



UNIVERSITY OF  
**South Carolina**

**BUDGET MODEL USER GUIDE**

**SUPPORT UNITS**

**JULY 2020**

**University of South Carolina  
Budget Model User Guide  
Support Units**



**I. Budget Model Overview**

**A. Introduction**

The new budget model is “live” July 2020 (FY2021). Fundamentally, the budget model is a data-informed approach to resource allocation, with the aim of adding increased incentives for entrepreneurialism and efficiency, while also improving transparency. Under this model, unit level budgets could grow, shrink, or stay the same based upon institutional priorities and external forces.

**B. Unit Categorization**

A key aspect of the budget model methodology is unit categorization. According to the budget model methodology, each Columbia operating unit is grouped into one of four categories according to its ability to serve as a driver of revenue-generating activities. Primary units (Academic and Auxiliary) have the ability to influence revenue generation, while central support units have limited-to-no ability to influence revenue. See the chart below for further details.

| Unit Categories    | Units Included  |
|--------------------|---|
| Auxiliaries        | Athletics, Housing, Parking, Student Health   |
| Academic Units     | All areas with Deans are considered academic units except for Libraries, Honors College and Graduate School |
| Pass-Through Units | Units supported with state appropriations and self-generated funds  |
| Support Units      | All other Columbia campus areas not classified above (primarily administrative units)                       |

Within the Support Unit category (which contains areas such as HR, Finance, Facilities, IT, etc.), units are further grouped into cost pools based upon similarities of activity. An allocation metric is chosen to act as a proxy of the costs associated with the use of services provided by the support units within each cost pool. Only academic units are eligible to receive these expense allocations. See the chart below for detail of support unit cost pools and associated allocation metrics.

| Cost Pool                         | Support Units Included   | Allocation Metrics                   |
|-----------------------------------|--|--------------------------------------|
| Central Services & Administration | Admin & Finance, Business Affairs, HR, Development, Communications, etc. | Total Employee FTE                   |
| Facilities                        | Facility Services, Utilities, Facilities Projects                        | Net Assignable Square Footage        |
| Enrollment & Scholarships         | Enrollment Management and Scholarships                                   | UG Student FTE                       |
| Information Technology            | University Technology Services (DoIT), OneCarolina                       | Total Headcount                      |
| Libraries                         | University Libraries   | Student FTE + Faculty FTE (less Law) |

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B. Unit Categorization (continued)

| Cost Pool                           | Support Units Included   | Allocation Metrics                     |
|-------------------------------------|--|--|
| Academic Affairs                    | Provost, Faculty Senate, Graduate School, International Programs                         | Student FTE + Tenured/Tenure-Track FTE |
| Research                            | Office of Research/ Research Administration  | Contract & Grant Revenue               |
| Academic Access & Degree Completion | On Your Time, Palmetto College Administration, Distributed Learning                      | Student FTE                            |
| Executive Affairs                   | Board of Trustees, President, Legal, Economic Engagement                                 | Total Direct Expenses                  |
| Academic Support & Student Services | University 101, Residential Learning Centers, Student Affairs, Academic Support Services | UG Student FTE                         |
| Honors College                      | Honors College   | UG Student FTE                         |
| Strategic Excellence/Efficiency     | Strategic Excellence & Efficiency Initiatives  | Direct / Total Direct Expenses         |

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**I. Budget Model Overview**

**C. Model Methodology & Decision Points**

Another key aspect of the budget model is that the concept of a static base budget (i.e. 31900) is removed. For Support Units, it is replaced primarily by a support unit costs allocation. Additionally, some support units receive revenue allocations. The primary revenue streams allocated within the new model are Direct Tuition, Direct State Appropriations, and Indirect Cost Recovery (IDC) Revenue. See below for a summary of model allocation decisions and other major model decision points.

