

UC Davis Policy and Procedure Manual

Chapter 330, Financial Management and Services

Section 06, Short-Term Investment Pool Income—Distribution and Uses

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Responsible Department: Budget & Institutional Analysis

Source Document: Business and Finance Bulletin A-60, Short-Term Investment Pool (STIP)—Distribution of Income

I. Purpose

This section provides the policy for distribution and allowable uses of Short-Term Investment Pool income (STIP).

II. Policy

- A. The UC Office of the President (UCOP) invests the UC Davis cash balances not required for disbursement and not invested into long-term investment pools in the Short-Term Investment Pool. The interest income generated from this pool (STIP) is distributed to the campus by UCOP using the OP Fund number.
- B. Specific ranges of OP Fund numbers correspond to specific sub fund group types (SFGTs). Accounting & Financial Services (A&FS) assigns an OP Fund number from a particular SFGT depending on the following identifying characteristics of the funds:
 1. The source of the funds (e.g., state, federal, private donor).
 2. The reason the funds are received by the University (e.g., payment of fees, contract for service, grant).
 3. The type of activity to be supported (e.g., auxiliary, instruction, plant).
- C. STIP distribution and allowable use is determined by UC Davis based on the SFGT. Most SFGTs are subject to only one STIP distribution rule, but a few are subject to two or more rules as identified in Section III below. STIP, both positive and negative, is distributed according to one of the following distribution rules
 1. STIP is distributed to the Campus Investment Fund (CIF);
 2. STIP is distributed to the originating fund;
 3. STIP is distributed 75% to the Campus Advancement Finance Pool and 25% to the CIF.
- D. STIP earned on funds in plant accounts may be used to cover increased project costs as determined by Capital Asset Accounting and approved by Budget and Institutional Analysis (BIA).
 1. Any remaining STIP, once the project has been closed out, will be allocated back in accordance with the distribution rules described above and in Section III.
 2. Any STIP earned that cannot be allocated to a specific project will be allocated back in coordination with BIA and in accordance with the distribution rules described above and

in Section III below.

III. Distribution and Allowable Use Rules

A. STIP is distributed to the CIF. Allowable use is determined by central campus.

SFGT / Name	Exceptions*
1 / Agency Accounts	Foundation and Cal Aggie (see section B)
2 / Loan Funds	Federal loan funds (see section B)
3 / UC General Fund	
5 / Reserves for Renewal and Replacement	
6 / Service Enterprises	
7 / Reserves for Improvement	
8 / Balance Sheet	
A / Auxiliary	ASUCD/Unitrans (see section B)
B / Federal Appropriations C / Federal Contracts D / State Appropriations F / Federal Grants H / State Appr. – C&G J / Private Contracts L / Local Government N / State Government FFT P / Private Grants S / State Government V / Local Government FFT W / Private Grants FFT X / Private Contracts FFT	CIF unless contract/grant specifies interest to be returned to fund. Federal and state contracts and grants generally do not have positive STIP.
G / State General Funds	
K / Endowment Principal / ICR	Non-ICR funds are treated like SFGT E (see section C)
M / Self Supporting Activities	
T / Student Fees	Referendum Fees, UNEX (see section B)
Y / Sales and Service Activities	

*Exceptions: All Medical Center and University Extension (UNEX) funds, regardless of SFGT, are returned to the Medical Center and UNEX, respectively.

B. STIP, both positive and negative, is distributed to the originating fund. Allowable use is for the purposes of the originating fund.

SFGT / Name	Exceptions*
1 / Agency Accounts – Foundation / Cal Aggie	
2 / Loan Funds, Federal	
4 / Sales and Service of Teaching Hospital	
A / Auxiliary – ASUCD/Unitrans	
T / Student Fees – Referendum, UNEX	

* Exceptions: All Medical Center and UNEX funds, regardless of SFGT, are returned to the Medical Center and UNEX, respectively.

- C. STIP is distributed 75% to the Campus Advancement Finance Pool and 25% to the CIF. Allowable use is restricted to advancement activities.

SFGT / Name	Exceptions
E / Endowment	
R / Private Restricted Gifts	
U / Private Unrestricted Gifts	

- D. Exceptions to the STIP Distribution Rules
1. Based on special circumstances, the Provost and Executive Vice Chancellor may approve STIP distribution rules for some OP Funds that differ from the STIP distribution rule by SFGT specified above.
 2. BIA advises the Provost and Executive Vice Chancellor regarding exceptions.

IV. Mechanism for Distribution of STIP

- A. STIP is automatically distributed on a quarterly basis to OP Funds in accordance with the STIP distribution rules specified above.
- B. A&FS General Accounting Division administers the automated distribution process.

V. Further Information

For further information contact [Budget & Institutional Analysis](#) or [Accounting & Financial Services](#).

VI. References

- A. [UC Business and Finance Bulletin A-60, Short-Term Investment Pool \(STIP\)—Distribution of Income, July 1, 1982.](#)
- B. [Provost & Executive Vice Chancellor's letter RE: Short-term Investment Pool \(STIP\) Revenue dated October 31, 2014.](#)