Advanced Concur Online Booking Tool	04/18/2024	10:30am- 12:00pm	Virtual
Advanced Concur Online Booking Tool	08/15/2024	10:30am- 12:00pm	Virtual
In addition to the scheduled training classes we also have the below on-demand trainings.			
Introduction to Concur Travel & Expense Management	On-demand	On-demand	Virtual
Concur: Create a Travel Expense Report from a Pre-Approved Travel Request	On-demand	On-demand	Virtual
Concur: Creating a Travel Expense Report without a Travel Request	On-demand	On-demand	Virtual
Concur: Creating a Travel Request	On-demand	On-demand	Virtual
Concur: Expense Reporting for Procard Transactions	On-demand	On-demand	Virtual
Concur: Review and Complete User Profile Settings	On-demand	On-demand	Virtual
Cash Handling Basics	On-demand	On-demand	Virtual
Procurement Card	On-demand	On-demand	Virtual

For more information or to register for these courses visit your **myUK Employee Self Service Training** page.

UFS By-the-Numbers

Research Financial Services managed grant revenues of over **\$466 million** and over **4,800** grant accounts in FY 23.

Treasury Services during FY 23 processed the following deposits & outgoing wires:

- **111,687** deposits totaling over **\$4.00 billion**
- **407** outgoing wires totaling over **\$5.29 billion**

Merchant Card Services supports over **189** merchant accounts with annual activity of approximately **1.33 million** transactions totaling **\$185.48 million**.

Accounts Payable Services processed **464,388** payments in FY 23 as follows:

- **360,112** payments for invoices
- **39,949** PRD's
- **64,327** Concur reports

Financial Services Administration oversees:

- Operating/Capital cash & investments, with month-end balances averaging **\$2.0 billion** during FY 23.
- Bond issuance and administration with 23 general receipts bond issues outstanding, totaling **\$1.1 billion** as of June 30th, 2023.

Payroll Services processes annual payroll totaling **\$2.0 billion** annually.

Monthly payroll for FY 23 averaged **\$174 million** and an average of **57,184** direct deposit transactions were processed each month.

Student Account Services provides billing and collections support for tuition and fees revenue over **\$718 million**.

Travel Services supported the purchase of **12,132** airline tickets in FY 23 covering **34.8 million** travel miles.

Accounting and Financial Reporting Services creates **~3,800** new cost/funds centers and **831** funds in FY 23.

Accounting and Financial Reporting Services produces annual and interim financial statements for the University, **seven** organizational units and **six** affiliated corporations.

Nearly **100%** of employees are paid via direct deposit.