STANDARD ADMINISTRATIVE PROCEDURE

23.02.02. M0.01 Reserve Requirements

Approved April 24, 2006
Revised May 8, 2020
Revised June 7, 2022
Next scheduled review: June 7, 2027

SAP Statement

Texas A&M University recognizes the operational benefits of standardizing requirements for fiscal account reserves. The following provisions govern requirements for account reserves for auxiliary departments and service departments. Reserve requirements are to be maintained on an on-going basis throughout the fiscal year.

Official Procedure

1. DEBT SERVICE RESERVE REQUIREMENTS

   Each University department that utilizes the Revenue Financing System (RFS) is required to maintain 115% of the succeeding year’s annual debt service payment as funds not allocated or budgeted for any other purpose.

2. OPERATING RESERVE REQUIREMENTS

   All University auxiliary departments (departments with 3XXXXX accounts) and service departments (departments with 27XXXX accounts) may maintain up to a three month operating reserve. Service Centers as defined by OMB A-21 have separate reserve stipulations which are addressed in SAP 21.01.05.M0.01.

3. EXCEPTIONS

   Any exception to this procedure requires written authorization from the President. The President may delegate this authorization to the Vice President for Finance and Chief Financial Officer.

Contact Office

Office of the Controller