| <b>Decision Point</b>                | <b>Allocation Type</b> | <b>Model Treatment</b>   |
|--------------------------------------|------------------------|--|
| Model Application                    | N/A                    | Applies to USC Columbia (not including SOMs), however, other system institutions are included in reporting to allow for reconciliation to financial statements   |
| Direct Tuition                       | Revenue                | 100% to support units based on instruction   |
| Direct State Appropriations          | Revenue                | 100% to the appropriation recipient  |
| Indirect Cost Recovery (IDC) Revenue | Revenue                | Allocated 100% to units generating IDC   |
| Support Unit Allocations             | Support Unit Costs     | Support Unit Allocations are the primary way that the legacy base budget is replaced for support units<br>"Net Cost" (i.e. expenses less direct revenues) per the original FY2021 budget will be allocated to support units (and charged against academic units)   |
| Carryforward                         | N/A                    | Units generally are permitted to maintain carryforward built by retained surpluses and to be used to mitigate unforeseen losses or one-time strategic initiatives.<br><br>In the event that surpluses are larger than expected or agreeable, it is assumed that conversations would be initiated with those impacted to discuss adjustments, but with intent of not limiting incentives. |

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**II. New Model Allocations**

**A. Account Codes**

In order to record each of the new model allocations within PeopleSoft, a new account series (71XXX) has been created. Each new model allocation is associated with a unique 71 account code. See below for a mapping of new model allocations to account codes.

| <b>Account Category</b>                         | <b>Unrestricted</b> | <b>Restricted</b>   | <b>Model</b>        | <b>Model Accounts<sup>2</sup></b> | <b>Total</b>        |
|---|---------------------|---------------------|---------------------|-----------------------------------|---------------------|
| Base Budget Allocation                          | 50,000,000          | 0                   | (50,000,000)        |                                   | 0                   |
| Direct Tuition                                  | 5,000,000           | 0                   | 2,500,000           | 71404                             | 7,500,000           |
| UG Tuition - Resident                           | 0                   | 0                   | 0                   |                                   | 0                   |
| UG Tuition - Non-Resident                       | 0                   | 0                   | 0                   |                                   | 0                   |
| Graduate  | 0                   | 0                   | 0                   |                                   | 0                   |
| Total Tuition                                   | 5,000,000           | 0                   | 2,500,000           |                                   | 7,500,000           |
| Total Fees                                      | 3,000,000           | 0                   | 0                   |                                   | 3,000,000           |
| General State Appropriations                    | 0                   | 0                   | 0                   |                                   | 0                   |
| Direct State Appropriations                     | 0                   | 0                   | 500,000             | 71490                             | 500,000             |
| Indirect Cost Recovery (IDC) Revenue            | 1,000,000           | 0                   | 250,000             | 71430                             | 1,250,000           |
| Grants, Contracts & Gifts                       | 0                   | 25,000,000          | 0                   |                                   | 25,000,000          |
| Sales, Services & Other                         | 500,000             | 500,000             | 0                   |                                   | 1,000,000           |
| <b>Total Revenue</b>                            | <b>59,500,000</b>   | <b>25,500,000</b>   | <b>(46,750,000)</b> |                                   | <b>38,250,000</b>   |
| <b>Total Direct Expenses</b>                    | <b>(62,000,000)</b> | <b>(27,000,000)</b> | <b>0</b>            |                                   | <b>(89,000,000)</b> |
| <b>Total Contras &amp; Transfers</b>            | <b>2,500,000</b>    | <b>1,500,000</b>    | <b>0</b>            |                                   | <b>4,000,000</b>    |
| <b>Margin Prior to Support Unit Allocations</b> | <b>0</b>            | <b>0</b>            | <b>(46,750,000)</b> |                                   | <b>(46,750,000)</b> |
| Support Unit Allocations                        | 0                   | 0                   | 46,750,000          | 715% <sup>1</sup>                 | 46,750,000          |
| <b>Model Allocations:</b>                       |                     |                     |                     |                                   |                     |
| Legacy Model Adjustment                         | 0                   | 0                   | 0                   |                                   | 0                   |
| Participation Fee Payment                       | 0                   | 0                   | 0                   |                                   | 0                   |
| Subvention                                      | 0                   | 0                   | 0                   |                                   | 0                   |
| Net Funding From / (To) Other Academic Units    | 0                   | 0                   | 0                   |                                   | 0                   |
| Strategic Initiative Funding                    | 0                   | 0                   | 0                   |                                   | 0                   |
| <b>Total Model Allocations</b>                  | <b>0</b>            | <b>0</b>            | <b>0</b>            |                                   | <b>0</b>            |
| <b>Margin (Change in Fund Balance)</b>          | <b>0</b>            | <b>0</b>            | <b>0</b>            |                                   | <b>0</b>            |

