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UNT Budgeting

A perspective from
Academic Affairs

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Resources

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Agenda

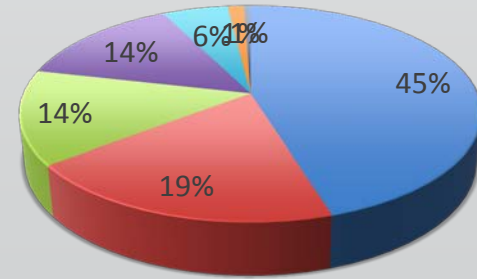
- Total Budget and State Appropriations
- Budget Process and Entry
- Budget Execution



Total Budget - Revenue

FY18 Sources	
Tuition & Fees	318.83
State Appropriations	136.2
Sales of Goods & Services	98.9
Grants & Contracts	98.78
Other	38.7
Gift Income	9.78
Investment Income	3.83
Total	705.02

\$ in millions



- Tuition & Fees
- State Appropriations
- Sales of Goods & Services
- Grants & Contracts
- Other
- Gift Income
- Investment Income

State Appropriations

- Legislative funding occurs every biennium and is based on the number of SCH, discipline of the course, level of the course, and level of the student (there is also a bonus of tenure-track faculty)
- Funding is earned for students who are enrolled on census date. There are exclusions such as excess hours, doctoral 99+, developmental education over 18 SCH per student, electronic courses to nonresidents located out of state, non-degree SCH such as Military Science, Aerospace, etc.
- State appropriations (I&O) may range from 24% of designated tuition for an undergraduate liberal arts class to 545% of designated tuition for a doctoral business class

State appropriations

- Formula funding generated by departments is not returned directly to departments, but the bigger the pool of money there is the more that may be allocated



State Appropriations - Formula Funding

SCH

X

Weight (see matrix)

X

Base Rate (\$55.39 FY16-17)

=

Formula Funding

Note: Formula Funding is net of Statutory Tuition so subtract \$50/sch to account for that dedicated appropriation

Code	Description	Lower	Upper	Master	Doc	Spec
1	Liberal Arts	1.00	1.76	4.00	10.77	0.00
2	Science	1.78	3.02	7.53	20.61	0.00
3	Fine Arts	1.47	2.52	6.03	7.95	0.00
4	Teacher Ed	1.63	2.08	2.56	7.42	0.00
5	Agriculture	2.07	2.75	7.80	11.77	0.00
6	Engineering	2.38	3.52	7.10	17.98	0.00
7	Home Economics	1.10	1.75	3.01	8.67	0.00
8	Law	0.00	0.00	0.00	0.00	5.13
9	Social Services	1.68	2.05	2.93	18.18	0.00
10	Library Science	1.49	1.57	3.60	12.06	0.00
11	Veterinary Med	0.00	0.00	0.00	0.00	22.03
12	Vocational Training	1.45	2.64	0.00	0.00	0.00
13	Physical Training	1.51	1.26	0.00	0.00	0.00
14	Health Services	1.07	1.65	2.79	9.86	2.64
15	Pharmacy	1.86	5.02	28.29	35.14	4.32
16	Business Admin	1.19	1.88	3.39	23.92	0.00
17	Optometry	0.00	0.00	37.52	55.92	7.58
18	Teacher Ed Pract	2.28	2.13	0.00	0.00	0.00
19	Technology	2.26	2.41	3.89	5.20	0.00
20	Nursing	1.72	2.11	3.34	8.99	0.00
21	Developmental Ed	1.00	0.00	0.00	0.00	0.00

There are additional nuances involved with formula funding such as the timing delay for appropriation and the lower level of the student/course

State Appropriations - Formula Funding (cont.)

- Formula funding weights are determined by the state cost study
- LL Liberal Arts = 1.00
- Charging expenses accurately helps ensure the matrix is appropriately stated



State Appropriations - Formula Funding (cont.)

Example

20 seniors enrolled in ACCT 4140

$$20 \times 3 = 60 \text{ SCH}$$

$$60 \text{ SCH} \times 1.88 \text{ (upper level Business Admin)} = 112.8$$

$$112.8 \times \$55.39 = \$6,247.99$$

[to account for statutory tuition]

$$60 \text{ SCH} \times \$50 = \$3,000 \text{ (800001 GRD)}$$

$$\$6,247.99 - \$3,000 = \$3,247.99 \text{ (805001)}$$

$$\text{Total State Appropriation (800001/805001)} = \$6,247.99$$

$$60 \text{ SCH} \times \$230.11 = \$13,806.60 \text{ (830001 – designated tuition)}$$

Incremental budgeting

- An incremental budget is a budget prepared using a previous period's budget as a basis with incremental amounts added for the new budget period

Advantages	Disadvantages
<ul style="list-style-type: none">• The budget is stable and change is gradual.• Managers can operate their departments on a consistent basis.• The system is relatively simple to operate and easy to understand.• Increments may be easier to control centrally	<ul style="list-style-type: none">• The budget may become out of date and no longer relate to the level of activity or type of work being carried out.• The priority for resources may have changed since the budgets were set originally.• No incentive for developing new ideas.• No incentives to reduce costs.• Encourages spending up to the budget so that the budget is maintained next year.

