

**Wayne State University**  
**Proposed Use of the Rainy Day Fund for the**  
**FY 2021 Net Operating Budget Shortfall**

**Recommendation**

It is recommended the Board of Governors approves the use of the **Rainy Day Fund** to cover the General Fund net operating budget shortfall of \$12,502,876 as presented in the President's recommended FY 2021 Current Funds Budget. It is further recommended the Board of Governors approves the use of the **Rainy Day Fund** to cover the Parking net operating budget shortfall of \$1,296,100 as presented in the FY 2021 Auxiliary Fund Budgets schedule of the FY 2021 Current Funds Budget.

A transfer from the **Rainy Day Fund** to the **Miscellaneous Reserve Fund** will cover the expected General Fund shortfall. A transfer from the **Rainy Day Fund** to the **Parking Fund** will cover the expected Parking Fund shortfall.

**Background**

The Current Funds Budget includes the budgets of the General Fund, Designated Fund, Auxiliary Fund, and Expendable Restricted Fund. The Board of Governors approves the annual operating budgets of the General Fund and Auxiliary Fund.

The FY 2021 Current Funds Budget includes an overall net operating budget shortfall of \$15,665,676. The General Fund has a net budget shortfall of \$12,502,876 and the Auxiliary Fund has a net budget shortfall of \$3,162,800. Parking, an auxiliary fund of the University, has a net budget shortfall of \$1,296,100.

A net operating budget shortfall means that budgeted expenditures exceed the budgeted revenues resulting in a budgeted operating loss. The General Fund operating loss will be reported in the Miscellaneous Reserve fund. The Auxiliary Fund operating loss will be reported in the applicable auxiliary units.