<sup>1</sup>Includes account codes 71500-71511 (one account code per cost pool)

<sup>2</sup>Account categories without a corresponding 71 model account are not impacted by new model allocations



II. New Model Allocations

B. Model Allocation Entries FAQs

**1. Question: How was my support unit allocation amount determined?**  
 Answer: Each unit's support unit allocation amount agrees to its FY20 recurring legacy base budget +/- budgeted new model revenue allocations - FY21 recurring budget reduction + FY21 initiatives (if applicable).

**2. Question: Do changes in allocation metric data impact my unit's budget (i.e. support unit cost allocation)?**  
 Answer: No. The allocation metrics drive how support unit budgets are charged to academic units. The metrics do not impact the support unit budgets themselves.

**3. Question: How can a support unit request an increase to its support unit allocation amount?**  
 Answer: Support unit initiative solicitation will occur in the Fall of each fiscal year. Initiative requests will be reviewed by the Support Unit Allocation Committee (SUAC). The committee will make recommendations to the Advisory Committee on Finance & Budget (ACFAB). The Advisory Cmt on Finance & Budget (ACFAB) will review before ultimately making final proposals to the President and Board of Trustees

**4. Question: Will 71XXX series entries be recorded as budget entries or actual entries?**  
 Answer: Both, 71XXX entries will be recorded to both Budget and Actual ledgers. The beginning budget upload will include total budget amounts per the FY2021 Budget Document. Throughout the year, journal entries to 71XXX accounts will be recorded to the Actuals ledger on a monthly basis. Unlike legacy budget allocations (3XXXX), which served as budget and actuals, only the actual 71XXX amounts will impact each unit's margin.

**5. Question: Will 71XXX series journal entries to the Actuals ledger be based upon current year actuals or beginning budget? What is the timing of these entries?**  
 Answer: This answer depends upon which 71XXX allocation entry is being recorded. Revenue allocation journal entries will be based upon actual GL revenue. However, other model allocation (e.g. support unit cost allocation) journal entries will be based upon the approved FY2021 Budget. See the chart below for further details.

| Model Allocation            | Journal Entry Source: |   |
|-----------------------------|-----------------------|---|
|                             | Budget vs. Actuals    | Timing of Entry                         |
| Tuition                     | Actuals               | Monthly with one-month lag <sup>1</sup> |
| Direct State Appropriations | Actuals               | Monthly with one-month lag              |
| Support Unit Allocations    | Budget                | Monthly equal to 1/12 of budget         |

<sup>1</sup>Fall entries begin in September / Spring entries begin in February



II. New Model Allocations

B. Model Allocation Entries FAQs (continued)

**6. Question: What is the data source for model allocation journal entries?**

Answer: See chart below:

| Model Allocation            | Primary Data Source  | Secondary Data Sources |
|-----------------------------|----------------------|------------------------|
| Tuition                     | PeopleSoft           | Data Warehouse         |
| Direct State Appropriations | PeopleSoft           |                        |
| Support Unit Allocations    | FY21 Budget Document |                        |

**7. Question: Will Data Warehouse reports be available for me to review tuition details?**

Answer: Yes; summary level Data Warehouse reports will be available. These can be used to verify direct tuition amounts.

Note: Minor tuition variances between the Data Warehouse and General Ledger can sometimes occur. In such cases, the General Ledger amount will be used for allocation purposes until resolved.