Budgeting process

Tuition & Fee committee (new this year) benchmarks against peers, analyzes student cost of attendance, and identifies ways to improve transparency

August:
Tuition & Fee Committee provides recommendations to Cabinet

Nov.:
President presents recommended tuition and fee increases to Board of Regents

December/January:
Incidentals are finalized and submitted to President

March/April:
New funding requests sent to Budget

May: Each Dean will have a budget hearing with SVP for Finance & Administration as well as Provost

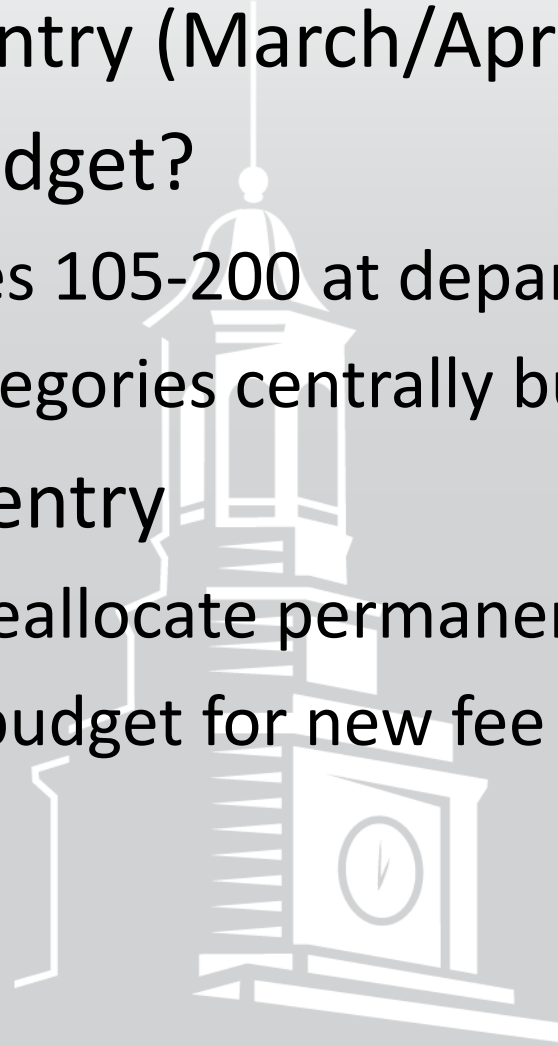
June: Each VP will have a budget hearing with the SVP for Finance & Administration and the President.

June/July:
Revenue estimates are refined

July:
University Leadership decide on new funding requests based on need and strategic alignment

Budget Entry (March/April/May)

- What do we budget?
 - Fund categories 105-200 at department level
 - Other fund categories centrally budgeted
- Hyperion data entry
 - Exercise is to reallocate permanent budgets
 - Also, we may budget for new fee revenue estimates



FY18 Budget example (key changes)

- Tuition and fee increase \$9.15
 - 2.25% enrollment increase; 3.9% COA increase
- State appropriation decrease (\$6.01)
 - Changes for funding formula
- Increases in salaries \$3.6
 - New faculty lines
- Decreases in salaries (\$6.95)
 - 7 staff positions; staff salary savings
- Increase in shared & core services \$7.38

What are some ways to impact the budget?

- Most unrestricted revenue is driven by SCH
 - Enrollment
 - Retention
 - New program growth
 - Recruiting
- Continuously reviewing existing expense allocations
- Request staff salary savings only when necessary



Budget Execution

- Tuition and fees are articulated by Texas Education Code Title 3 Subtitle A Chapter 54

- Library fee, technology fee, and course (instructional) fees are 54.504 incidental fees

*The rate of an incidental fee must **reasonably reflect the actual cost** to the university of the materials or services for which the fee is collected.*

- OSTF fee is a 54.545 continuing education fee

*The board shall set the fee in an amount **sufficient to permit the institution to recover the costs** to the institution of providing the course.*

Budget Execution

- Cognos is principal management tool
 - Improvements to business processes will enhance usefulness
 - Manual encumbrances
 - Concur travel & Pcard
- Responsibilities are significant
 - 10.005 “The department head is ultimately responsible for ensuring compliance with this policy, regardless of assignment”
 - The DeptID Holder of Record is solely accountable for all processes and personnel actions that affect the funds entrusted to him/her

Resources: [Admin Toolkit](#)

<https://vpaa.unt.edu/admin-tools>

UNT | Academic Resources

Administrator Toolkit

This Administrative Toolkit is a resource for academic areas. It has been created to provide easy access to various tools and resources that may be located in different administrative areas. This Toolkit is designed to assist administrators with various aspects of their duties, including academic, financial and compliance related tasks.

Frequently Asked Questions:

How do I hire a new employee? [Faculty](#), [Adjunct](#), [Staff](#), [Student](#)?

[How do I make sure my department is Audit-proof?](#)

[How can my department arrange for study abroad?](#)

[How are moving expenses reimbursed?](#)

[When are the payroll deadlines?](#)

I. Asset Management	. Office of Grants & Contracts (OGCA)
II. Budgets	. Payroll
III. Facilities	. Procurement
IV. Faculty	. Registrar
V. Foundations	. Student Employees
VI. Graduate and Teaching Assistants	. Testing/Service Agreements
VII. Human Resources (HR)	. Travel
VIII. Internal Controls	

[Asset Management](#) >

Administrator Toolkit

- [Asset Management](#)
- [Budgets](#)
- [Facilities](#)
- [Faculty](#)
- [Foundations](#)
- [Graduate and Teaching Assistants](#)
- [Human Resources \(HR\)](#)
- [Internal Controls](#)
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Contact Us

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**Thank
You.**

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