

ACTION ITEM #1

Athletics Budget Transfers for Fiscal Year 2024 (Leslie Brunelli/Anne McCoy/Jon Haarlow)

June 17, 2024

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Fiscal Year 2024 Transfers to Cover Cumulative Athletic Department Deficit

PROPOSED: That the Washington State University Board of Regents approve transfers necessary at Fiscal Year 2024 year-end to cover the deficit balance.

SUBMITTED BY: Leslie Brunelli, Executive Vice President, Finance & Administration/CFO
Anne McCoy, Interim Athletics Director

**SUPPORTING
INFORMATION:**

Revised Code of Washington 28B.15.120 requires certain actions of state college and university boards related to the budgets of intercollegiate athletics programs. The statute provides that any transfers necessary at fiscal year-end to cover the deficit balance be approved by the Board.

The Athletics year end deficit transfer is calculated by taking the cash balance of the eight Athletic funds as of June 30, 2024. The cash on hand amount is a single point in time and may vary from the annual budget report that is prepared on an accrual accounting basis due to timing of revenue receipts or expenditure payments.

In accordance with RCW 28B.15.120 and given the potential timing issues around year end cash balances, the following schedule outlines the estimated, not to exceed transfers that will be made to cover the deficit.

The transfers are booked at year end to close the fund cash balance in athletics to zero and recorded as a due to the university obligation. At the start of the fiscal year, the transfers are reversed, so the cumulative deficit is properly recorded as an obligation of WSU Athletics.

Projected Cumulative Athletics Deficit for FY24* (88.4)

Projected Cash Transfer (based on May 31, 2024 cash balances)

Housing, Dining and Other Self-Sustaining auxiliaries 60.0
 Parking and Transportation 10.0
 Central, Non-Core Reserves 18.4
Total Available 88.4

	FY23	FY24
Plant and Operations Cash Balance at 6/30	(102.0)	(102.0)
Capital Donation Balance at 6/30	42.3	23.6
Buffer for timing in payments at year end		(10.0)
Transfer at 6/30	(59.7)	(88.4)

*The projected deficit and related transfers include a \$10M buffer for timing payments in year-end cash activities.