**8. Question: How will the IDC revenue allocation work in the new model?**

Budget:

- The unit generating the indirect cost will receive 100% of the IDC revenue.
- The legacy IDC revenue allocation has been budgeted at the unit level within "E" Funds in account 43000. The additional new model IDC revenue allocation has been budgeted within "A" Funds in account 71430. Note that the additional new model IDC revenue allocation has been budgeted within "A" Funds because this revenue is required in order to offset the removal of the legacy "A" fund base budget.

Actuals:

- The unit generating the indirect cost will receive 100% of the IDC revenue.
- The same IDC revenue allocation process that existed under the legacy model will continue to exist in the new model. The only change is that the percentages that are allocated to each unit's FA% accounts will be increased to 100%.
- After receiving the actual IDC allocation within "E" Funds, units will need to transfer (i.e. 86100 / 81100) the "additional" IDC from "E" to "A". The total amount of the transfer needed is equal to the "A" fund budget amount in account 71430.

Note: In Year 1, the additional IDC revenue is not "new" money for each unit. Rather, the benefit of the new IDC revenue allocation methodology comes in future years as all growth in IDC revenue is allocated directly to the unit generating the IDC, rather than being split with central research/facilities pools.

## II. New Model Allocations

### B. Model Allocation Entries FAQs (continued)

#### 9. Question: Which funds will be impacted by 71XXX entries?

Answer: All 71XXX model allocations (budget and actual) will be recorded to "A" funds. Model allocations will replace each unit's base budget. Therefore, each of the allocations are needed in order to fill the gap left from the base budget removal.

#### 10. Question: Which of my departments will be impacted by 71XXX entries?

Answer: All 71XXX model allocations (budget and actual) will be recorded to each unit's main "A" fund department, which is likely the department to which carryforward is currently booked.

#### 11. Question: What is an example of a Budget and an Actual model allocation entry?

Example 1: See below for a budget and actual example entry for Direct Tuition. Entry assumptions: budget allocation amount of \$250,000 and actual allocation of \$275,000 to the South Carolina Honors College.

|                      |                                |             |
|----------------------|--------------------------------|-------------|
| <b>Budget Entry:</b> | CL000 - 010000 - A0000 - 71404 | (\$250,000) |
|                      | CL025 - 120100 - A0001 - 71404 | \$250,000   |

|                              |                                    |             |
|------------------------------|------------------------------------|-------------|
| <b>Actual Journal Entry:</b> | Dr. CL000 - 010000 - A0000 - 71404 | \$275,000   |
|                              | Cr. CL025 - 120100 - A0001 - 71404 | (\$275,000) |

Example 2: See below for a budget and actual example entry for Support Unit Cost Allocations. Entry assumptions: allocation amount of \$250,000 from the Information Technology Cost Pool to the College of Arts & Sciences. Budget entry represents full amount loaded in July. Journal entry represents July entry equal to 1/12 of approved budget.

|                      |                                |             |
|----------------------|--------------------------------|-------------|
| <b>Budget Entry:</b> | CL014 - 651000 - A0001 - 71508 | \$250,000   |
|                      | CL071 - 121000 - A0001 - 71508 | (\$250,000) |

|                              |                                    |            |
|------------------------------|------------------------------------|------------|
| <b>Actual Journal Entry:</b> | Cr. CL014 - 651000 - A0001 - 71508 | (\$20,833) |
|                              | Dr. CL071 - 121000 - A0001 - 71508 | \$20,833   |

#### 12. Question: Will I ever need to record budget or actual entries to model allocation (71XXX) accounts?

Answer: No, model allocation (71XXX) accounts must net to zero across the Columbia campus. Therefore, the budget office will make all budget and actual model allocation entries. Journal entries will be recorded monthly by the budget office. Budget amounts will be loaded in July with the beginning budget.

### III. Unit Budgeting Guide FAQ

#### 1. Question: Since the legacy base budget allocation model is removed, will budgeted 3XXXX accounts still be used? How can I transfer budget between my departments and/or to another unit?

Answer: Yes, budgeted 3XXXX's will still exist in the new budget model. Some of the rules related to 3XXXX's (budget allocations) will change, while some will remain consistent with the legacy model. See the summary below of how 3XXXX's will be used in the new model.

- 36400 / 36500: One-time departmental budget transfers within an Operating Unit will still use accounts 36400 & 36500. No changes will occur for this process.
- 363XX / 368XX: One-time budget transfers between Operating Units will still use the 363XX & 368XX account sequence. No changes will occur for this process.
- 37400 / 37500: Permanent departmental budget transfers within an Operating Unit will still use accounts 37400 & 37500. No changes will occur for this process.
- 373XX / 378XX: Permanent budget transfers between Operating Units will become much more irregular in the new budget model. Funding transfers that were previously received using the 373XX & 378XX account sequence, will largely be replaced with 7XXXX model allocations (e.g. support unit cost allocations). However, on the irregular occasion that a permanent adjustment between units is required during a fiscal year, it will be recorded using the 373XX / 378XX account sequence and then adjusted for during the subsequent budget development cycle.
- 31900: Although the base budget will be removed, the 31900 account will continue to be used. However, the rules and meaning of 31900 will change significantly. 31900 will now net to zero within each Operating Unit (rather than across all Columbia Operating Units as is the case under the legacy budget model).

Per the legacy model, 31900 represented each unit's permanent allocation of central "A" Fund tuition and appropriations. Although units were not able to record entries to 31900, units were able to make permanent departmental transfers (37400 / 37500), which then rolled into 31900 during the subsequent year's budget development cycle.

Within the new budget model, the central tuition and appropriation funding previously allocated using 31900, will now be allocated using model allocation (71XXX) accounts. Each allocation entry to 71XXX accounts will be recorded to each unit's main "A" fund department. Therefore, units will still need the ability to shift budget between departments on a permanent basis. Therefore, units will continue to use 37400 and 37500 to make these recurring adjustments. The only difference in the new model, is that there is no positive 31900 amount to pull the funding from. Therefore, a negative 31900 amount will be created in each unit's main department offsetting the departmental base budgets. The main department with a negative 31900 base will remain positive due to offsetting 71XXX new model allocations. Note that the 31900 account will net to zero within each operating unit.

| Accounts                  | Department A   | Department B   | Unit Total     |
|---------------------------|----------------|----------------|----------------|
| <b>31900</b>              | \$ (5,000,000) | \$ 5,000,000   | \$ -           |
| <b>71XXX</b>              | \$ 9,000,000   | \$ -           | \$ 9,000,000   |
| <b>5XXXX</b>              | \$ (4,000,000) | \$ (5,000,000) | \$ (9,000,000) |
| <b>Budget Total / Net</b> | \$ -           | \$ -           | \$ -           |

### III. Unit Budgeting Guide FAQ (continued)

#### 2. Question: Do the same "A" Fund balancing rules apply under the new budget model?

Answer: Yes, the same rules apply with the addition of 71XXX accounts being included in the balancing equation (i.e.  $3s + 4s + 8s + 7s = 5s + 6s$ ).

Note: Additionally, one new balancing rule under the new model, as outlined previously, is that the 31900 account will be required to net to zero within each unit.

#### 3. Question: Where will my "A" Fund carryforward be booked under the new model?

Answer: No change to "A" fund carryforward accounts will occur in the new model. It will be recorded to each unit's main "A" fund department with a budget entry to account 31534.

#### 4. Question: Explain budgets loaded to non-"A" funds. What balancing rules exist for these fund types? Can I record budget entries to non-"A" funds?

Answer:

- Budgets have been loaded to non-"A" funds using the web based budget system source detail.
- If budgets were not allocated from BUD000-%9999 during budget development, then they will be loaded at the unit (not department) level.
- Non-"A" unrestricted funds are allowed to be budgeted with a change to fund balance.
- Budget entries can be made to non-"A" unrestricted budgets; however, budgeted 3XXXX's will still only relate to "A" funds.
- Non-"A" unrestricted funds must balance at the unit (not department) level, but can include the 31000 (change in fund balance) account to balance.
- Budget entries can not be made to unit-level restricted funds. Note that grant fund budgets are managed at the project level.

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IV. Financial Review

A. Budget Review in the New Model

**Question: Can you explain how to "read" my "A" Funds budget in the new model?**

See Finance Intranet (GL Summary) screen shot and explanation below:

**GL Summary**

HIDE NET ASSETS FILTER AND FUND LIKE 'A%' AND substr('000' || a.FP, -3,3) <= '012'

| GL-Current [OPEN] as of 06/24/2020 18:14 | Actual Open Balance | Life to Date Budget | Current Month Actual | Fiscal Year Actual | Life to Date Actual | Pre Enc. | Enc.     |
|--|---------------------|---------------------|----------------------|--------------------|---------------------|----------|----------|
| 3 FUND BALANCE                           |                     | 500,000             |                      |                    |                     |          |          |
| 4 REVENUE                                |                     | 3,500,000           | 46,258               | 1,250,000          | 1,250,000           |          |          |
| 5 DIRECT EXPENSE                         |                     | 15,500,000          | 17,932               | 9,500,000          | 9,500,000           |          | 47,175   |
| 59 INDIRECT EXPENSE                      |                     |                     |                      |                    |                     |          |          |
| 6 CONTRA-EXPENSE                         |                     |                     |                      |                    |                     |          |          |
| 7 MODEL ALLOCATIONS                      |                     | 11,500,000          | 1,500,000            | 8,850,000          | 8,850,000           |          |          |
| 81 TRANSFER IN                           |                     |                     |                      | 8,000              | 8,000               |          |          |
| 86 TRANSFER OUT                          |                     |                     |                      | 5,000              | 5,000               |          |          |
| CL0XX ACADEMIC UNIT                      |                     | -                   | 1,528,326            | 603,000            | 603,000             | -        | (47,175) |

Under the new budget model, Model Allocations (71XXX) is a new account category included in each unit's budget. The total budgeted Model Allocation (71XXX) amount is the sum of revenue allocations and support unit allocations. Direct revenues will continue to be budgeted in 4XXXX accounts. No changes will take place to expense (5XXXX), contra-expense (6XXXX), or transfer (8XXXX) budgets. The 3XXXX's budget will continue to include "A" fund carryforward. Additionally, 3XXXX's will include any transfers to/from other operating units. "A" Fund budgets will continue to balance at the unit, department, and project (if applicable) levels.

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IV. Financial Review

B. Actuals Review in the New Model

**Question: Can you explain how to "read" my "A" Funds actuals in the new model?**

See Finance Intranet (GL Summary) screen shot and explanation below:

**GL Summary** HIDE NET ASSETS FILTER AND FUND LIKE 'A%' AND substr('000' || a.FP, -3,3) <= '012'

| GL-Current<br>[OPEN] as of<br>06/24/2020 18:14 | Actual<br>Open<br>Balance | Life to Date<br>Budget | Current<br>Month Actual | Fiscal Year<br>Actual | Life to Date<br>Actual | Pre Enc. | Enc.     |
|--|---------------------------|------------------------|-------------------------|-----------------------|------------------------|----------|----------|
| 3 FUND BALANCE                                 |                           | 500,000                |                         |                       |                        |          |          |
| 4 REVENUE                                      |                           | 3,500,000              | 46,258                  | 1,250,000             | 1,250,000              |          |          |
| 5 DIRECT EXPENSE                               |                           | 15,500,000             | 17,932                  | 9,500,000             | 9,500,000              |          | 47,175   |
| 59 INDIRECT EXPENSE                            |                           |                        |                         |                       |                        |          |          |
| 6 CONTRA-EXPENSE                               |                           |                        |                         |                       |                        |          |          |
| 7 MODEL ALLOCATIONS                            |                           | 11,500,000             | 1,500,000               | 8,850,000             | 8,850,000              |          |          |
| 81 TRANSFER IN                                 |                           |                        |                         | 8,000                 | 8,000                  |          |          |
| 86 TRANSFER OUT                                |                           |                        |                         | 5,000                 | 5,000                  |          |          |
| <b>CL0XX ACADEMIC UNIT</b>                     |                           | -                      | 1,528,326               | 603,000               | 603,000                | -        | (47,175) |

Under the new budget model, Model Allocations (71XXX) is a new account category included in the calculation of each unit's margin (i.e. change in carryforward). The total actual Model Allocation (71XXX) amount is the sum of revenue allocations and support unit allocations. Note that unlike legacy 3XXXX's, for which the budgeted amount served as budget and actuals, 71XXX's will have amounts in the budget and actuals ledgers. Therefore, only the actual 71XXX's amount is included in the ending carryforward calculation. No changes will take place to direct revenues (4XXXX), expenses (5XXXX), contra-expenses (6XXXX), or transfers (8XXXX). Budgeted 3XXXX's will continue to be included in the ending "A" fund carryforward calculation. See the new model "A" funds carryforward calculation below:

Ending Carryforward (31534) = Beginning Carryforward +/- Budget Transfers (e.g. 363XX) + Actual Revenues (4XXXX) + Actual Model Allocations (71XXX) +/- Actual Net Transfers (8XXXX) - Actual Expenses (5XXXX) + Actual Contra-expenses (6XXXX)

Using the example above, ending carryforward is calculated as follows:  
 $\$500,000 + \$1,250,000 + \$8,850,000 + 8,000 - \$5,000 - \$9,500,000 = \$1,103,000$

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V. Timeline and Governance

A. Timeline

**Preliminary Budget Development Calendar**

| Budget Development Activity:   | Month / Period      |
|--|---------------------|
| Support Unit Initiative Solicitation   | September - October |
| Support Unit Allocation Committee review budgets; submits recommendations to the Advisory Cmt on Finance & Budget (ACFAB)                      | November - December |
| Advisory Cmt on Finance & Budget (ACFAB) reviews/approves support unit budgets   | December – January  |
| Central Budget Office forecasts general revenues (e.g. tuition, appropriations) and expenses (e.g. benefits) for budget development guidelines | January             |
| Academic units develop budgets based on latest analysis and central guidance   | January             |
| Conduct University budget hearings (i.e. blueprint meetings)   | March               |
| Academic subvention and strategic initiative funding recommendations made and communicated   | April               |
| University budget updated and preliminary drafted based on current tuition/appropriation projections and trends                                | April – May         |
| Budget reviewed/adopted by Board of Trustees   | May – June          |

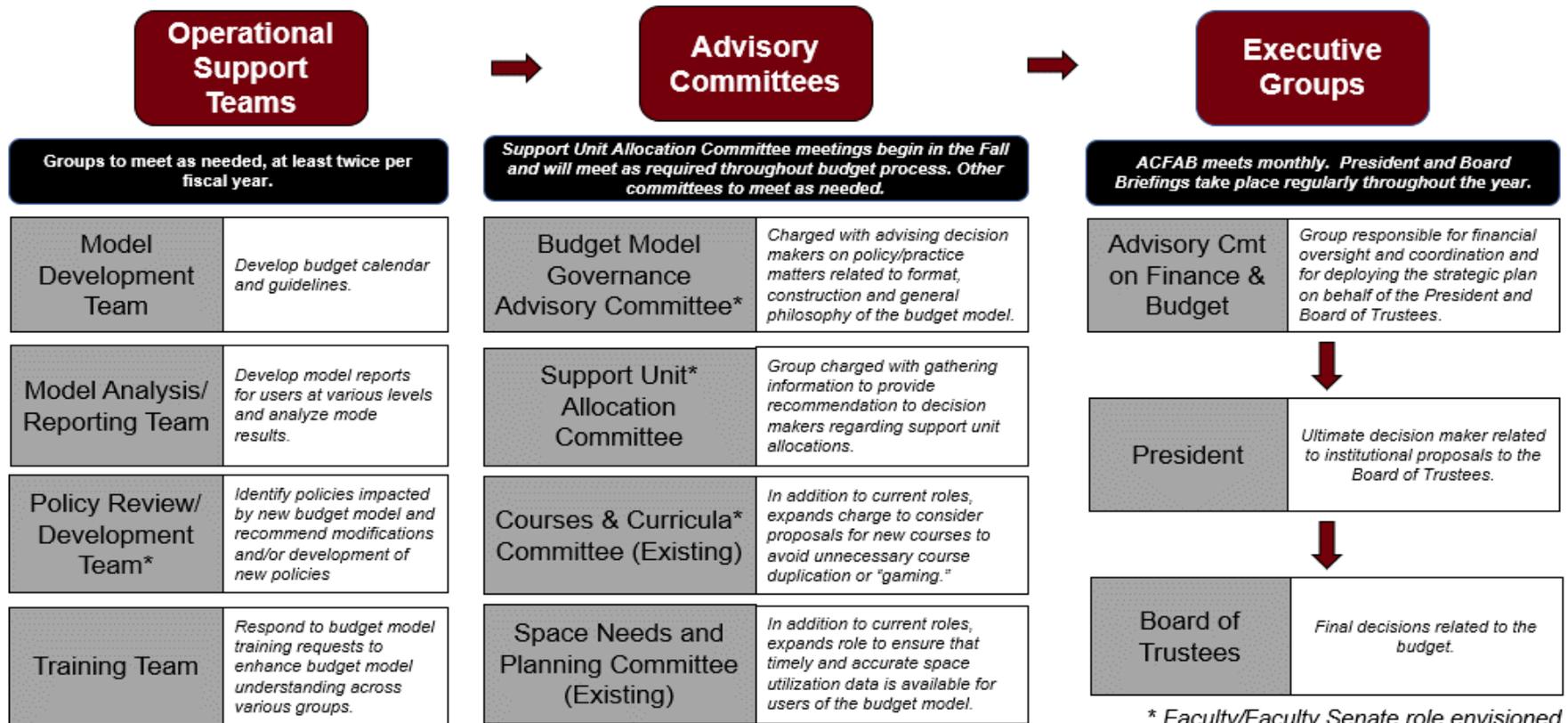
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**V. Timeline and Governance**

**B. Governance**

The new budget model governance structure is built to provide increased transparency and collaboration in decision making to engage multiple levels of the University. The operational support teams provide foundational work related to populating the model, reviewing and developing policy, and training. Their work informs advisory committees related to support unit costs, curricular decisions and space. Ultimately, advisory committees then make recommendations to executive groups such as the Advisory Committee on Finance & Budget (ACFAB) and ultimately the President and Board of Trustees. It is important to note that the governance structure is designed to include Deans, faculty and faculty senate as integral voices in the process. See the graphic that follows:



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VI. Definitions

**Definitions:**

Academic Unit – A college that has relatively strong ability to influence revenue. (Note: Honors College and University 101 are considered support units because their ability to generate revenue is “capped” in some measure by the academic units.)

Auxiliary Unit – A self-supporting unit that already pays overhead fees (e.g. Housing, Health, Athletics, Parking).

Support Unit – An administrative unit that provides services to academic and other units.

Pass-Through Unit – Unit whose funding is received from the state and internally generated revenue. The University is largely a fiduciary. (Small Business Development Center is the only Pass-through unit)

Cost Pools – Combinations of support units with similar activities

Allocation Metrics – A driver that is used to allocate costs and revenues to academic units (e.g. square footage, FTE, headcount, direct expenses, etc.)

Support Unit Allocations – Distribution of cost pools to academic units, based on an allocation metric

Direct Tuition – 100% to the unit of instruction

Direct State Appropriations – 100% to the appropriation recipient

Indirect Cost Recovery Split – 100% to the generating unit.